

MINNESOTA SPORTS FACILITIES AUTHORITY

Regular Meeting
Friday, August 3, 2012
9:00 a.m.

Hubert H. Humphrey Metrodome
Halsey Hall Room
900 South 5th Street
Minneapolis, MN 55415

1. CALL TO ORDER

Chair Michele Kelm-Helgen called the meeting of the Minnesota Sports Facilities Authority to order at 9:00 a.m.

2. ROLL CALL

Commissioners Present: Barbara Butts Williams, Duane Benson, Bill McCarthy, John Griffith, Michele Kelm-Helgen

Commissioners Absent: None

3. ADOPTION OF AGENDA

Chair Kelm-Helgen presented the agenda. *A motion was made by Commissioner Benson and seconded by Commissioner Butts Williams to adopt the agenda. Motion carried.*

4. APPROVAL OF AUTHORITY MEETING MINUTES

Approval of Authority Minutes for Regular Meeting of July 13, 2012. *A motion made by Commissioner Benson and seconded by Commissioner McCarthy to approve the minutes. Motion carried.*

5. BUSINESS

a Action Items – New Stadium

i. Approve Proposal & Award Contract – New Stadium Environmental Consultant
On July 9, 2012 at 4pm two proposals were received for environmental consulting services. One proposal was provided by Wenck Associates, Inc. and the other by Kimley-Horn and Associates Inc.

On July 13, 2012 the MSFA directed staff to negotiate with both proposers and return with a recommendation for contract award.

Staff in collaboration with the Minnesota Vikings reviewed with the proposers their individual submittals. Following those discussions Wenck provided a revised proposal for the work (hourly not to exceed) in the amount of \$750,000 with a completion date of July 29, 2013. Kimley Horn et al provided a revised proposal for (hourly not to exceed) in the amount \$747,096 and a completion date of July 31, 2013.

Staff and the Minnesota Vikings are in agreement that this new stadium consulting work should be awarded to Kimley Horn et al as outlined above. This work will be a direct project related expense and funded by the project.

Recommendation: The Authority accepts the revised proposal for Environmental Consulting Services from Kimley Horn, Inc. subject to final negotiation by the Chair and CEO/Executive Director. Furthermore, the Authority authorizes the Chair and CEO/Executive Director to enter into a contract for those services upon completion of contract negotiations. Motion made by Commissioner McCarthy and seconded by Commissioner Griffith. Motion carried.

ii. Authorize Chair & Staff to Negotiate & Award – MSFA Owner’s Representative

On July 11, 2012 fourteen proposals were received for MSFA Owner’s Representative Services. The proposals were reviewed by a committee composed of CEO/Executive Director Ted Mondale, staff member Steve Maki, Chair Kelm-Helgen, Board Member Griffith, Legal Counsel Kathleen Lamb and Financial Consultant Craig Skiem. From that review, three firms were selected to be interviewed. Weston Sports and Entertainment, Hammes Company, and International Facilities Group were interviewed by the committee for the work on July 20, 2012.

Based upon the materials submitted by the interviewees and the interviews of the three firms, the committee recommends that the contract for the above work be awarded to Hammes Company. Hammes has performed significant work as an Owner’s Representative or Program Manager on NFL projects such as the Met Life Stadium (NY Jets & NY Giants), Lambeau Field expansion and renovation (Green Bay Packers) and Ford Field (Detroit Lions). Hammes has assigned Scott Stenman as their Project Director in leading their efforts on the project. Scott, has had significant recent work on the Jets/Giants project as well as the Lambeau Field expansion of seating with adjacent mixed use development. Hammes will have other key personnel on hand for various stages of the project. Hammes will commit approximately 45,000 work hours to the project for a not to exceed cost of \$7,812,040 for those efforts.

Chair Kelm-Helgen introduced Scott Stenman and indicated Mr. Stenman would be moving from Madison, WI to lead owner’s representative work from Hammes.

Recommendation: The Authority accepts the proposal for Owner’s Representative Services from Hammes Company subject to final negotiation by the Chair and CEO/Executive Director. Furthermore, the Authority authorizes the Chair and CEO/Executive Director to enter into a contract for those services upon completion

of contract negotiations. Motion made by Commissioner Griffith and seconded by Commissioner Butts Williams. Motion carried.

iii. Authorize RFP – Architectural Services

The new stadium project will require significant architectural and design engineering services. Staff and the Minnesota Vikings have had initial discussions regarding the RFP content and structure. Staff believes the document will be ready for issuance prior to the Authority's August 24, 2012 meeting.

In order to move this new stadium matter in a prompt and efficient manner, staff is requesting the Authority to authorize the issuance of the request for proposals for architectural services upon completion of the document by staff and team. Staff will send the completed document to the board with issuance. Under the tentative schedule for the proposal, the Authority would act on this matter in September. The estimated cost for these services is in the \$40-50M range.

Recommendation: The Authority authorize issuance of a Request for Proposal – Architectural Services as outlined above. Motion made by Commissioner Butts Williams and seconded by Commissioner Benson. Motion Carried.

iv. Authorize RFP – Construction Management Services

The new stadium project will initially require services in the area of budgeting and scheduling. Dependent upon the project delivery method chosen, the construction manager chosen could be the general contractor for construction of the new stadium. Staff and the Minnesota Vikings will soon begin discussion on the construction management RFP content and structure. Staff believes the document will be ready for issuance prior to the Authority's August 24, 2012 meeting.

In order to move this new stadium matter in a prompt and efficient manner, staff is requesting the Authority to authorize the issuance of the request for proposals for construction management services upon completion of the document by staff and team. Staff will send the draft document to the board for comments prior to being issued. Staff anticipates the Authority would act on this matter in late September. The initial cost of these services would be \$2-3M and could increase dependent upon project delivery method.

Recommendation: The Authority authorize issuance of a Request for Proposal – Construction Management Services as outlined above. Motion made by Commissioner McCarthy and seconded by Commissioner Butts Williams. Motion Carried.

v. Authorize RFP – Financial Institution Trustee Services

The Minnesota Sports Facilities Authority together with the Minnesota Vikings plan to pay for the costs of site acquisition, site infrastructure, and development and construction of a multi-purpose

stadium. The Authority expects to create certain project and trust accounts to record and account for all monies held to pay project costs. In addition the Authority will receive funds for a capital improvement reserve for the stadium and funds for stadium operating costs. The Authority may also receive other revenues from the stadium and may create reserves for other purposes.

A variety of banking services will be needed for the deposit, disbursement, and safekeeping of funds. Selection of banking services and establishment of proper controls will help the Authority achieve its objectives of appropriate and cost-effective banking services while protecting its funds and reducing risk to its reputation.

The Authority will initiate a process of competitive procurement for major banking services. The process will use a request for proposals (RFP) that will include evaluation of services, fees, earnings credit rates, and availability schedules for deposited funds. Services contemplated include having a primary relationship manager who will serve as a central point of contact, understand the needs of the Authority and be able to offer recommendations for service improvements. Independent bank evaluation services will be used to verify the creditworthiness of the financial institution prior to award of the contract and throughout the contract period.

Recommendation: The Authority authorizes the CEO/Executive Director to solicit Request for Proposals (RFP) for financial institution services. A recommendation for contract award will be presented at a future meeting. Motion made by Commissioner Benson and seconded by Commissioner Butts Williams. Motion carried.

vi. Approve Full Time Director of Communications Position

The Minnesota Sports Facilities Authority has a need for a Full-time Director of Communications. This position will develop and execute communication plans and establish and maintain key relationships for the construction of the new multi-use stadium including the Minnesota Vikings, City of Minneapolis, and several design and construction affiliates.

The position will advise the Authority of media issues, events, and courses of action that impact the public throughout construction of the new facility. The position will be instrumental in addressing all media issues, legislative hearings and events such as ground breaking and construction updates, preparing press releases, reports, and presentations about construction activity, and developing content for the web site. Utilization of social media to distribute information related to design and constructions issues will also be important. Expertise and experience handling sensitive and high profile projects will be required.

The recruiting process will include advertisement of the position, review of applications, and interviews. The salary will be commensurate with the position qualifications and responsibilities.

Recommendation: The Authority approves the addition of a full-time Director of Communications position. Motion made by Commissioner Griffith and seconded by Commissioner Butts Williams Motion carried.

- b. Action Items – MSFC/Other
 - i. Approve Resolution Assuming Certain Agreements from MSFC

WHEREAS, Minnesota Laws 2012, Chapter 299, in part codified at Minn. Stat. Sec. 473J.25 provides that the Metropolitan Sports Facilities Commission (the “Commission”), within 90 days of the enactment of the statute, “shall pay its outstanding obligations, settle its accounts, and transfer its remaining assets, liabilities, and obligations” to the Minnesota Sports Facilities Authority (the “Authority”), and upon such transfer the Commission “is abolished;” and

WHEREAS, to comply with the statute and transfer the assets, liabilities, and obligations of the Commission to the Authority, the Commission, by resolution number 2012-4 has transferred and assigned certain project services agreements and use agreements to the Authority; and

WHEREAS, to effectuate a smooth transition of business operations contemplated by the statute for the benefit of the public, the Authority desires to accept and assume responsibility for those agreements transferred and assigned by the Commission.

NOW, THEREFORE BE IT RESOLVED:

1. The Authority hereby accepts and assumes the Commission’s rights and obligations in, and substitutes the Authority’s name in replacement of the Commission’s name in the active project services agreements identified in Exhibit A.
2. The Authority hereby accepts and assumes the Commission’s rights and obligations in, and substitutes the Authority’s name in replacement of the Commission’s name in the active use agreements identified in Exhibit B and in the active agreements identified in Exhibit C.
3. The Chair and Chief Executive Officer of the Authority are empowered to take all action and execute any documents that are necessary or convenient to effectuate this Resolution.

Executive Director Mondale requested that on Exhibit C, the Laborers’ International Union, Construction and General Laborers’ Local No. 563 be omitted from this resolution to be renegotiated at a later date.

Motion to Approve Amended Resolution Assuming Certain Agreements from MSFC was made by Commissioner McCarthy and seconded by Commissioner Benson. Motion Carried.

EXHIBIT A

Project Services Agreements
To Be Assumed by the Minnesota Sports Facilities Authority

ABM Janitorial Services
American Mailing Machines
Associated Insurance Agents, Inc.
Atlas Abatement & Contracting LLC
AT &T / New Cingular Wireless
Volume Services, Inc. d/b/a Centerplate
Ceres Environmental Services, Inc.
CSL (Conventions, Sports & Leisure)
Daktronics, Inc.
Eberhardt Advisory LLC
Electronic Design Company
Frattalone Excavation
Headwater Creative
Hennepin County
Hunt Electric Corporation
Kimley – Horn & Associates
Kone Inc.
Maertens Brenny Construction Co.
Marsden Building Maintenance LLC
McGrann Shea
Meterologix-Telvent DTN
Nexus Information Systems
NRG
Quest Retail Technology
Qwest Communications Co.
Smarte Cash International
Sprint Nextel
Time Share Systems
Toshiba
Transcend United Technologies
Verizon Wireless
Waste Management
Whelan
Xcel Energy

EXHIBIT B

Use Agreements
To Be Assumed by the Minnesota Sports Facilities Authority

Feld Inc.
MDRA Running
Rollerdome
Model Airplane Club
AEG parking agreement
SW Transit parking agreement

EXHIBIT C

Other Agreements

To Be Assumed by the Minnesota Sports Facilities Authority

Laborers' International Union, Construction and General Laborers' Local No. 563

Metropolitan Council (employee benefits)

Minneapolis Community Development Agency

Minneapolis Venture LLC

ii. Approve Resolution Regarding 1979 Football Use Agreement

WHEREAS, the Metropolitan Sports Facilities Commission (the "Commission") entered into a Football Use Agreement with Minnesota Vikings Football Club, Inc., n/k/a Minnesota Vikings Football, LLC (hereafter, the "Team") on August 8, 1979 (the "Football Use Agreement"); and

WHEREAS, the Football Use Agreement was extended through the end of the 2012-13 season by operation of the force majeure clause (Football Use Agreement § 15.3); and

WHEREAS, Minnesota Laws 2012, Chapter 299 (the "Act"), in part codified at Minn. Stat. § 473J.25 Subd. 2, provides: "Within 90 days of the enactment of this chapter, the Metropolitan Sports Facilities Commission shall pay its outstanding obligations, settle its accounts, and transfer its remaining assets, liabilities, and obligations to the authority, for its purposes"; and

WHEREAS, the Football Use Agreement at section 1.1. defines the "Commission" to include any of its "statutory successors"; and

WHEREAS, the Authority is the statutory successor of the Commission pursuant to Section 24 of the Act, and codified at Minn. Stat. § 473J.25 Subd. 3; and

WHEREAS, the rights and obligations of the Commission under the Football Use Agreement are the rights and obligations of the Authority by operation of Section 1.1. of the Football Use Agreement, as well as by direction of the Minnesota Legislature; and

WHEREAS, the Football Use Agreement places no restriction on the rights of the Commission to assign its rights and obligations under the Football Use Agreement; and

WHEREAS, the Commission will be abolished upon transfer to the Authority of all of the Commission's remaining assets, liabilities, and obligations, pursuant to Section 24 of the Act, codified at Minn. Stat. § 473J.25 Subd. 3.

NOW, THEREFORE BE IT RESOLVED:

1. As the statutory successor of the Commission, the Authority enjoys all rights and obligations of the Commission under the Football Use Agreement pursuant to Section 1.1 of such agreement.

2. The Authority accepts the Commission's assignment and accepts and assumes all of its rights and obligations under the Football Use Agreement to the Authority, effective August 1, 2012.

3. The Chair and Chief Executive Officer of the Authority are empowered to take all action and execute any such documents as are necessary or proper to effectuate this Resolution.

Motion to Approve Resolution Regarding 1979 Football Use Agreement was made by Commissioner McCarthy and seconded by Commissioner Butts Williams. Motion carried.

iii. Approve Resolution Regarding Assumption of Real and Personal Property

WHEREAS, the Minnesota Legislature enacted Minnesota Laws 2012, Chapter 299 (the "Act"), establishing the Minnesota Sports Facilities Authority (the "Authority") and providing for the financing, construction, and long-term use of a new stadium suitable for professional football and related infrastructure in Minneapolis, Minnesota; and

WHEREAS, the Act, in part codified at Minnesota Statutes section 473J.25, subdivision 2, provides: "Within 90 days of the enactment of this chapter, the Metropolitan Sports Facilities Commission shall pay its outstanding obligations, settle its accounts, and transfer its remaining assets, liabilities, and obligations to the authority, for its purposes;" and

WHEREAS, the Metropolitan Sports Facilities Commission (the "Commission") owns the real property on which the current Metrodome facility is situated, holds various other property interests and rights, owns or uses various items of personal property in the ongoing operations of the Metrodome and the Commission, and has various assets, liabilities, and obligations in connection with, among other things, the real and personal property and the ongoing operations of the Metrodome and the Commission (the "Property Rights"); and

WHEREAS, to comply with the Act and to transfer the Property Rights of the Commission to the Authority, the Commission, by Resolution No. 2012-5, has authorized and approved the transfer and assignment of its Property Rights to the Authority; and

WHEREAS, to effectuate a smooth transition of business operations contemplated by the Act for the benefit of the public, the Authority desires to accept and assume the Property Rights transferred and assigned by the Commission.

NOW, THEREFORE BE IT RESOLVED:

1. The Authority hereby authorizes and approves the acceptance and assumption of the transfer and assignment from the Commission of all right, title, interest, liabilities, and obligations in and to the Property Rights.
2. The Chair and Chief Executive Officer of the Authority are hereby authorized to prepare, finalize, execute, and deliver all deeds, certificates, agreements and any other documents necessary to complete the conveyance, transfer, and assignment to and assumption by the

Authority of all of the Commission's Property Rights, and to take all action and execute any documents that are necessary or convenient to effectuate this resolution.

Motion to Approve Resolution Regarding Assumption of Real and Personal Property was made by Commissioner McCarthy and seconded by Commissioner Benson. Motion carried.

a. Approve Resolution Assuming Obligations Concerning Other Contracts

WHEREAS, Minnesota Laws 2012, Chapter 299, in part codified at Minn. Stat. Sec. 473J.25 provides that the Metropolitan Sports Facilities Commission (the "Commission"), within 90 days of the enactment of the statute, "shall pay its outstanding obligations, settle its accounts, and transfer its remaining assets, liabilities, and obligations" to the Minnesota Sports Facilities Authority (the "Authority"), and upon such transfer the Commission "is abolished;" and

WHEREAS, to comply with the statute and transfer the assets, liabilities, and obligations of the Commission to the Authority, the Commission, by resolution number 2012-6 has transferred and assigned its assets, liabilities, and obligations to the Authority; and

WHEREAS, to effectuate a smooth transition of business operations contemplated by the statute for the benefit of the public, the Authority desires to accept and assume responsibility for those assets, liabilities, and obligations transferred and assigned by the Commission.

NOW, THEREFORE BE IT RESOLVED:

1. The Authority hereby accepts and assumes the Commission's remaining assets, liabilities, and obligations.
2. The Commission's assets include, but are not limited to, all of the tangible and intangible assets of the Commission, all representations, warranties, and covenants made for the benefit of the Commission, and, to the extent transferrable or assignable, all permits, licenses, accreditations, and regulatory approvals necessary or useful in the business or operation of the Commission.
3. The Chair and Chief Executive Officer of the Authority are empowered to take all action and execute any documents that are necessary or convenient to effectuate this Resolution.

Motion to Approve Resolution Assuming Obligations Concerning Other Contracts was made by Commissioner Benson and seconded by Commissioner Butts Williams. Motion carried.

b. Approve Resolution Imposing Admissions Tax

WHEREAS, Minnesota Statutes Section 473.595 directed the Metropolitan Sports Facilities Commission to impose by resolution a ten percent admission tax upon the granting, issuance, sale, or distribution by any private or public person, association, or corporation for the privilege of admission to activities at the Hubert H. Humphrey Metrodome in the City of Minneapolis;

WHEREAS, no other tax, surcharge or governmental imposition except the taxes imposed by Chapter 297A may be levied by any other unit of government upon such sale or distribution;

WHEREAS, Minnesota Statutes 2012, Chapter 299 provided for the abolition of the Metropolitan Sports Facilities Commission, and, upon its abolition, provided that the powers and duties of the Commission under Minnesota Statutes Sections 473.551 to 473.599 and any other law shall devolve upon the Minnesota Sports Facilities Authority, in addition to the powers and duties of the Authority under Minnesota Statutes Chapter 473J, until the first NFL home game is played at the new stadium authorized by Chapter 299;

WHEREAS, Minnesota Statutes Section 473.595 is specifically included in the listing of statutory powers and duties that “shall devolve” upon the Authority; and

WHEREAS, the Authority is required to impose by resolution and maintain a ten percent admission tax upon the granting, issuance, sale, or distribution, by any private or public person, association, or corporation, of the privilege of admission to activities at the Metrodome.

NOW, THEREFORE, BE IT RESOLVED by the Minnesota Sports Facilities Authority:

1. A ten percent admission tax is hereby imposed upon the granting, issuance, sale, or distribution by any private or public person, association, or corporation of the privilege of admission to activities conducted at the Hubert H. Humphrey Metrodome in the City of Minneapolis.
2. The admission tax shall be stated and charged separately from the sales price so far as practicable. The admission tax on a ticket (or other privilege of admission) granted or distributed but not sold, such as a complimentary ticket, or sold at a discount or traded for goods or services shall be ten percent of the sale price of a ticket (or other privilege of admission) sold for a comparable seat or vantage point at the same activity.
3. Every private or public person, association, or corporation granting, selling or distributing the privilege of admission to such activities shall first obtain a permit from the Authority and shall collect the ten percent admission tax.
4. Every private or public person granting, selling, or distributing the privilege of admission to such activities shall file a return and remit to the Authority the ten percent admission tax required to be collected no later than the 25th day of the month following the month in which the privilege is granted, sold, or distributed.
5. A ten percent penalty is imposed for failure to file a return and remit the tax on or before the due date, and interest at the rate of twelve percent per year shall be paid from the date due to the date of remittance.

6. The Chief Executive Officer is authorized and directed to prepare forms for the implementation of Minnesota Statutes Section 473.595 and of this resolution, to issue permits, and to require such security deposits as he deems necessary or expedient to ensure the prompt and uniform collection of the tax.

Executive Director Mondale requested to amend the interest rate on item 3 above from 12% to 3%.

Motion to Approve the Amended Resolution Imposing Admissions Tax was made by Commissioner Benson and seconded by Commissioner McCarthy. Motion carried.

c. Authorize Extension of Tent Consulting Services Contract

The Metropolitan Sports Facilities Commission entered an agreement with Ultimate Events (formerly known as Aarcee Party and Tent Rental) to provide outdoor tents to be used throughout the Vikings' season. The agreement was extended through the 2011 season. The first Vikings' game is August 17, 2012.

Staff recommends that the Authority amend and restate the agreement with Ultimate Events in the amount of \$200,000 for the 2012 season, including play-off games.

Recommendation: That the Chair and the chief Executive Officer are authorized to negotiate and enter into an amended and restated agreement with Ultimate Events consistent with the terms stated above. Motion made by Commissioner Butts Williams and seconded by Commissioner Benson.

7. **RECESS**

Chair Kelm-Helgen called a 20 minute recess with the Authority Board to reconvene at 9:50am.

8. **RETREAT**

"Design and Construction Methods for Public Projects" – presented by Ed Hunter. Presentation can be found on the MSFA website.

9. **ANNOUNCE FUTURE MEETINGS**

- a. Friday, August 3, 2012, following this meeting – Tour of the Metrodome
- b. Tuesday, August 7, 2012 at 2:00pm – Vikings Training Camp visit
- c. Friday, August 24, 2012 at 9:00am – Regularly Scheduled Meeting

10. **ADJOURNMENT**

There being no further business to come before the Authority, Chair Kelm-Helgen adjourned the meeting at 11:50am.