



MINNESOTA SPORTS FACILITIES AUTHORITY REGULAR MEETING MINUTES

Friday, October 10, 2014, 9:00 A.M.

1010 Metrodome Square Building, Lower Level Conference Room

1010 South 7th Street, Minneapolis, MN 55415

1. CALL TO ORDER

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

2. ROLL CALL

Commissioners Present: Chair Kelm-Helgen, Commissioner Butts Williams, Commissioner McCarthy, Commissioner Benson and Commissioner Griffith.

Commissioners Absent: None

3. ADOPTION OF AGENDA

Chair Kelm-Helgen presented the agenda. Commissioner McCarthy moved approval of the agenda, seconded by Commissioner Benson and approved unanimously – 5 YEAS, 0 NAYS.

APPROVED

4. APPROVAL OF AUTHORITY MEETING MINUTES

Commissioner Benson moved approval of the August 22, 2014 Regular Meeting Minutes, seconded by Commissioner Butts Williams and approved unanimously – 5 YEAS, 0 NAYS.

APPROVED

5. CHAIR'S REPORT

Chair Kelm-Helgen relayed that much of the main activity has been focused around construction of the stadium. They have been spending days and nights with Mortenson, HKS, Inc and all of the partners to ensure construction remains on schedule and on budget. There will be a more detailed update from Mortenson but generally; the building is now over 20% complete. 200 Minnesota companies have been involved in construction and over 2000 workers have been on the site. On a day like today, one can find 665 workers out there on site. Things are moving on schedule and on budget.



Today, the board is approving a number of changes to the building for a total cost of \$518,000. The Team is again stepping up to cover these costs. This amount covers additional concession areas on the North and South sides of the building, additional mechanical and electrical work, skyway design fees and design fees for a revamp of the press area. These are not major changes but they represent significant progress. Chair Kelm-Helgen thanked the Vikings for stepping up again.

SMG, the Authority's third party operator, has been doing a lot of work with the staff. They have begun sales and marketing efforts for the building and are looking at what kinds of events they can attract. SMG is looking ahead to getting the building set up and operational. They are also looking at the hiring of individuals to operate the building and have been giving the Authority input for design changes to make sure the building operates efficiently.

Chair Kelm-Helgen reported that the Minneapolis NCAA Final Four bid committee will be giving a final presentation on November 11, 2014 in Indianapolis. The University of Minnesota has served as one of the leading partners on the bid committee and will be the host for the potential basketball tournament. There are eight finalists with four years of championships to allocate to various cities. The bid committee is hopeful and will put forth the best bid possible.

Chair Kelm-Helgen acknowledged members of the public present at the meeting who were there to advocate for the birds. She relayed that the Authority and Team had a very productive meeting with the Audubon Society yesterday. This was in addition to a series of meetings that had been held with the Audubon Society over the course of the past year. The Authority has also met with some other groups as well. Chair Kelm-Helgen indicated that the project team believes they're on a positive trajectory with folks as they're looking to implement staff architects and engineers' lighting design guidelines. The Authority will meet all of the lighting design and operational guidelines originally proposed by the Audubon Society. Chair Kelm-Helgen noted that the Authority would continue conversations and explore avenues to mitigate any future impacts.

6. BUSINESS

a. Action Items

i. Approve Project Budget Amendments

Approve Potential Change Orders to Mortenson Construction Services Agreement-CSA Revision No. 18

- Potential Change Order (PCO) No. 1198 provides for the acceptance of additional concession amenities at the north and south side.
Cost for PCO No. 1198 is \$183,380.00. PCO No. 1198 will be included in CSA Revision No. 18.
- Potential Change Order (PCO) No. 1199 includes costs associated with the mechanical, electrical, technology rough-in, an additional elevator, and enclosure walls.
Costs for PCO No. 1199 are \$245,458.00. PCO No. 1199 will be included in CSA Revision No. 18.



Approval of these PCOs will increase Mortenson's contract amount by \$428,838.00.

Recommendation: The Authority approves CSA Revision No. 18 to the Mortenson contract in the add amount of \$428,838.00. The Authority authorizes the Chair and CEO/Executive Director to execute CSA Revision No. 18. Commissioner Benson moved to approve the recommendation. Commissioner Butts Williams seconded the motion.

APPROVED

Approve Change Order Request No. 03 to Ryan's Stadium Skyway Design Build Agreement- DBA Revision No. 3

- Change Order Request No. 03 provides for the additional design services to be provided by Ryan Companies to design the Stadium Skyway. Change Order Request No. 03 will be included in DBA Revision No. 3.

Approval of this Change Request will increase Ryan's Stadium Skyway DBA amount by \$66,730.00.

Recommendation: The Authority approves Revision No. 3 to the Ryan Stadium Skyway DBA in the add amount of \$66,730.00. The Authority authorizes the Chair and CEO/Executive Director to execute Stadium Skyway DBA Revision No. 3. Commissioner Benson moved to approve the recommendation. Commissioner Butts Williams seconded the motion.

APPROVED

Approve Additional Service Requests to HKS Design Services Agreement-DSA Revision No. 10

Additional Service Request (ASR) No. 38 provides for the redesign of the Press Box to meet media space needs. The Total Cost for ASR 38 is \$44,818.00. The Vikings will pay for half in the amount of \$22,414, and the Authority will pay for the other half with the Owner's Contingency (the Owner's Contingency portion was already included in the overall project budget). ASR No. 38 will be included in DSA Revision No. 10.

Approval of this ASR will increase HKS' contract amount by \$44,818.00.

Recommendation: The Authority approves DSA Revision No. 10 to the HKS contract in the add amount of \$44,818.00. The Authority authorizes the Chair and CEO/Executive Director to execute DSA Revision No. 10. Commissioner Benson moved to approve the recommendation. Commissioner Butts Williams seconded the motion.

APPROVED

Approve Capital Budget Increase

On August 22, 2014, the Authority approved a capital budget of \$1,023,650,000 to allow for the expenditure of funds for project costs related to the stadium project. The Minnesota Vikings have agreed to fund these additional changes to the project as discussed above.



The requested project changes are:

- Mortenson CSA - CSA Revision No. 18 provides for the additional scope outlined in PCOs 1198 and 1199 for a cost of \$428,838.00.
- Ryan Stadium Skyway DBA – DBA Revision No. 3 provides for additional design services outlined in CR No. 3 for a cost of \$66,730.00
- HKS DSA – DSA Revision No. 10 provides for the additional scope outlined in ASR 38 for a total cost of \$44,818. The Minnesota Vikings have agreed to provide additional funding for \$22,409 of the total.

Due to these contract revisions, the project budget needs to increase by \$517,977.00. This project budget increase will be funded entirely by the Minnesota Vikings.

Recommendation: The Authority approves an increase of \$517,977.00 to the Team Contribution Source of Funding within the project capital budget, and an increase of \$517,977.00 to the Uses of Funds identified above. Overall, the total project budget will increase from \$1,023,650,000 to \$1,024,167,977.00. Commissioner Benson moved to approve the recommendation. Commissioner Butts Williams seconded the motion.

APPROVED

ii. Approve Adjustment to Vikings Source of Funds

Under the Development Agreement with the Minnesota Vikings Football Stadium, LLC, the Vikings have secured approximately \$51.448 million of the Vikings' financing commitment through bank-issued letters of credit. The Vikings have requested the approval of the Authority to replace the letters of credit with cash deposits in amounts equal to the letters of credit.

Under the Development Agreement, the Authority has the right to approve certain changes to the Vikings' source of funding. This requirement is included so that the Authority can ensure that funding is readily available as needed for Project funding. In this situation, cash deposits would be made in sufficient amounts to meet the obligations currently satisfied through the letters of credit.

Recommendation: The Authority approves the request by Minnesota Vikings Football Stadium, LLC to supply cash sources of Project funds in lieu of letters of credit and authorizes the Chair and CEO/Executive Director to finalize the terms of and execute all documents required to do so. Commissioner McCarthy moved to approve the recommendation. Commissioner Benson seconded the motion.

APPROVED



iii. Approve Proposal & Award Contract – Fan Recognition Program

The MN Sports Facilities Authority (Authority) issued a Request for Proposal (RFP) for the implementation of a Fan Recognition Program and Engraved Paver and Program Fulfillment Services for the new Minnesota Multi-Purpose Stadium in September of this year. Two responses were received for the RFP. The firms responding were:

- Fund Raisers, Ltd.
- Fundraising Brick LLC

Based upon the submittals by the proposers and subsequent discussions, the Minnesota Vikings and Authority are in agreement to finalize negotiations with Fund Raisers, Ltd.

Fund Raisers Ltd. have partnered with over 40 professional and collegiate sport teams in fan recognition programs similar to the program contemplated for the New Minnesota Multi-Purpose Stadium providing:

- ✓ Program set-up
- ✓ Marketing plan/timeline and execution
- ✓ In-house Call/Customer Service Center
- ✓ Paver and replica production, warehousing and distribution
- ✓ Locator system coordination

Clients/Stadiums that Fund Raisers Ltd. have provided their services to include: Levi's ® Stadium, San Francisco 49ers, AT&T Stadium, Dallas Cowboys, Target Field, Minnesota Twins, Busch Stadium, St. Louis Cardinals, CITI Field, New York Mets, Coors Field, Colorado Rockies, Fenway Park, Boston Red Sox, Lucas Oil Stadium, Indianapolis Colts, and Wrigley Field, Chicago Cubs.

Staff is requesting that Board authorize the Chair and CEO/Executive Director to finalize negotiations of the Personalized Fan Recognition Agreement and enter into a contract with Fund Raisers Ltd. upon final agreement of the terms.

Recommendation:

The Authority authorizes the Chair and CEO/Executive Director to finalize negotiations with Fund Raisers Ltd. as outlined above and enter into a contract consistent with those negotiations. Commissioner Butts Williams moved to approve the recommendation. Commissioner Benson seconded the motion.

APPROVED



iv. Approve & Authorize Request for Qualifications & Proposals – Document Management System

Throughout its 30-year history of owning and operating the Hubert H. Humphrey Metrodome, the Minnesota Sports Facilities Authority (Authority) has maintained electronic and paper documentation. The Authority wishes to consolidate this documentation in a state of the art document and content management system to provide such functionality as; capture and indexing of text, image, audio and video documents, web-enabled desktop and mobile access and retrieval, personalized dashboards, intuitive and searchable navigation of multiple document types, e-mail integration and archiving, configurable workflows and distribution, automated document retention scheduling, document history including revisions, reporting, auditing and records management.

As a part of the scope of work, the Authority's documents identified for retention from the large volume of historical paper documentation will be indexed and captured into an electronic format by the selected Vendor. In addition, the selected Vendor will capture and transfer electronic records stored on systems operated by the stadium design, construction and contract management partners into the new system by the selected Vendor.

The RFP, with Board approval, will be posted on the Authority web site on October 17, 2014. Full implementation of the document and content management system is specified in the RFP to be completed prior to the end of June 2016.

The staff is requesting authorization to issue a Request for Proposals for an Electronic Document Management System.

Recommendation: The Authority authorizes the issuance of a Request for Proposals for Electronic Document and Content Management Services. Commissioner Butts Williams moved to approve the recommendation. Commissioner McCarthy seconded the motion.

APPROVED

b. Report Items

i. First & Second Quarter Budget Report

Mary Fox-Stroman presented a combined first and second quarter budget report for the Minnesota Sports Facilities Authority (Authority) for the period from January 1, 2014 through June 30, 2014.

The budgetary comparison report for the operating account includes the Authority's adopted 2014 annual budget, actual revenues and expenses for the first and second quarter 2014, the change in account balance, and the ending account balance as of June 30, 2014.



The Authority’s first and second quarter 2014 operating revenues totaled \$697,076, operating expenses totaled \$3,454,805, the net operating loss was \$2,757,729 and the net non-operating expenses were \$241,342. As of June 30, 2014, the account balance decreased by \$2,999,071, and the ending account balance was \$9,640,777.

The budgetary comparison report for the stadium project trust account includes the project budget, actual revenues and expenses for 2012, 2013, and 2014, and a project-to-date column. For the period from January 1, 2014 through June 30, 2014, the stadium project trust account non-operating (non-capital) revenues totaled \$5,815,504, project expenses were \$113,606,944, capital contributions were \$107,791,440, and the ending account balance was \$0. Project-to-date non-operating (non-capital) revenues totaled \$7,237,031, project-to-date expenses totaled \$170,089,244, project-to-date capital contributions were \$162,852,213, for a net account balance of \$0.

Design services for the Block 1 Parking Ramp began in the first quarter of 2014 and continued into the second quarter. Expenses through June 30, 2014 for this project were \$1,035,226, capital contributions were \$1,035,226, and the account balance was \$0.

Minnesota Sports Facilities Authority
 Investment Summary
 June 30, 2014

Cash and Cash Equivalent Account as of June 30, 2014:

SUMMARY OF INVESTMENTS	
Cash and Cash Equivalents:	
U. S. Bank - operating account	\$134,686.88
U.S. Bank - payroll account	\$1,000.05
U.S. Bank - money market account and commercial paper account	\$1,168,818.47
U.S. Bank investment account	\$8,843,094.47
Total Cash and Cash Equivalents	\$10,147,599.87



Recommendation: None. This is for informational purposes only. No action is required at this time.

ii. Insurance Program Report – Ryan Skyways & Block 1 Parking Ramp

On August 22, 2014 the Minnesota Sports Facilities Authority (Authority) authorized staff to purchase the requisite insurance policies for the Block 1 parking ramp and stadium skyway, and then to provide an insurance report at the next board meeting.

Following are the insurance policies related to the Block 1 Parking Ramp and Stadium Skyway construction projects.

Contractors' Pollution Liability

The contractors' pollution liability policy provides coverage for pollution occurrences that arise out of the contractors' operations. Great American Insurance Corporation (GAIC) offered quotes for policy limits of \$5 million, \$10 million, or \$25 million per occurrence and aggregate. The \$10 million policy limit was procured; it has a \$250,000 deductible, it includes terrorism coverage, and the policy period is project term plus 5 years for completed operations.

<u>Carrier</u>	<u>Rating</u>	<u>Premium</u>
GAIC	A XIV	<u>\$ 17,671</u>

Owners Professional Protective Indemnity (OPPI)

The OPPI policy provides coverage for claims by the Authority against a design professional for a breach of professional duty in the performance of professional services related to the Block 1 Parking Ramp, stadium skyway, and/or Ryan skyways. The policy indemnifies the Authority and the Team for a loss in excess of Ryan Companies' design professional insurance of \$10 million. Quotes were received for policy limits from \$10 million to \$40 million. The \$30 million layered limit was procured, it has a \$250,000 deductible, and the policy period is September 1, 2014 to March 1, 2016.

For this type of policy the Authority (owner) is the beneficiary in the event that the Authority asserts a claim against the design professionals and their underlying insurance is deficient in areas not excluded by the policy. The policy provides coverage for damages incurred as a result of negligence of the design professionals. The policy is in excess of the design professionals' professional liability insurance and supplements the limits of liability that the design firms' carry on their professional liability policies. The policy also pays on behalf of the Authority for third party claims expenses and damages that the Authority is legally obligated to pay because of a claim from a third party, subject to the deductible and limit of liability. Third party claims arise from an actual or alleged negligent act, error, or omission of the design professional in the rendering or failure to render professional services.



Layered Program for Protective Indemnity

<u>Carrier</u>	<u>Rating</u>	<u>Claims and Third Party Claims</u>	<u>Premium</u>
Catlin	A XV	\$10 million	\$200,000
Swiss RE	A+XV	\$10 million excess of \$10 million	150,000
XL	AXV	\$10 million excess of \$20 million	130,000
	Total	\$30 million	<u>\$480,000</u>

(this premium is subject to audit)

Builders Risk – Delay Coverage

This builders risk policy provides delay in start up and soft cost coverage for the Authority and the Team. A quota share placement for the builders risk program was developed. Three markets were selected for the quota share placement. Separate delay/soft costs policy limits were established for the parking ramp and the stadium, the parking ramp limit is \$10 million and the stadium limit is \$25 million. This policy has a 30 day waiting period/deductible with a period of indemnity of 365 days for delay/soft costs. This policy does provide terrorism coverage and the policy term is 18 months.

<u>Carrier</u>	<u>Rating</u>	<u>Premium</u>
Stadium:		
Zurich (35%)	A+ XV	\$ 5,250
AIG (50%)	A XV	\$ 7,500
Travelers (15%)	A+ XV	\$ 2,250
Block 1 Parking Ramp:		
Zurich		<u>\$17,688</u>
	Total combined premium	<u>\$32,688</u>

(this premium is subject to audit)

Excess Liability

These policies provide coverage in excess of Ryan Companies' primary liability policy limit of \$52 million. The excess liability policies have a combined limit of \$150 million excess of Ryan Companies' \$52 million liability insurance tower. These policies have a retained limit of \$52 million, the policy term is September 1, 2014 to August 1, 2016, and terrorism coverage is provided.

<u>Carrier</u>	<u>Rating</u>	<u>Layers</u>	<u>Premium</u>
Berkshire (National Fire)	A XV	\$25 million excess of \$52 million primary policy	\$ 50,000
AWAC	A XV	\$25 million excess of \$25 million	25,000
Great American/ Axis	AXIV/A+ XV	\$50 million excess of \$50 million	25,000
AIG	A XV	\$50 million excess of \$100 million	57,500
	Total	\$150 million	<u>\$157,500</u>

Following is a Summary of the Insurance Program



<u>Policy Type</u>	<u>Carrier</u>	<u>Premium</u>	<u>Taxes and Fees</u>	<u>Total</u>
Contractors Pollution	GAIC	\$17,671.00		\$17,671.00
OPPI	Catlin	\$200,000.00	\$6,120.00	\$206,120.00
	Swiss RE	\$150,000.00	\$4,590.00	\$154,590.00
	XL	\$130,000.00	\$3,978.00	\$133,978.00
Builders Risk-Delay-Stadium	Zurich	\$5,250.00		\$5,250.00
	AIG	\$7,500.00		\$7,500.00
	Travelers	\$2,250.00		\$2,250.00
Builders Risk-Delay-Ramp	Zurich	\$17,688.00		\$17,688.00
Excess Liability	Berkshire (National Fire)	\$50,000.00	\$1,530.00	\$51,530.00
	AWAC	\$25,000.00		\$25,000.00
	AXIS/GAIC	\$25,000.00	\$383.00	\$25,383.00
	AIG	\$57,500.00		\$57,500.00
	Total	\$687,859.00	\$16,601.00	\$704,460.00

Recommendation: None. This is for informational purposes only. No action is required at this time.

iii. Equity Program Update

During the past two months, the Equity Program continues to exceed expectations. Since the August meeting, the Equity Program has seen its eighth and ninth month and was highlighted during the following events:

- Stadium Equity Oversight Committee Meeting (September 25, 2014)
- Legislative Oversight Committee Report
- Veteran Owned Small Business Symposium
- Mortenson Package #11 Meet & Greet
- North Central Minority Supplier Diversity Council Presentation (September 24, 2014)

The project reports were assessed as of June 2014. These reports are posted on the MSFA website for transparency purposes. *The next Stadium Equity Oversight Committee will be on 11/30/2014.*

- The EAF is currently conducting outreach and training for resource efforts in support of the project. **62 Trained and 24 Placements were made**
 - Outreach: 619 Workers identified; 148 available for hire
 - Training: 126 Minorities; 18 Women; 4 Veterans (Total: 148)



- Mortenson/Thor Construction provided a WORKFORCE report, **as of August 31, 2014**.
 - Exceeding both minority (32%) and women (6%) goals at;
 - **39% minority, 9% women and 5% veteran**
 - 442,088.25 hours total
 - **96 Workers from the TARGETED ZIP CODES** in the metro area
- HKS provided a TARGETED BUSINESS report on design activity, **as of August 31, 2014**.
 - Project MBE (8%) and WBE (11%) goals;
 - **Current MBE: 7%** (\$1,406,150.27)
 - **Current WBE: 11%** (\$2,627,217.01)
- Mortenson/Thor Construction provided a targeted business report, **as of August 31, 2014**. Exceeding both MBE (9%) and WBE (11%) goals at;
 - 26 MBE Contracts totaling 11%; (\$68,694,698)
 - 44 WBE Contracts totaling 17% (\$104,569,550)
 - 3 VBE firms totaling 1% (\$3,720,831)
 - Total Targeted Business: \$176,985,079

Recommendation: None. This report is for informational purposes only. No action is required at this time.

iv. Construction Project Update

Eric Grenz offered a report on behalf of Mortenson/Thor. The project is 23% complete with approximately 620 workers on site. This number fluctuates from day to day. \$185 million of work has been awarded to date. With winter coming, they are working hard to get as much work done ahead of the season. Equity numbers are trending well as was mentioned earlier. Various awards continue to be given to Minnesota-based firms with packages such as flooring and interior drywall being procured. The involvement of Minnesota-based firms has been exponential. The landscape of the project is changing by the hour. The executive suite level and lower club level decks are 100% poured out. The upper suite and upper concourse levels are 25% poured out. The steel erection work continues with the final ridge truss being set. This will form and shape the west prow and will be erected by Danny's Construction. The large crane is moving the east set ridge truss on the east side. On the east frame, the pick is set for mid-November. December 4, 2014 will mark a major milestone for project with the exterior steel erection. This scope of work will be well underway through the winter months and into next spring. They are scheduled to commence work on precast erection next Friday on the night shift so work doesn't conflict with roof operations. They will precast the erection beam at night. Another major milestone is the exterior enclosure framing work that will commence next Monday on the northeast corner on the job site. Metal panels and exterior glass will be set in the second quarter next year. Mr. Grenz then showed progress photos from February 2014 to present from the same vantage point. Chair Kelm-Helgen thanked Mortenson/Thor for their work and complimented them on the clean, organized site. She emphasized what a difference it makes having a Minnesota company building the stadium with all their connections and partnerships to local businesses. Commissioner Benson complimented Mortenson/Thor on their remarkable safety record. Commissioner Griffith reiterated how this project is about economic development. Chair Kelm-Helgen echoed his comments. Commissioner Butts Williams commended the equity numbers and goals. She is proud to see Thor Construction's involvement as a major partner.



7. **PUBLIC COMMENT**

Two individuals came forward to address the MSFA Board.

1. Lisa Venable, MN Citizens Concerned for the Protection of Migratory Birds: Ms. Venable urged the Authority to reconsider its decision to not use bird-safe glass on behalf of many of the advocates present at the meeting, and cited the numerous effects of not making this decision.
2. Wendy Haan, MN Citizens Concerned for the Protection of Migratory Birds: Ms. Haan also urged the Authority to reconsider its decision to not use bird-safe glass.

8. **DISCUSSION**

No discussion occurred at this time.

9. **ANNOUNCE FUTURE MEETINGS**

Friday, November 21, 2014 at 9:00 A.M MSFA Board Meeting, 1010 Metrodome Square Building

10. **ADJOURNMENT**

There being no further business to come before the Authority, Commissioner Griffith moved to adjourn the meeting, seconded by Commissioner Benson and approved unanimously – 5 YEAS, 0 NAYS.

APPROVED

The meeting was adjourned at 10:01 am.

ADOPTED this 21st day of November 2014 by the Minnesota Sports Facilities Authority

Duane Benson, Secretary

Ted Mondale, CEO/Executive Director