December 13, 2013

MEMORANDUM

TO: MSFA Commissioners

FROM: Ted Mondale/Mary Fox-Stroman

SUBJECT: 2014 Operating Budget

Attached is the 2014 Operating Budget for the Minnesota Sports Facilities Authority for the period from January 1, 2014 through December 31, 2014. Highlights of the 2014 budget and a budget summary are included.

Recommendation: The Authority approves and adopts the Year 2014 Operating Budget.
MINNESOTA SPORTS FACILITIES AUTHORITY
900 South Fifth Street
Minneapolis, Minnesota  55415
www.msfa.com

2014 OPERATING BUDGET
SUMMARY

Highlights of the 2014 Budget

Revenues

The operating revenue budget for 2014 consists of a grant from the stadium project for operations for $4,500,000.

Expenses

The operating expense budget for 2014 is $4,387,005 and includes concession closeout costs, personal services, professional services, contractual building services related to closure of the Metrodome, audio visual costs, travel and meetings, supplies, utilities for related to the Metrodome, rent for new office space, insurance, communication and miscellaneous costs.

Non-Operating revenues and expenses for 2014 includes investment earnings of $200,000, other contributions from the stadium project for reimbursement of stadium project expenses and stadium project expenses of $1,015,095.

Transfers

The Authority has budgeted to transfer $2,730,842 from the Repair and Maintenance account and $2,376,594 from the Concession Reserve accounts to the operating account. Upon completion of the transfers these accounts will be closed.

Account Balances

Ending account balances are proposed to increase by $312,995, from $12,085,791 to $12,398,786.
## Revenues

**Operating Revenues:**
- Concessions: $-
- Admission tax: $-
- Rent: $-
- Charges for services: $-
- Parking: $-
- Miscellaneous revenues: $-
- Grant from stadium project: $4,500,000

**Total operating revenues:** $4,500,000

## Expenses

**Operating expenses:**
- Concession costs: $239,000
- Tenants share of concessions: $-
- Facilities cost credit: $-
- Personal services: $2,193,505
- Professional services: $905,000
- Contractual building services: $106,000
- Audio-visual maintenance costs: $16,000
- Travel and meetings: $30,000
- Supplies, repairs and maintenance: $180,500
- Utilities: $367,000
- Rent: $130,000
- Insurance: $111,000
- Communication: $44,000
- Miscellaneous: $65,000

**Subtotal operating expenses:** $4,387,005

**Operating income/(loss):** $112,995

## Non-Operating Revenues/(expenses)

- Investment earnings: $200,000
- Other contributions from stadium project: $1,015,095
- Stadium project expenses: $(1,015,095)
- Repairs, replacement and improvements: $-
- Concession reserve: $-

**Total non-operating revenues/(expenses):** $200,000

## Change in Account Balances

- $312,995

## Beginning Account Balances

- $12,085,791

## Ending Account Balances

- $12,398,786
## Recap Ending Account Balances:

<table>
<thead>
<tr>
<th>Account</th>
<th>Budget 2013</th>
<th>Actual 01/13-09/30/13</th>
<th>Projection 01/01/13-12/31/13</th>
<th>Budget 2014</th>
</tr>
</thead>
<tbody>
<tr>
<td>Operating Account</td>
<td>$4,972,610.00</td>
<td>$3,359,718.00</td>
<td>$6,978,355.00</td>
<td>$12,398,786.00</td>
</tr>
<tr>
<td>Repair, Replacement &amp; Improvements Account</td>
<td>$2,530,842.00</td>
<td>$2,730,842.00</td>
<td>$2,730,842.00</td>
<td>$12,398,786.00</td>
</tr>
<tr>
<td>Concessions Reserve Accounts</td>
<td>$2,235,030.00</td>
<td>$2,123,573.00</td>
<td>$2,376,594.00</td>
<td>$12,398,786.00</td>
</tr>
<tr>
<td>Total Ending Account Balances</td>
<td>$9,728,482.00</td>
<td>$8,214,133.00</td>
<td>$12,085,791.00</td>
<td>$12,398,786.00</td>
</tr>
</tbody>
</table>
December 13, 2013

MEMORANDUM

TO: MSFA Commissioners

FROM: Ted Mondale/Mary Fox-Stroman

SUBJECT: Capital Budget

On October 25, 2013 the Minnesota Sports Facilities Authority (Authority) approved the initial capital budget of $50,000,000 for the first funding phase of the stadium project.

Then on November 22 2013 the Authority authorized approval for various project related agreements including the Amended and Restated Development Agreement. This agreement included a master project budget of $975 million.

Now that the Development Agreement has been executed the Authority needs to approve a capital budget of $975 million to allow for the expenditure of funds for project costs that are related to the stadium project as authorized in the Development Agreement. The Master Project Budget in the Development Agreement stated:

Uses:

<table>
<thead>
<tr>
<th>Description</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Building construction</td>
<td>$762,941,876</td>
</tr>
<tr>
<td>Site acquisition, parking, skyway</td>
<td>$ 49,600,000</td>
</tr>
<tr>
<td>Furniture, fixtures and equipment</td>
<td>$ 57,600,000</td>
</tr>
<tr>
<td>Soft costs</td>
<td>$ 82,119,692</td>
</tr>
<tr>
<td>TCF Stadium costs</td>
<td>$ 16,230,000</td>
</tr>
<tr>
<td>Xcel Service line</td>
<td>$    956,389</td>
</tr>
<tr>
<td>Owners contingency (net)</td>
<td>$ 3,552,043</td>
</tr>
<tr>
<td>Environmental contingency</td>
<td>$    2,000,000</td>
</tr>
<tr>
<td><strong>Total Uses</strong></td>
<td><strong>$975,000,000</strong></td>
</tr>
</tbody>
</table>

Sources:

<table>
<thead>
<tr>
<th>Description</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>State of Minnesota</td>
<td></td>
</tr>
<tr>
<td>Appropriation grant</td>
<td>$498,000,000</td>
</tr>
<tr>
<td>Minnesota Vikings and private contributions</td>
<td></td>
</tr>
<tr>
<td>Term Loan - U.S. Bank</td>
<td>$177,000,000</td>
</tr>
<tr>
<td>Owner’s Equity</td>
<td>100,000,000</td>
</tr>
<tr>
<td>NFL G-4</td>
<td>200,000,000</td>
</tr>
<tr>
<td><strong>Total Sources</strong></td>
<td><strong>$975,000,000</strong></td>
</tr>
</tbody>
</table>

The Minnesota Vikings have committed to the project a Line of Credit of $26,447,957 for when the contingency is exhausted and additional funding sources are needed for project costs.
Recommendation: The Authority approves a capital budget of $975,000,000 for the Minnesota Multipurpose Stadium project consistent with the Development Agreement