



MINNESOTA SPORTS FACILITIES AUTHORITY SPECIAL MEETING AGENDA

Friday, February 19, 2016, 8:00 A.M.

1010 Metrodome Square Building, Lower Level Conference Room

1010 South 7th Street, Minneapolis, MN 55415

A portion of the meeting will be closed, pursuant to Minnesota Statutes Section 13D.05, subd. 3(b), to discuss attorney client privileged matters related to the demand filed by M.A. Mortenson Company.

1. CALL TO ORDER
2. ROLL CALL
3. ADOPTION OF AGENDA
4. MOTION TO CLOSE MEETING
5. DISCUSS ATTORNEY-CLIENT PRIVILEGED MATTERS
6. MOTION TO OPEN MEETING
7. ADJOURNMENT



MINNESOTA SPORTS FACILITIES AUTHORITY REGULAR MEETING AMENDED AGENDA
Friday, February 19, 2016, 9:00 A.M.
1010 Metrodome Square Building, Lower Level Conference Room
1010 South 7th Street, Minneapolis, MN 55415

1. CALL TO ORDER
2. ROLL CALL
3. ADOPTION OF AGENDA
4. APPROVAL OF AUTHORITY MEETING MINUTES
-Regular Meeting, January 15, 2016
5. CHAIR'S REPORT
6. BUSINESS
 - a. Action Items
 - i. Approval of mediation resolution
 - ii. Amendments
 1. Viking's Stadium Development Agreement Amendment
 2. Viking's Stadium Use Agreement Amendment
 - iii. Construction Funds Trust Agreement & Settlement Trust Agreement
 - iv. Approval of Budget Adjustments
 - v. Mortenson Contract Revision 61
 - vi. Second Amendment to lease for 511 Building
 - vii. Approve Contract for Steven Maki Consulting
 - viii. Preliminary Capital Plan
 - b. Report Items
 - i. Equity Update
 - ii. Construction Update
7. PUBLIC COMMENTS
8. DISCUSSION
9. ANNOUNCE FUTURE MEETINGS – Friday, March 18, 2016, 9:00 A.M. – Board Meeting
10. ADJOURNMENT



MINNESOTA SPORTS FACILITIES AUTHORITY REGULAR MEETING MINUTES
Friday, January 15, 2016, 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 (MSFA) to order at 9:00 AM.

2. ROLL CALL

Commissioners Present: Chair Kelm-Helgen, Commissioner Butts Williams, Commissioner Griffith, Commissioner McCarthy, Commissioner Sertich

Commissioners Absent: None

3. ADOPTION OF AGENDA

Chair Kelm-Helgen presented the agenda. Chair Kelm-Helgen proposed the addition of an action item to approve a resolution. Commissioner Sertich moved approval of the agenda, seconded by Commissioner Butts Williams and approved unanimously – 5 YEAS, 0 NAYS.

APPROVED

4. APPROVAL OF AUTHORITY MEETING MINUTES

Commissioner Griffith moved approval of the December 18, 2015 Regular Meeting Minutes seconded by Commissioner Butts Williams and approved unanimously – 5 YEAS, 0 NAYS.

APPROVED



5. CHAIR'S REPORT

Chair Kelm-Helgen stated that the construction of U.S. Bank Stadium is on schedule and currently over 87% complete.

Chair Kelm-Helgen also reported that there will be two staff changes within the MSFA. Alex Tittle, the Equity Director, will continue to work for the MSFA, but will transition into a new role within the Super Bowl committee, and the Project Coordinator, Tiffany Orth, will be leaving the MSFA and Elizabeth Brady will be filling the role.

With the award of the Super Bowl and the Men's NCAA Final 4 bids, committees have been created to work on each of these events. Chair Kelm-Helgen stated that these committees will continue to grow and develop as the project continues. The Final 4 Committee has only 1 part-time staff member, but that will increase as the event nears.

SMG is managing the sales and marketing for events that will be held at U.S. Bank Stadium. It was announced that Luke Bryan will be coming to Minneapolis for a concert on August 19, 2016 and tickets will be going on sale within the next few weeks. Chair Kelm-Helgen also reported that three SMG staff members will be going to Santa Clara, California for training and insight regarding logistics and operations of hosting a Super Bowl.

Finally, Chair Kelm-Helgen announced that there will be a closed portion of the board meeting which will entail an attorney client privileged settlement update discussion.

6. ORGANIZATIONAL MATTERS

- a. Election of Officers
 - Vice-Chair
 - Secretary/Treasurer

Per the Authority bylaws, the Authority is required to hold elections for Vice-Chair and Secretary/Treasurer positions at the beginning of each year. Chair Kelm-Helgen opened nominations for Vice-Chair. Commissioner Sertich nominated Commissioner Butts Williams for election as Vice-Chair, seconded by Commissioner McCarthy and approved unanimously. -5 YEAS, 0 NAYS.

APPROVED

Chair Kelm-Helgen opened nominations for Secretary/Treasurer. Commissioner Butts Williams nominated Commissioner McCarthy for election as Secretary/Treasurer, seconded by Commissioner Sertich and approved unanimously. -5 YEAS, 0 NAYS.

APPROVED



7. **BUSINESS**

- a. Action Items
 - i. Approve Atomic Data Contract

On October 30, 2012, the MSFA entered into a contract with Atomic Data for technology procurement, support, e-mail reporting and data center services specific to MSFA requirements. In order to continue with the services provided by Atomic Data, the MSFA plans to enter into an agreement for services with Atomic Data through December 31, 2016 in an amount not to exceed \$200,000 per year.

Atomic Data provides service in the following areas:

- *IT Hardware and Software Procurement or Lease
- *Technology Support and Issue Resolution
- *E-mail reporting for FOIA Requests
- *Data Center and Application Support Services

Recommendation: The Authority authorizes the Chair and CEO/Executive Director to negotiate and execute a contract with Atomic Data in an amount not to exceed \$200,000 for the period of January 1, 2016 through December 31, 2016. Commissioner McCarthy moved to approve the recommendation. Commissioner Butts Williams seconded the motion.

APPROVED

- b. Addition of Tiffany Orth leaving the MSFA- Motion by Commissioner Griffith and Commissioner Butts Williams seconds

WHEREAS, Tiffany Orth was appointed to the staff of the Minnesota Sports Facilities Authority on November 9, 2012; and,

WHEREAS, Ms. Orth accepted and preformed this responsibility with the utmost professionalism to the Authority, and whose support and assistance regularly went above and beyond her job description; and,

WHEREAS, Ms. Orth demonstrated a high level of commitment to the State of Minnesota and the public by supporting the success of the stadium project in every way;

NOW, THEREFORE, BE IT RESOLVED by the Minnesota Sports Facilities Authority that the Authority hereby recognizes Tiffany Orth for her outstanding service to the Authority.

BE IT FURTHER RESOLVED by the Minnesota Sports Facilities Authority that a copy of this resolution be presented to Tiffany Orth.

ADOPTED this 15th day of January 2016 by the Minnesota Sports Facilities Authority.



c. Report Items

i. Aramark Update

Jamie Hodgson, General Manager for Aramark, offered an update on concessionaire activities. He reported that there are currently five salary managers working on the U.S. Bank Stadium, and there will be an additional 1,700 staff members hired when the stadium opens. Aramark has conducted interviews with many local restaurant companies about adding their services to U.S. Bank Stadium. Only fifteen companies will be chosen.

ii. Technology Contracts Update

James Farstad, the MSFA's Technology Consultant, offered an update on the technology contracts. As of today, the technology installation is on schedule, and also on budget. The installation of wireless and the new sound system is in progress.

iii. U.S. Bank Stadium Equity Update-

- The EAF is currently conducting outreach and training for resource efforts in support of the project. *64 Trained and 74 Placements*
 - 837 Workers identified;
 - 165 Workers are available for hire
- **Total WORKFORCE** on the U. S. Bank Stadium Project, *as of November 30, 2015*
 - **Minority Goal (32%) & Women Goal (6%) EXCEEDING**
 - 37% Minority (1,058,155 hours)
 - 9% Women (259,042 hours)
 - 4% Veteran (124,047 hours)
 - 323 Workers Hired from the TARGETED ZIP CODES in Minneapolis
- **Total TARGETED BUSINESS** Construction activity, as of *November 30, 2015*
 - **MBE (9%) and WBE (11%) goals at; EXCEEDING**
 - MBE: \$104,586,915 (12%)
 - WBE: \$136,704,363 (16%)
 - VBE: \$12,304,621 (1%)
 - **Total Targeted Business: (\$253,595,899)**
- **US Bank Stadium Operations**
 - Equity Plan under development
 - Market Study underway w/the University of Minnesota (Goal Setting & Etc.)
 - Employment Assistance Firm "EAF" Negotiating w/two respondents
 - Developing an Operations Business & Workforce Database (Preferred Vendor's List)
 - Concessionaire, Aramark identified 14 concession businesses



- Stadium Operator, SMG is interviewing for Security Firm & other significant RFP's

Recommendation: *None. This report is for informational purposes only.*

iv. U.S. Bank Stadium Construction Project Update-
Jesse Kemp from Mortenson provided a construction update stating that U.S. Bank Stadium is now 87% complete and still on schedule. There are still 1,500 workers on site. Within the last 4-6 weeks, the workers have focused on the installation of the doors and the elevation of surrounding land. The Steel structures are now complete, LED lights are all installed, and the upper bowl seating is 70% complete.

8. PUBLIC COMMENTS

1. Ann Laughlin from the Audubon Chapter of Minneapolis raised the topic of putting bird safe film (produced by 3M) over the stadium windows and the new skyway. The MSFA responded that it is still working with 3M to look at various film options for the glass.

9. DISCUSSION

Commissioner Griffith is requesting a critical path schedule between now and the opening day of U.S. Bank Stadium. The schedule will contain a list of the many systems used within the stadium, and will monitor and track the testing and effectiveness of said systems until completion (e.g. the air conditioning system). Ted Mondale agreed to develop the critical path list and include it in his periodic reports to board members.

10. ANNOUNCE FUTURE MEETINGS

Friday, February 19, 2016, 9:00 A.M. – Board Meeting

11. MOTION TO CLOSE MEETING

Commissioner McCarthy moved to close the meeting pursuant to Minnesota Statute section 13D.05, subdivision 3(b) to discuss attorney-client privileged matters related to the demand filed by M.A. Mortenson Company. Commissioner Griffith seconded the motion.

The meeting was closed at 10:14 am

Meeting Participants Present for Closed Portion:



Chair Kelm-Helgen
Commissioner Sertich
Commissioner Butts Williams
Commissioner Griffith
Commissioner Bill McCarthy
CEO/Executive Director Ted Mondale
Jenn Hathaway, MSFA
Jay Lindgren, Dorsey & Whitney
Dean Thomson, Fabyanske, Westra, Hart & Thomson
Scott Stenman, Hammes Companies
William Robinson, Hammes Companies

12. DISCUSS ATTORNEY-CLIENT PRIVILEGED MATTERS

13. MOTION TO OPEN MEETING

Commissioner McCarthy moved to open the meeting. Commissioner Sertich seconded the motion.

APPROVED

14. ADJOURNMENT

There being no further business to come before the MSFA, Commissioner Butts Williams moved to adjourn the meeting, seconded by Commissioner Sertich and approved unanimously – 5 YEAS, 0 NAYS.

APPROVED

The meeting was adjourned at 11:15 am.

ADOPTED this 19th day of February 2016 by the Minnesota Sports Facilities Authority

Secretary, Bill McCarthy

Ted Mondale, CEO/Executive Director



February 19, 2016

MEMORANDUM

TO: MSFA Commissioners

FROM: Ted Mondale/Michele Kelm-Helgen

SUBJECT: Approval of Mediation Resolution

During a special Board meeting at 8:00 a.m. on Friday, February 19, the Board will be discussing a proposed settlement of a demand brought by M.A. Mortenson Company.

Recommendation: *The Authority authorizes the Chair and the CEO/Executive Director to finalize and execute a Settlement Agreement and Release, and related documents, regarding the demand filed by M.A. Mortenson Company on August 3, 2015 once all conditions precedent to that Agreement have occurred.*



February 19, 2016

MEMORANDUM

TO: MSFA Commissioners

FROM: Ted Mondale/Michele Kelm-Helgen

SUBJECT: Amendments to Vikings Development & Use Agreements

The Minnesota Sports Facilities Authority (Authority) together with the Vikings, are funding additional project improvements to U.S. Bank Stadium. This will result in additional Vikings funding of approximately \$5.45 million toward these improvements and the mediation settlement. These improvements require amendments to the Stadium Development Agreement and the Stadium Use Agreement.

The Second Amendment to the Second Amended and Restated Development Agreement will provide additional funding for certain:

- Broadcast cabling requirements for local and national media
- Magnetometers to enhance security
- Catwalk netting for enhanced operational safety
- Finalized field turf selections
- Stadium Plaza enhancements

This is funded by the Viking contributions and MSFA project allocations detailed in the amendment and the project budget adjustments.

The Fourth Amendment to the Amended and Restated Use Agreement designates certain long term Vikings usage rights within the Stadium based on the final designs and construction. These include:

- Chairman's Lounge area
- Team stores
- Team storage areas
- Team Hall of Fame
- Revised annual parking plan

Upon execution and final approval by the NFL and Vikings' lenders, the amendments would be incorporated into revised amended and restated agreements for clarity and ease of reference.

Recommendation: *The Authority authorizes the Chair and the CEO/Executive Director to finalize and execute the Second Amendment to the Second Amended and Restated Development Agreement and the Fourth Amendment to the Amended and Restated Use Agreement, and to prepare and deliver updated amended and restated versions of the Development Agreement and the Use Agreement.*



February 19, 2016

MEMORANDUM

TO: MSFA Commissioners

FROM: Ted Mondale/Jay Lindgren

SUBJECT: Construction Funds Trust Agreement and Settlement Trust Agreement

The Settlement Agreement by and between the Minnesota Sports Facilities Authority (Authority), Minnesota Vikings Football Stadium, LLC, M.A. Mortenson Company, and the Design Team requires the Authority, the Team and the Design Team to place certain funds in a trust account to be held until the Settlement Amount is accepted or rejected. In order to receive and temporarily hold the settlement funds during the option period, a Settlement Funds Trust Agreement will be established by and between the Design Team, the Authority, the Team, and U.S. Bank as trustee. Additionally, minor amendments are required to the current Construction Funds Trust Agreement to allow the Authority to disburse funds to the Settlement Trust and subsequently disburse funds received from the Settlement Trust consistent with the Settlement Agreement and pursuant to the Authority's standard payment process for costs related to the stadium project.

Staff is requesting that the Authority authorize the Chair and the CEO/Executive Director to finalize the terms of and execute the Settlement Funds Trust Agreement and the related amendment to the Construction Funds Trust Agreement to ensure the proper safekeeping and ultimate distribution of funds.

Recommendation: *The Authority authorizes the Chair and the CEO/Executive Director to finalize the terms of and execute the Settlement Funds Trust Agreement and the related amendment to the Construction Funds Trust Agreement.*



February 19, 2016

MEMORANDUM

TO: MSFA Commissioners
FROM: Ted Mondale and Scott Stenman
SUBJECT: Approval of Budget Adjustments

The items identified that require adjustments to the Master Project Budget are summarized below:

- A) Mediation Settlement and Additional Project Improvements
- B) Commemorative Brick Proceeds
- C) Mortenson Issue 3731, West Scoreboard Framing
- D) Lawrence Sign, Sponsorship Signage Package

Additional details regarding the above are outlined within the corresponding recommendations.

A) Mediation Settlement and Additional Project Improvements

The MSFA, Team, HKS and Mortenson Construction have reached a Mediation Settlement Agreement related to existing and future claims. The settlement was reached with the understanding that funding will be set aside to cover the costs of the existing and future claims as outlined in the Settlement Agreement.

In addition, we are using this opportunity to fund some additional project improvements and costs that arose as the project nears completion. Examples of the project improvements include things like cabling necessary for local and national broadcasters, increased security requirements that led to the need for walk through magnetometers and additional funding to complete Plaza improvements.

The mediation settlement and additional project improvements are jointly funded by the MSFA and the Team as noted below and requires an increase to the Stadium Capital Budget to account for the additional Team Funding. The Team has agreed to fund a portion of the Total Cost for the settlement and additional project improvements, which is \$5,453,000.00.

Recommendation: *The MSFA approves an increase of \$5,453,000.00 to the Additional Team Contribution Source of Funding within the Stadium Capital Budget. The Uses section of the Stadium Master Project Budget would be modified as noted in Table 1. This increase is the Team's agreed upon contribution related to the Mortenson Settlement. The MSFA authorizes the Chair and CEO/Executive*

Director to execute the settlement inclusive of this contribution from the Team. This budget adjustment would become effective after Master Application for Payment No. 40 is finalized.

B) Commemorative Brick Proceeds

The Stadium Act authorized the MSFA to sell commemorative bricks to be displayed at the new stadium. The 1st Amendment to the 2nd Amended and Restated Development Agreement dated March 27, 2015 indicated that all costs for the design and installation of the Commemorative Bricks and the display areas would be funded from the sale of such Commemorative Bricks and the net proceeds from the sale of the Commemorative Bricks will be used to fund the Stadium Plaza. In order for the Project to fund those costs, it is necessary to incorporate that funding into the Master Project Budget. This additional funding as noted below will increase the Stadium Capital Budget by adding the Commemorative Brick Proceeds funding source.

The current projection for Commemorative Brick net proceeds is \$1,300,000.00 and this funding source will offset project costs anticipated against the Stadium Plaza Improvements budget line item. The Total Amount will increase the Commemorative Brick Proceeds, which is \$1,300,000.00.

Recommendation: *The MSFA approves the creation of a Commemorative Brick Proceeds Source of Funding within the Stadium Capital Budget. The Site Acquisition & Improvements line item within the Uses section of the Stadium Master Project Budget would be increased by the same amount. The MSFA authorizes the Chair and CEO/Executive Director to execute this increase based on current and projected revenues. This budget adjustment would become effective after Master Application for Payment No. 40 is finalized.*

C) Mortenson Issue 3731, West Scoreboard Framing

Mortenson Construction submitted a Cost Issue to perform additional work as a result of requested changes to the Construction Documents. The following issue is funded as noted below by the Team and requires an increase to the Stadium Capital Budget to account for the additional Team Funding.

The Team has elected to add steel framing for signage above the west scoreboard, also known as Cost Issue 3731. The Team has agreed to fund the entire Total Cost for this issue, which is \$419,542.00 and will be included in a future CSA Contract Revision.

Recommendation: *The MSFA approves an increase of \$419,542.00 to the Additional Team Contribution Source of Funding within the Stadium Capital Budget. The Construction Contract within the Uses section of the Stadium Master Project Budget would be increased by the same amount. This increase is the Team's agreed upon contribution for Mortenson Issue 3731. The MSFA authorizes the Chair and CEO/Executive Director to execute a future CSA Contract Revision, inclusive of the aforementioned Issue. This adjustment would become effective after Master Application for Payment No. 40 is finalized.*

D) Lawrence Sign, Sponsorship Signage Package

Lawrence Sign has submitted a proposal for a new contract to furnish and install Sponsorship Signage. The following Issue is funded as noted below by the Team and requires an increase to the Stadium Capital Budget to account for the additional Team Funding.

The Team has elected to award a contract to Lawrence Sign for the Sponsorship Signage Package. The Team has agreed to fund the entire Total Cost for this Issue, which is \$1,334,448.00.

Recommendation: *The MSFA approves an increase of \$1,334,448.00 to the Additional Team Contribution Source of Funding within the Stadium Capital Budget. The Furnishings, Fixtures & Equipment within the Uses section of the Stadium Master Project Budget would be increased by the same amount. This increase is the Team's agreed upon contribution for the Lawrence Sponsorship Signage Contract. The MSFA authorizes the Chair and CEO/Executive Director to finalize and execute the Lawrence Sign contract inclusive of the aforementioned proposal. This adjustment would become effective after Master Application for Payment No. 40 is finalized.*

Summary:

The proposed budget adjustments outlined in this memorandum would modify the Stadium Master Project Budget as outlined in the attached Table 1 - Stadium Master Project Budget Summary.

Table 1
Stadium Master Project Budget Summary

Division	Description	Master Project Budget as of 2/15/16	Mediation Settlement and Additional Project Improvements	Commemorative Brick Proceeds	Mortenson Cost Issue 3731	Lawrence Sign	Adjusted Budget
SOURCES OF FUNDS							
00-25-005	Team Contribution	\$377,000,000.00					\$377,000,000.00
00-25-010	Private Contribution	\$100,000,000.00					\$100,000,000.00
00-25-015	Additional Team Contribution	\$107,930,246.94	\$5,453,000.00		\$419,542.00	\$1,334,448.00	\$115,137,236.94
00-30-005	State of Minnesota Contribution	\$498,000,000.00					\$498,000,000.00
00-90-005	Aramark Capital Investment	\$3,500,000.00					\$3,500,000.00
00-90-010	SMG Capital Investment	\$2,000,000.00					\$2,000,000.00
00-09-015	Verizon Capital Investment	\$8,328,432.00					\$8,328,432.00
00-09-020	NRG Cost Reimbursement	\$232,345.00					\$232,345.00
00-09-025	Commemorative Brick Proceeds	\$0.00		\$1,300,000.00			\$1,300,000.00
	Total Sources of Funds	\$1,096,991,023.94	\$5,453,000.00	\$1,300,000.00	\$419,542.00	\$1,334,448.00	\$1,105,498,013.94
USES OF FUNDS							
10-00-000	Site Acquisition & Improvements	\$54,679,754.35	\$1,675,000.00	\$1,300,000.00			\$57,654,754.35
20-00-000	Construction Costs	\$857,676,186.10			\$419,542.00		\$858,095,728.10
30-00-000	Furnishings, Fixtures & Equip.	\$55,904,040.27	(\$998,000.00)			\$1,334,448.00	\$56,240,488.27
40-00-000	Development Costs	\$84,864,143.88					\$84,864,143.88
	MSFA Capital Reserve	\$4,500,000.00	(\$4,500,000.00)				\$0.00
50-00-000	Financing Costs	\$0.00					\$0.00
60-00-000	Other Project Costs						\$0.00
	TCF Stadium Improvements	\$7,896,587.96					\$7,896,587.96
	SDC Group Contingency	\$8,000,000.00	(\$8,000,000.00)				\$0.00
	East Event Buildout	\$1,949,300.94					\$1,949,300.94
	Other Mutually Agreed Cost 1	\$733,407.00	\$1,300,000.00				\$2,033,407.00
	Other Mutually Agreed Cost 2	\$0.00	\$2,715,000.00				\$2,715,000.00
	IPTV Enhancement	\$4,244,090.69					\$4,244,090.69
	Mediation Settlement	\$0.00	\$16,250,000.00				\$16,250,000.00
90-00-000	Project Contingency	\$16,543,512.75	(\$2,989,000.00)				\$13,554,512.75
	Total Uses of Funds	\$1,096,991,023.94	\$5,453,000.00	\$1,300,000.00	\$419,542.00	\$1,334,448.00	\$1,105,498,013.94



February 19, 2016

MEMORANDUM

TO: MSFA Commissioners

FROM: Ted Mondale and Scott Stenman

SUBJECT: Construction Services Agreement Revision 61

Draft Contract Revision 61 has been prepared and the total value of the Contract Revision exceeds the staff approval level and therefore requires approval from the MSFA Board to execute.

A) CONTRACT REVISION 61:

Proposed Contract Revision 61 totals \$1,027,962.00 and includes the cost issues identified within Table 1 below. Team Financed Budget increases have previously been considered and approved by the MSFA.

Recommendation: *The MSFA approves an increase of \$1,027,962.00 to the Construction Services Agreement. The MSFA authorizes the Chair and CEO/Executive Director to execute CSA Revision No. 61.*

Table 1
 CSA Contract Revision 61

Mort Issue	Cost Description	Owner Funding	Team Financed	MSFA Funding Source
3452	Perforated Panel Revisions	\$ 608,420.00		Owner's Contingency
3731	West Prow Video Board Sponsorship Sign Framing		\$ 419,542.00	Team Funded
TOTALS		\$ 608,420.00	\$ 419,542.00	
OWNER/TEAM TOTAL		\$1,027,962.00		



February 19, 2016

MEMORANDUM

TO: MSFA Commissioners

FROM: Ted Mondale

SUBJECT: Second Amendment to Lease 511 Building

The MSFA currently leases space from Timeshare Systems, Inc. for the temporary MSFA offices at 511 11th Avenue South. Additional, temporary space is required as staff compliments are increased in anticipation of Stadium opening. Staff seeks to lease an additional suite containing approximately 1280 usable square feet. The term of the lease would be through July 2016 at monthly rent of \$2815.20 through May, and \$2898.61 monthly for June and July.

Recommendation: *The Authority authorizes the Chair and the CEO/Executive Director to finalize and execute the Second Amendment to the Lease, dated as of January 23, 2015, as amended, under the terms outlined above.*



February 19, 2016

MEMORANDUM

TO: MSFA Commissioners

FROM: Ted Mondale/Mary Fox-Stroman

SUBJECT: Approve Contract with Steven Maki Consulting PLLC

On August 24, 2015 the Authority entered into a contract with Steven Maki Consulting PLLC for construction related consulting services. The contract will reach the maximum fee amount of \$100,000 that is allowed under the existing contract prior to the end of the current term of the contract, which runs from August 24, 2015 through July 31, 2016. In order to continue with the services provided by Steven Maki Consulting, the Authority needs to amend the existing contract to increase the contract amount by \$150,000 for a total contract amount not to exceed \$250,000 and to extend the contract term to December 31, 2016.

Steven Maki Consulting provides construction related consulting services in the following areas:

1. Participation in the following meetings:
 - a. Authority/Ryan Construction
 - b. Authority/City of Minneapolis
 - c. Authority/Metropolitan Transit Commission
 - d. Attendance at construction related meetings or Authority internal meetings as directed by the CEO/Executive Director
2. Project services as a consultant to the Owner on the following projects:
 - a. Ryan Ramp (1610 car) located between 3rd and 4th Streets and Chicago and Park Avenues in Minneapolis, MN
 - b. Stadium Skyway extending from the Ryan Ramp to U.S. Bank Stadium
 - c. West Stadium site work
 - d. West Plaza design and construction (coordination tasks with Team, HKS/subconsultants and Metropolitan Transit Commission)
 - e. NRG and supply of chilled water and steam
3. Consultant will perform the following tasks related to the stadium development:
 - a. Review for approval Ryan Construction payment applications
 - b. Stored materials review/approval on Authority behalf as part of project payment process and Merritt & Harris requirements
 - c. Review for approval AIA payment documents submitted relative to the West Plaza construction
 - d. Other tasks agreed upon in writing between the Authority and Consultant

Recommendation: *The Authority authorizes the Chair and CEO/Executive Director to amend the contract with Steven Maki Consulting PLLC to increase the contract up to \$150,000 to expire on December 31, 2016.*



February 19, 2016

MEMORANDUM

TO: MSFA Commissioners

FROM: Ted Mondale

SUBJECT: Short- and Long-term Capital Planning and Investment Guidelines

In 2012, the Minnesota legislature enacted legislation authorizing the expenditure of public money for the construction, financing, operations, and long-term use of a new multi-purpose Stadium and established the Minnesota Sports Facilities Authority (“MSFA”) to fulfill this directive.

The Authority understands that on-going capital investment in the Stadium will be a critical component of ensuring both the short- and long-term use and success of the Stadium and the associated economic and community benefits that were anticipated by the public and private investment in the Stadium. In that light and as directed by the legislature, the Authority is in the process of preparing both a short- and long-term capital plan to proactively ensure the long-term use of the public’s asset - U.S. Bank Stadium.

In order to maximize the economic potential and community usage of the Stadium and to maintain the Stadium in a first-class manner throughout its life, MSFA staff in consultation with SMG, recommends that the MSFA establish capital planning guidelines for funding ongoing capital expenditures/capital reserve allocation over the 30-year term of the Vikings Use Agreement and potential extensions, thereby providing for a first-class Stadium over the next 50 years.

Recommendation: *The MSFA establishes a short- and long-term capital planning annual funding guideline of .75 of one percent of the construction related capital costs of the Stadium, or approximately \$7.0 million per annum inflating at 3 percent per year, for ongoing capital expenditures/capital reserve allocation. The recommended capital expenditure/capital reserve allocation should provide a level of capital reinvestment in the Stadium that will ensure the both the short- and long-term use and success of the public’s asset - U.S. Bank Stadium for decades to come.*



Minnesota Sports Facilities Authority

U.S. Bank Stadium

Preliminary Five-Year Capital Investment Plan

February 19, 2016



Capital Planning and Investment - Overview

- In 2012, the Minnesota legislature enacted legislation authorizing the expenditure of public money for the construction, financing, operations, and long-term use of a new multi-purpose Stadium.
- As a part of the legislation, the Minnesota Sports Facilities Authority (“Authority”) was established to fulfill this directive.
- In fulfilling this directive, the Authority and Vikings have entered into a 30-year Stadium Use Agreement, with the potential for four (4) five-year extension options. The Authority also intends to fully utilize the Stadium to attract and host a wide variety of national, regional and local events for decades to come.
- The Authority understands that on-going capital investment in the Stadium will be a critical component of ensuring the short- and long-term success of the Stadium and the associated economic and community benefits that were anticipated by the public and private investment in the Stadium.



Capital Planning and Investment - Overview, cont.

- In that light and as directed by the legislature, the Authority is in the process of preparing both a short- and long-term capital plan to proactively ensure the long-term use of the public's asset - U.S. Bank Stadium.



Capital Planning and Investment - Goals

To establish a Capital Planning and Investment Strategy that will:

- Ensure U.S. Bank Stadium continues to be a first-class Stadium that is competitive with similar facilities in other markets in order to attract a wide variety of events to the Stadium - maximizing the opportunity to generate economic and community benefits for the City, State and the people of Minnesota for decades.
- Build upon the success the Stadium has already had in attracting events such as the Super Bowl, NCAA Final Four and major concerts over the life of the Stadium.
- Continue to position U.S Bank Stadium as the home of the Minnesota Vikings throughout the term of the Stadium Use agreement and beyond.
- Extend as long as possible the useful life of the Stadium as a first-class Minnesota asset capitalizing on the significant public and private investment that has been made in the Stadium.



On-Going Capital Investment

- As a part of the initial legislation, certain capital payments were required to be made by the State and the Minnesota Vikings to the Authority related to the on-going capital investment in the Stadium. The capital payments set forth in the legislation provide for approximately \$3.0 million a year, inflating, under the terms of the legislation.
- In addition to the capital payments set forth in the legislation, the Authority anticipates allocating certain funds generated through the operation of U.S. Bank Stadium to fund capital improvements in the Stadium to maximize the economic potential and community usage of the Stadium and to maintain the Stadium in a first-class manner throughout its life.



Lessons Learned

- The Authority has reviewed the capital investment planning of several other stadia and similar multi-purpose sports and entertainment facilities. In addition, SMG (as Stadium operator) has provided the Authority with a short and long-term capital planning and expenditure outline based on their significant experience in managing stadia, arenas and convention centers across the country.
- Many of the facilities that the Authority reviewed have deferred or limited on-going capital investment. Because of this, they have seen the deterioration of their asset or have had to undergo significant capital infusions to “reinvest” in the facility, often at substantially higher costs than the initial capital investment.
- The Authority has continually received advice from their peers that on-going capital investment is critical to both the short- and long-term use and success of the Stadium. They have strongly advised that deferring the on-going capital investment, even in the short-term, will not only be detrimental to the use and success of the Stadium, but will only create additional financial pressure for capital investment in the future.



Preliminary Capital Planning and Investment Guidelines

- In order to maximize the economic potential and community usage of the Stadium and to maintain the Stadium in a first-class manner throughout its life, Authority staff in consultation with SMG, recommends that the Authority establish capital planning guidelines for funding ongoing capital expenditures/capital reserve allocations.
- It is recommended that the Authority establish a short- and long-term capital planning annual funding guideline of at least .75 of one percent of the construction related capital costs of the Stadium, or approximately \$7.0 million per annum inflating at 3 percent per year, for ongoing capital expenditures/capital reserve allocation.
- It is important to note that the annual capital expenditures will likely vary each year. There will likely be some years that may require additional funding and other that will may require less funding, however, over time the recommended capital expenditure/capital reserve allocation should provide a level of capital reinvestment in the Stadium that will ensure both the short- and long-term use and success of the public's asset - U.S. Bank Stadium for decades to come.



Preliminary Five-Year Capital Investment Plan

- Authority staff has prepared a preliminary Five-Year Capital Investment Plan based on the capital planning guidelines stated above.
- The plan assumes the capital expenditure/capital reserve allocation would be \$7,000,000 for the first year of Stadium operation, inflated by 3 percent for each of the next four years.
- Consistent with the capital planning guidelines, an estimate of anticipated capital expenditures for the first five years of Stadium operations has also been developed and divided into three categories as follows:



Preliminary Five-Year Capital Investment Plan, cont.

Primary Capital Expenditure Categories:

Base Capital Repair & Replacement - represents the basic on-going capital repair and replacement of equipment, mechanical and structural components and systems of U.S. Bank Stadium that were part of the Stadium construction. The capital investment in this category is low in the initial years as the capital components installed as a part of the construction are new and/or under warranty. This category will increase substantially during the life of the Stadium and have periodic spikes as major capital investment of the original Stadium components are repaired or replaced.

Construction Related Capital Modifications - represents capital expenditures that will be required at the Stadium for modifications to the initial construction once the Stadium is fully operational in order to refine the operations, event experience and to accommodate unanticipated needs of the Stadium. It is anticipated that the capital investment in this category will be primarily over the first few years of Stadium operations and will not be required beyond the period set forth in the Preliminary Five-Year Capital Investment Plan.



Preliminary Five-Year Capital Investment Plan, Cont.

Additional Capital Investments/Modifications - the Authority has identified certain capital investments that will be needed at the Stadium over the initial five operating period to fulfill or attract additional major event activity to the Stadium. These expenditures include the purchase of some additional food carts, a blackout and half house curtaining system, additional F,F& E; as well as the finish-out of certain space identified in the Stadium for special events such as the Super Bowl, NCAA Final Four and other major events that will be held at the Stadium.



Five-Year Preliminary Capital Investment Plan Summary

Stadium Operating Year:

(assumed August 1 - July 31)

	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>Totals</u>
Capital Expenditure/Reserve Allocation	\$7,000,000	\$7,210,000	\$7,430,000	\$7,650,000	\$7,880,000	\$37,170,000
Expenditures Estimates:						
Base Capital Repair & Replacement Estimates	(\$250,000)	(\$500,000)	(\$750,000)	(\$2,750,000)	(\$4,400,000)	(\$8,650,000)
Estimated Construction Related Capital Modifications	(\$3,000,000)	(\$3,750,000)	(\$3,750,000)	(\$3,000,000)	(\$750,000)	(\$14,250,000)
Additional Capital Investments/Modifications (Including Major Event Enhancements)	<u>(\$3,250,000)</u>	<u>(\$5,250,000)</u>	<u>(\$4,000,000)</u>	<u>(\$1,000,000)</u>	<u>(\$750,000)</u>	<u>(\$14,250,000)</u>
Total Estimated Capital Expenditures	(\$6,500,000)	(\$9,500,000)	(\$8,500,000)	(\$6,750,000)	(\$5,900,000)	(\$37,150,000)
Annual Net Cash Flow	\$500,000	(\$2,290,000)	(\$1,070,000)	\$900,000	\$1,980,000	
Net Capital Reserve (assumed Beginning Balance \$5.0 million)	<u>\$5,500,000</u>	<u>\$3,210,000</u>	<u>\$2,140,000</u>	<u>\$3,040,000</u>	<u>\$5,020,000</u>	



Preliminary Five-Year Capital Investment Plan Summary, cont.

- Based on an assumed beginning balance in the Capital Reserve of \$5,000,000 upon opening of the Stadium and the estimated capital expenditures, the net Capital Reserve balance at the end of the first five years would be maintained at approximately the same level as the opening balance.
- With ongoing investment in Stadium capital expenditures/capital reserve allocation consistent with the capital planning guidelines, it is anticipated that the Authority would be able to continue to invest in the Stadium and increase the Net Capital Reserve balance over time.



Next Steps

- Work with SMG and the Team, consistent with the terms of the Stadium Use Agreement, to develop a Final Five-Year Capital Plan for presentation and adoption by the Board based on the refinement of the Preliminary Capital Plan presented today.
- The Final Five-Year Capital Plan will provide additional details with regard to the anticipated capital expenditure for each of the five years, specifically detailing the first years capital expenditure budget.
- It is anticipated that the Final Five-Year Capital Plan will be submitted to the Board for consideration at the June Board meeting.



February 19, 2016

MEMORANDUM

TO: MSFA Commissioners
FROM: Ted Mondale/Alex Tittle
SUBJECT: Equity Program Update

The project reports were assessed as of December 31, 2016. These reports are posted on the MSFA website for transparency purposes. *The next Stadium Equity Oversight Committee will be on March 23, 2016.*

- The EAF is currently conducting outreach and training for resource efforts in support of the project.
64 Trained and 74 Placements
 - 837 Workers identified;
 - 165 Workers are available for hire

- **Total WORKFORCE** on the U. S. Bank Stadium Project, *as of December 31, 2015*
 - **Minority Goal (32%) & Women Goal (6%) EXCEEDING**
 - 37% Minority (1,115,844.20 hours)
 - 9% Women (276,394.43 hours)
 - 4% Veteran (132,455 hours)
 - 337 Workers Hired from the TARGETED ZIP CODES in Minneapolis

- **Total TARGETED BUSINESS** Construction activity, as of *December 31, 2015*
 - **MBE (9%) and WBE (11%) goals; EXCEEDING**

 - MBE: \$107,035,818.50 (13%)
 - WBE: \$135,551,882.40 (16%)
 - VBE: \$12,228,246.67 (1%)
 - **Total Targeted Business: (\$254,815,948)**

- **US Bank Stadium Operations**
 - Equity Plan under development
 - Market Study underway w/the University of Minnesota (Goal Setting & Etc.)
 - Employment Assistance Firm “EAF” Negotiating w/two respondents
 - Developing an Operations Business & Workforce Database (Preferred Vendor’s List)