











**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. Commissioner Butts Williams moved to approve the recommendation. Commissioner Griffith seconded the motion.*

**APPROVED**

### iii. Construction Funds Trust Agreement & 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. Commissioner Griffith moved to approve the recommendation. Commissioner Butts Williams seconded the motion.*

**APPROVED**

### iv. 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. Commissioner Griffith moved to approve the recommendation. Commissioner Butts Williams seconded the motion.***

**APPROVED**

## 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. Commissioner Griffith moved to approve the recommendation. Commissioner Butts Williams seconded the motion.*

APPROVED

### 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. Commissioner Griffith moved to approve the recommendation. Commissioner Butts Williams seconded the motion.*

APPROVED

### 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. Commissioner Griffith moved to approve the recommendation. Commissioner Butts Williams seconded the motion.*

**APPROVED**

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
<b>SOURCES OF FUNDS</b>							
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
	<b>Total Sources of Funds</b>	<b>\$1,096,991,023.94</b>	<b>\$5,453,000.00</b>	<b>\$1,300,000.00</b>	<b>\$419,542.00</b>	<b>\$1,334,448.00</b>	<b>\$1,105,498,013.94</b>
<b>USES OF FUNDS</b>							
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
	<b>Total Uses of Funds</b>	<b>\$1,096,991,023.94</b>	<b>\$5,453,000.00</b>	<b>\$1,300,000.00</b>	<b>\$419,542.00</b>	<b>\$1,334,448.00</b>	<b>\$1,105,498,013.94</b>





v. **Mortenson Contract 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. Commissioner Griffith moved to approve the recommendation. Commissioner Butts Williams seconded the motion.*

APPROVED

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		

vi. **Second Amendment to lease for 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. Commissioner Griffith moved to approve the recommendation. Commissioner Butts Williams seconded the motion.*

APPROVED

**vii. Approve Contract for Steven Maki Consulting**

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 by \$150,000 and to expire on December 31, 2016. Commissioner Butts Williams moved to approve the recommendation. Commissioner Griffith seconded the motion.*



APPROVED

### viii. Preliminary Capital Plan

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. Commissioner Griffith moved to approve the recommendation. Commissioner Butts Williams seconded the motion.*

APPROVED

### b. Report Items

#### i. Equity Update

The project reports were assessed as of December 31, 2015. 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)

**Recommendation: *No recommendation necessary. Report is for informational purposes only.***

## ii. Construction Update

John Wood and Ashley Krueger from Mortenson provided a construction update. The building is 90% complete and there are still 1,300 construction workers on site. The Medtronic Club and Club Purple are close to completion, along with 27 upper suites. In the upcoming months, Mortenson will be installing the turf, finishing the lower bowl, installing the remaining televisions, and will also work on finishing the Vikings players’ locker room.

Mortenson did discover water penetration coming from the snow gutters, which are installed to hold and melt the snow that slides off the roof of the stadium. The water is leaking inside the cavities in between the outer siding of the building and the interior wall; however, no water is leaking into the actual building structure. After much testing and investigating, a repair plan has been made, and will be implemented during the week of February 22<sup>nd</sup>. Roughly 30% of the exterior panels will have to be removed, along with the U.S. Bank signage located on the sides of the building. John Wood stated that the estimated time of completion for this repair is three months. It was noted that there will be no costs involved in this work that will be borne by the MSFA or the team.

## 7. PUBLIC COMMENTS

There were no public comments



8. DISCUSSION

There were no discussions

9. ANNOUNCE FUTURE MEETINGS

Friday, March 18, 2016, 9:00 A.M. – Board Meeting

10. ADJOURNMENT

There being no further business to come before the MSFA, Commissioner Griffith moved to adjourn the meeting, seconded by Commissioner Butts Williams and approved unanimously – 3 YEAS, 0 NAYS.

**APPROVED**

**The meeting was adjourned at 10:02 am.**

ADOPTED this 18th day of March 2016 by the Minnesota Sports Facilities Authority

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Secretary, Bill McCarthy

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Ted Mondale, CEO/Executive Director