



MINNESOTA SPORTS FACILITIES AUTHORITY MEETING AGENDA

Friday, May 18, 2018, 9:00 A.M.

Mill City Museum

710 South Second Street, Minneapolis, MN 55401

1. CALL TO ORDER
2. APPROVAL OF PRIOR MEETING MINUTES – April 20, 2018
3. BUSINESS
 - a. Action Items
 - i. Approve Parking Agreement with Timeshare Systems, Inc.**
 - ii. Approve 2018-2019 Casualty Insurance Program**
 - iii. Approve Interim Agreement Regarding Additional Team Capital**
 - b. Reports
 - i. Executive Director Report
4. **Appointment of Executive Director**
5. PUBLIC COMMENTS
6. DISCUSSION
7. ANNOUNCEMENT OF NEXT MEETING – June 15, 2018 at USBS in Medtronic Club
8. ADJOURNMENT

****Items in bold require action***



MINNESOTA SPORTS FACILITIES AUTHORITY
Meeting Minutes – April 20, 2018

U.S. Bank Stadium – Medtronic Club
1005 South 4th Street, Minneapolis, MN 55415

1. **CALL TO ORDER**

Chair Vekich called the meeting of the Minnesota Sports Facilities Authority (“MSFA” or “Authority”) to order at 9:00 A.M.

2. **ROLL CALL**

Commissioners present: Chair Michael Vekich, Barbara Butts Williams, Tony Sertich, Bill McCarthy, and Laura Bishop

3. **APPROVAL OF MEETING MINUTES – March 16, 2018.** See, Exhibit A.

4. **BUSINESS**

a. Action Items

i. Approve Stafford-Smith, Inc. Contract Revision #1

At the August 25, 2017 board meeting, the MSFA accepted the proposal and awarded the contract for stadium concessions cooking and holding equipment to Stafford-Smith, Inc. for a contract total of \$273,700.46. During the course of this project, Stafford Smith, Inc. submitted a contract revision for additional materials and labor, for \$8,156.50 which increased the contract amount to \$281,856.96. Staff requested approval for the Stafford-Smith, Inc. contract revision. See, Exhibit B.

Chair Vekich asked James Farstad, the MSFA’s Interim Executive Director, if there would be any additional work in the future that would increase the cost? Mr. Farstad stated that there is no additional work required.

Commissioner Sertich moved and Commissioner Bishop seconded the motion to approve the following recommended motion, which was unanimously adopted:

The Minnesota Sports Facilities Authority approves an increase of \$8,156.50 to the Stafford-Smith, Inc. trade contract agreement for contract change revision #1. The MSFA authorizes the Chair and Executive Director to execute contract change revision #1, for the revised total contract amount of \$281,856.96.

ii. Approve LS Black Constructors, Inc. Contract Revisions #1-#8

At the August 3, 2017 MSFA board meeting, the MSFA awarded a contract to LS Black Constructors, Inc. for the Women's Locker Room Buildout, Hyundai Club Kitchen Equipment Buildout, and the Video Production Room Cooling projects for a contract total of \$1,297,500. During the construction and installation of these projects several contract change revisions were submitted by the contractor which total \$67,593.72. The revised contract amount is \$1,350,093.72. Staff requested approval for LS Black Constructors, Inc. contract revisions #1 through #8. See, Exhibit C.

Mr. Farstad stated that if LS Black Constructors, Inc. needs to increase their payment and performance bond amount, then the contract amount may need to increase by an additional \$10,000.

Commissioner McCarthy moved and Commissioner Butts Williams seconded the motion to approve the following recommended motion, which was unanimously adopted:

The Minnesota Sports Facilities Authority approves an increase of \$67,593.72 to the LS Black Constructors, Inc. trade contract agreement for contract change revisions #1 through #8, as listed above. The MSFA authorizes the Chair and Executive Director to execute contract change revisions #1 through #8, for the revised total contract amount of \$1,365,093.72. If LS Black Constructors, Inc. needs to increase their payment and performance bond amount, then the contract amount may increase by an additional \$10,000.

b. Report Items

i. Executive Director Report

James Farstad, the MSFA's Executive Director, began his report by discussing the MSFA's Capital Procurement Process, and noted that the MSFA is working with SMG and the Minnesota Vikings to finalize the capital project list. The MSFA has streamlined the Request for Proposal (RFP) procedure and created a Request for Quote (RFQ) process, which reduces the amount of paperwork that must be completed for a submission of a proposal. He stated that the RFP for the Blackout Curtains has been going well, and that the proposals were due that day. Lastly, Mr. Farstad announced the MSFA and its partners have been working with the Minneapolis Downtown Council to create a beacon wayfinding system for the three miles of skyway in downtown Minneapolis. This wayfinding system would be installed in the stadium app, and would provide skyway maps from the stadium, to the A, B, and C parking ramps near Target Field.

Commissioner McCarthy asked Mr. Farstad about the status of the metal panels on the exterior of the stadium. Mr. Farstad stated that the MSFA will be looking at the exterior panels using a drone in order to see parts of the stadium that are not visible from the ground. The drone will also look at the roof to identify any problems. Commissioner McCarthy then inquired if there have been any water issues with the roof, and Mr. Farstad stated that there will most likely be heavy rains within the next month, which will identify any problems with leaking, but that the MSFA is not expecting any issues.

Chair Vekich asked Mr. Farstad if he would address the Blackout Curtain Capital Procurement, as it will be a large project. Mr. Farstad stated that the stadium is seeking blackout curtains for the 2019 NCAA Final Four and other events that require a darkening solution. He noted that the project will be extensive, as over 460,000 square feet of glass and ETFE will need to be covered. Interviews have been scheduled with companies who have submitted a proposal, and the MSFA will be reviewing proposals this weekend. The MSFA is expecting the project to be completed next winter and has entered into event agreements where the blackout curtains will be used. Commissioner Butts Williams asked Mr. Farstad if the board members would be able to sit in on the interviews with potential proposers, as she believes it is important to be included, as it is a large purchase. Chair Vekich stated that the MSFA was planning on inviting the board members, and that he would provide the interview schedule to the board.

ii. SMG Report

U.S. Bank Stadium's General Manager, Patrick Talty, gave an update about upcoming events that will be hosted in the stadium. See, Exhibit D.

Following his presentation, Chair Vekich asked Mr. Talty to report about the NCAA Final Four, and Mr. Talty stated that some SMG staff members attended the Final Four in San Antonio. He reported that SMG learned about the operations of hosting the NCAA Final Four and noted that the majority of the work occurs "backstage" in order to throw such a large event. He then provided a status update about the planning of the Final Four in Minneapolis. He stated that there will be a temporary seating system installed on the field, which is a large task and requires many workers to assemble. There will also be a test game on December 1, 2018, however; it will not include the temporary seating.

Chair Vekich stated that while in San Antonio, he spent most of his time behind the scenes, and that he learned a great amount about operations. He reported that the crowd was very different from the Super Bowl, and that the Final Four is a more family-friendly event, which included many children. Chair Vekich also met the executive team from the NCAA, and they are confident that Minneapolis is ready and capable of hosting the Final Four. Lastly Chair Vekich commended the Local Organizing Committee, SMG, and all of the other stadium partners for their great work.

Chair Vekich asked Mr. Talty to provide an update on the black-out curtains that will be used during the Final Four.

Mr. Talty stated that the black-out curtains are a capital improvement to the stadium, that they can be reused many times for different types of events. U.S. Bank Stadium is hosting a large religious event in both 2019 and in 2021, and black out curtains are required to have the event. Having the ability to black-out the windows and the ETFE will likely draw more large events to the stadium, which will benefit local hotels, restaurants, and many Minnesota companies.

Commissioner Butts Williams asked Mr. Talty to discuss the security for the Final Four, and if any additional security will be needed. Mr. Talty stated that he is proud of G4S and Whelan Security's work. Both of the security companies will be working with the Minneapolis Police Department, and they will all be required to participate in on-going training each month. Mr. Talty reported that they are constantly reviewing and updating security procedures, and he feels confident that the Final Four will be a very safe event for all the attendees. Chair Vekich stated that the NCAA is a SEAR 3 security level, but the Final Four tournament is a SEAR 2 level event. He then asked Mr. Talty to differentiate the levels of security. Mr. Talty stated that the Super Bowl is a SEAR 1 level, which requires full support of the United States government along with the coordination with state and local security forces. A SEAR 2 event may need assistance and federal support, but on a smaller scale. They support areas in which the state and local agencies may lack expertise or resources.

Mr. Vekich then request that Lester Bagley, Executive Vice President of Public Affairs at the Minnesota Vikings, discuss the Vikings draft party and the 2018-2019 schedule. Mr. Bagley stated that the Vikings Draft Party will be held on Thursday April 29th at 6 PM at U.S. Bank Stadium. The Vikings are preparing for the party, which this year, will be on the first day of the draft instead of the third day. It is an exciting event for the Vikings, and they are estimating that there will be roughly 3,000 guests in attendance. He also noted that because the Vikings have moved to their new facility in Eagan, they have over 5,000 Vikings related items that will be available for purchase to the public. Lastly, Mr. Bagley announced that the first preseason game is on August 18th against the Jacksonville Jaguars, and the first regular season opener is against the San Francisco 49'ers on September 9th, at U.S. Bank Stadium. The Vikings will have two Sunday night football games, and one of those games is against the Green Bay Packers.

5. PUBLIC COMMENT / DISCUSSION

There were no public comments.

6. ANNOUNCEMENT OF NEXT MEETING

Chair Vekich announced that the next MSFA meeting will be held May 18, 2018, at 9:00 A.M. at Mill City Museum.

7. ADJOURNMENT

There being no further business to come before the MSFA, the meeting was adjourned at 9:50 A.M.

Approved and adopted the 18th day of May 2018, by the Minnesota Sports Facilities Authority.

Tony Sertich, Secretary/Treasurer

James Farstad, Interim Executive Director



May 18, 2018

MEMORANDUM

TO: MSFA Commissioners

FROM: James Farstad and Mary Fox-Stroman

SUBJECT: Approve Parking Agreement with Timeshare Systems, Inc.

Per the terms of the Stadium Use Agreement the Minnesota Sports Facilities Authority (MSFA) is obligated to develop a parking plan that provides the Minnesota Vikings with the use of 2,500 parking spaces on game days for premium seating patrons. The plan must include 2,000 parking spaces that are within one block of the stadium with a skyway or tunnel connection and 500 spaces that are within two blocks of the stadium with a dedicated walkway.

The MSFA developed a parking plan that includes the two parking facilities it owns, the Mills Fleet Farm Parking Ramp and the Downtown East (DTE) Parking Ramp, leased space from Hennepin County and leased space from Timeshare Systems, Inc. The plan designated 963 spaces at the Mills Fleet Farm Parking Ramp, 452 spaces at the DTE Parking Ramp, 150 leased spaces from Hennepin County Medical Center, and 935 leased spaces from Timeshare Systems, Inc. on game days for the premium seating patrons.

Timeshare Systems, Inc. has offered to lease the 935 parking spaces to the MSFA on Minnesota Vikings game days as follows:

| <u>Parking Facility</u> | <u># of Spaces</u> | <u>Rate¹</u> |
|-------------------------|--------------------|--|
| 511 Ramp | 275 spaces | \$40/space/game, \$50 post-season/space/game |
| 511 Surface lot | 135 spaces | \$45/space/game, \$45 post season/space/game |
| 1010 Ramp | 525 spaces | \$45/space/game, \$60 post season/space/game |

¹ Applicable taxes are not included in the above rates.

The total cost for the 10 game days is \$434,981.25.

In addition, Timeshare Systems, Inc. offered to lease to SMG 125 parking spaces for \$25 per space at the 511 Ramp for six MSFA events. The total cost for the nine events is \$30,058.59.

Recommended Motion: *The MSFA approves and authorizes the Chair and Executive Director to execute the agreement with Timeshare Systems, Inc. for the use of 935 game-day parking spaces for a cost of \$434,981.25 and 125 spaces for SMG to lease for nine MSFA events for a cost of \$30,058.59.*



May 18, 2018

MEMORANDUM

TO: MSFA Commissioners

FROM: James Farstad and Mary Fox-Stroman

SUBJECT: Approve 2018 – 2019 Casualty Insurance Program

The Minnesota Sports Facilities Authority (MSFA) has a comprehensive casualty insurance program which is separate from the property insurance program. The casualty program includes the following policies: commercial general liability, excess liability, commercial automobile and garage keepers legal liability, crime, public officials and employment practices liability, workers compensation and employer liability, and cyber/privacy liability. CBIZ is the broker/agent for the casualty insurance program and provides carrier marketing services, policy administration and management services, and claim advocacy services.

In 2017 CBIZ aggressively marketed the MSFA's casualty insurance program to a variety of carriers and two carriers: National Casualty and Great American offered a 3-year rate commitment for their policies. As a result of this 3-year commitment to rate stability, CBIZ did not remarket the program in 2018, however they did request quotes consistent with the rate commitment that were negotiated in 2017.

Following is a summary of each insurance policy for the policy period from June 17, 2018 through June 17, 2019.

Commercial general liability. National Casualty (K&K) offered to renew the commercial general liability policy for a premium of \$53,214.64. This premium is flat and is not subject to audit. General liability limits are:

- \$1 million bodily injury/property damage per occurrence
- \$1 million products/completed operations per occurrence
- \$1 million personal injury/advertising injury per occurrence
- \$1 million liquor liability common cause
- \$2 million liquor liability aggregate
- \$2 million employee benefits liability aggregate
- \$2 million products and completed operations annual aggregate

There is a \$1,000 per claim deductible for employee benefits, and \$0 deductible for all other claims. This policy includes terrorism coverage.

Excess Liability. The excess liability program has a layered approach where each layer is in excess of the primary liability policies and the underlying excess layer. This program is structured to combine the layers to achieve the total required limits of liability and to minimize the cost parameters. The three layers have a total limit of \$50 million per occurrence and in the aggregate. The following insurers offered to renew the policies:

| <u>Carrier</u> | <u>Layer</u> | <u>Premium</u> |
|-------------------------|---|--------------------|
| National Casualty (K&K) | Layer 1 - \$10 million lead excess-primary policies | \$20,557.98 |
| National Casualty (K&K) | Layer 2 - \$15 million excess of \$10 million | \$15,750.00 |
| Axis (Great American) | Layer 3 - \$25 million excess of \$25 million | <u>\$37,500.00</u> |
| | Total | <u>\$73,807.98</u> |

The excess liability policies include terrorism coverage.

Automobile/Garage Keepers Legal Liability. National Casualty (K&K) offered to renew the coverage for automobile liability and the garage keepers legal liability. The policy limits are:

Automobile liability:

- \$1 million liability for bodily injury and property damage, combined single limit for hired and non-owned automobiles
- \$50,000 hired automobile for physical damage per automobile, less deductible of \$1,000

Garage keepers legal liability:

- \$1 million per location:
 - Mills Fleet Farm Parking Ramp
 - DTE Parking Ramp
 - 511 Building Surface Lot and Parking Ramp
 - 1010 Metrodome Square Parking Ramp
 - Hennepin County Medical Center Parking Ramp

The comprehensive deductible is \$1,000 per auto with a \$5,000 maximum deductible for claims caused by theft, mischief or vandalism. The collision deductible is \$1,000 for each customer's automobile.

The premium for this policy is \$3,450.38 and this policy includes terrorism coverage.

Crime. Travelers offered to renew the crime policy for a premium of \$1,339.00. Crime policy limits are:

- \$1 million employee dishonesty
- \$1 million depositors forgery
- \$1 million money and securities, inside and outside the premises
- \$1 million funds transfer fraud
- \$1 million computer fraud
- \$1 million credit card fraud

The policy has a \$10,000 deductible. There is a \$50,000 limit for claim expense with \$0 deductible. This policy includes terrorism coverage.

Cyber/privacy liability. Axis offered to renew the cyber/privacy liability policy for a premium of \$20,583.00. The cyber/privacy liability policy limits are:

- \$5 million security/privacy liability
- \$5 million website media liability
- \$5 million privacy regulation/crisis management
- \$5 million fraud response expense/extortion loss/ransom ware loss
- \$5 million business interruption/data recovery expense
- \$5 million combined aggregate limit

There is a \$15,000 deductible per claim and a 12-hour waiting period for business interruption losses. This policy includes terrorism coverage

Public officials and employment practices liability. Indian Harbor offered to renew the public officials and employment practices liability policy for a premium of \$22,552.36. The public officials and employment practices liability policy limits are:

- \$5 million each wrongful act or series of continuous, repeated or interrelated wrongful acts per occurrence
- \$5 million annual aggregate

There is a \$10,000 deductible per claim for each wrongful act or series of wrongful acts, employment practices, and defense/supplemental payments. The policy includes terrorism coverage.

Workers Compensation. SFM Mutual offered to renew the workers compensation policy for a premium of \$2,920.00. The policy limits are:

- \$1 million employers' liability-bodily injury by accident
- \$1 million employers' liability bodily injury by disease-each accident
- \$1 million employers' liability bodily injury by disease-policy limit

The premium for this policy is subject to an audit of payroll costs. The policy provides terrorism coverage.

Insurance Carrier Ratings

A. M. Best Company, Inc. publishes on an annual basis *Best's Insurance Reports* which provides in-depth reports on insurers, reinsurers and groups in the United States, Canada and around the world. The reports provide in-depth evaluation of insurers' balance sheet strength, operating performance, business profile and enterprise risk management. Companies licensed to do business in the United States are assigned a rating which attempts to measure the comparative position of the company or association against industry averages.

The ratings for the insurance carriers for the MSFA's casualty program are rated A+ (superior) or A (excellent) as shown below.

| <u>Policy</u> | <u>Carrier</u> | <u>A.M. Best Rating</u> | <u>Premium</u> |
|---|-------------------------|-------------------------|---------------------|
| Commercial General Liability | National Casualty (K&K) | A+ XV | \$53,214.64 |
| Excess Liability | National Casualty (K&K) | A+ XV | \$73,807.98 |
| | Great American | A+ XIV | |
| Commercial Automobile/Garage keepers Liability | National Casualty (K&K) | A+ XV | \$3,450.38 |
| Crime | Travelers | A+ XV | \$1,339.00 |
| Cyber/Privacy Liability | Axis | A+ XV | \$20,583.00 |
| Public Officials and Employment Liability | Indian Harbor | A XV | \$22,552.36 |
| Workers Compensation | SFM Mutual | Not rated | \$2,920.00 |
| CBIZ annual fee – annual fee \$30,000. National Casualty and SFM Mutual premiums included commissions of \$14,032.60. This has been netted out of CBIA fee. | Broker fee | | \$15,967.40 |
| | | Total | \$193,834.76 |

Recommended Motion: *The MSFA approves and authorizes procurement of the above listed policies for the casualty insurance program. Policy premiums may be adjusted based on final policy negotiations with each carrier. The property insurance program will be presented at a future board meeting.*



May 18, 2018

MEMORANDUM

TO: MSFA Commissioners

FROM: James Farstad, Executive Director

SUBJECT: Approve Interim Agreement Regarding Additional Team Capital

Pursuant to the terms of the *Development Agreement* between the Minnesota Vikings (“Team”) and the MSFA, the Team has the right to be reimbursed from U.S. Bank Stadium construction project (“Project”) savings for certain “First Priority Joint Funded Design Add Alternates” (“Design Add Alternates”) that the Team agreed to fund with an additional contribution early in the Project. Project savings will be determined from remaining amounts within the Project’s owner’s contingency account upon final close out of the Project.

The SDC Group that manages the Project on behalf of the MSFA and the Team has authorized an expenditure of owner’s contingency Project funds in the amount of \$351,135.73 to reimburse SMG for certain costs of operating the Stadium’s HVAC system during the initial commissioning of the Stadium (“Utility Commissioning Costs”). SMG incurred these costs during the period from the Stadium’s substantial completion on June 17, 2016, through July 1, 2016 due to the continued control of the HVAC operational systems by the Construction Manager (or its subcontractors) during this period. It is the position of the SDC Group that these costs are the responsibility of the Construction Manager and the Construction Manager is being charged back for these costs. In the meantime, SMG has been reimbursed for these extraordinary costs from the MSFA and the SDC Group, in turn, has authorized that the MSFA can be reimbursed, on an initial basis, from Project owner’s contingency. The Team, however, has requested (and the SDC Group has concurred), that if reimbursement from the Construction Manager, for whatever reason, is not achieved, then the reimbursement to MSFA from owner’s contingency will be permanent provided that the Team’s ability to receive reimbursement for the Design Add Alternates should be considered. To accomplish this, the SDC Group recommends that in the event (1) there are insufficient funds in owner’s contingency to refund the Team, and (2) the payment from owner’s contingency for the Utility Commissioning Costs is a contributing cause of the shortfall, then the Team’s authority to designate additional Stadium capital improvements (in the manner authorized by the *Use Agreement* between the MSFA and the Team) will be increased by the amount of the shortfall up to the sum of the Utility Commissioning Costs to the extent the shortfall is not eliminated or reduced by other sources.

Recommended Motion: *The MSFA Board authorizes the Chair and the Executive Director to negotiate and execute an interim agreement (and/or Use Agreement amendment) with the Minnesota Vikings regarding the Team’s authority to designate an additional \$351,135.73 of*

Capital Improvements in the MSFA's Capital Funding Plan pursuant to the terms of this memorandum.