



MINNESOTA SPORTS FACILITIES AUTHORITY MEETING AGENDA

Friday, January 18, 2019, 9:00 A.M.

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

1. CALL TO ORDER
2. APPROVAL OF PRIOR MEETING MINUTES – December 21, 2018
3. BUSINESS
 - a. Action Items
 - i. **Approve Contract Amendment with Chicago Flyhouse**
 - ii. **Election of Officers**
 - b. Reports
 - i. First Quarter Budget Report
 - ii. U.S. Bank Stadium Event Update
 - iii. Executive Director's Report
4. PUBLIC COMMENTS
5. DISCUSSION
6. ANNOUNCEMENT OF NEXT MEETING – Friday, February 15, 2019 at Mill City Museum - 710 South 2nd Street, Minneapolis, MN
7. ADJOURNMENT

***Items in bold require action**



MINNESOTA SPORTS FACILITIES AUTHORITY
Meeting Minutes – December 21, 2018 at 9:00 A.M.
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 9:07 A.M.

2. ROLL CALL

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

3. APPROVAL OF MEETING MINUTES – October 21, 2018. See, Exhibit A.

4. BUSINESS

a. Action Items

i. Approve MSFA Guiding Principles

Chair Vekich, stated that the MSFA wanted to align the Stadium Partners as a unified team, working together to make U.S. Bank Stadium successful on every front, which includes: State of Minnesota, Minnesota Vikings, City of Minneapolis, SMG, and Aramark. As the planning process progressed, Chair Vekich stated that the MSFA made the development of the Guiding Principles a key priority. The Guiding Principles include: the MSFA core values, stadium and MSFA purpose, shared mission, and shared vision.

Chair Vekich noted that the draft version of the MSFA's Guiding Principles were reviewed by each MSFA board member. The board's collective input led to valuable refinements, including the identification of equity, community focus, and involvement as one of the MSFA's core values. See, Exhibit B.

Commissioner Butts Williams thanked Chair Vekich for the update and for bringing the Guiding Principles document to life. She believes that communicating these principles to the community is a necessity, as the MSFA needs to continue to demonstrate its transparency to the public.

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

The Minnesota Sports Facilities Authority adopts the attached MSFA Guiding Principles. The Authority authorizes the Chair and the Executive Director to continue the strategic planning process.

ii. Approve Amended FY 2018-2019 Budget

Mary Fox-Stroman reported the 2018-2019 Amended Budget for the fiscal period from July 1, 2018 to June 30, 2019 for the Operating account, Capital Reserve account, and the Concession Capital Reserve account. This amended budget reflects the updated beginning account balances as of July 1, 2018 and it includes revised revenues and expenses for the NCAA Men's Basketball Final Four 2019 tournament. See, Exhibit C.

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

The Minnesota Sports Facilities Authority adopts the attached 2018-2019 Amended Budget for the fiscal period from July 1, 2018 through June 30, 2019 for the operating account, the capital reserve account, and the concession capital reserve account. The Authority authorizes the Chair and the Executive Director to make adjustments to the detailed revenue and expense budget lines within the operating account budget.

iii. Approve Revised Operations Equity Plan

James Farstad discussed the newly amended MSFA Operations Equity Plan. He stated that this amended plan reflects an alignment with the MSFA Guiding Principles and State of Minnesota Statute § 473J.12, which is designed to further the Authority's evolution as a leader in equity, inclusion, and diversity. Mr. Farstad stated that the MSFA hosts quarterly meetings for women, minority, and veteran owned businesses, to discuss the opportunities for work that may be available in the near future. He noted that the MSFA now includes a job fair at these meetings. The equity meetings will have food catered from women, minority, an/or veteran owned local restaurants within the community. See, Exhibit D.

Chair Vekich thanked Commissioner Butts Williams for attending and speaking at the equity meeting. He stated that there was great discussion with a large and diverse audience. Commissioner Butts Williams stated that she has enjoyed working in collaboration with all stadium partners, and she is hopeful that the stadium will continue to maintain its equity goals.

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

The Minnesota Sports Facilities Authority adopts the attached Amended Operations Equity Plan. The Authority authorizes the Chair and the Executive Director to implement the plan.

iv. Approve Amended Contract for CH Skiem Consulting, LLC

Mr. Farstad stated that on December 15, 2017 the MSFA authorized the Chair and Executive Director to enter into a contract with C. H. Skiem Consulting, LLC for financial advisory services related to stadium construction and operations for an amount up to \$120,000 for the period from January 1, 2018 through December 31 2018. See, Exhibit E.

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

The MSFA authorizes the Chair and Executive Director to execute a contract amendment with C.H. Skiem Consulting, LLC, and to increase the contract maximum amount to \$121,587 for the above listed term.

v. Approve Final Four Local Organizing Committee (LOC) Contract (including update on Final Four)

Before presenting the proposed Final Four Local Organizing Committee contract to the board, Chair Vekich asked Patrick Talty, SMG's General Manager, to provide a stadium update on the Final Four. Mr. Talty stated that unlike the Super Bowl, there are less consultants to help with the planning, so a lot of the work is being delegated to stadium staff. He noted that the stadium is having monthly meetings with the NCAA and the LOC, and a lot of planning decisions have been made before the new year. He noted that the perimeter of the stadium for the Final Four will be less expensive and less expensive than the Super Bowl, but will have the same security procedures. In order to make the event feel special for the athletes, Mr. Talty stated that the stadium will put a focus on branding on the service level of the stadium, which is where the student athletes will gather. He also stated that the Final Four tournament will be the largest event that U.S. Bank Stadium has hosted, as additional seating will be installed on the field level surrounding the courts. Because of this additional seating, U.S. Bank Stadium will be ready to host 72,000 people. Mr. Talty also announced that for the first time in NCAA Final Four history, beer and wine will be available for purchase at the stadium; however, there will be very stringent alcohol policy. Lastly, Mr. Talty stated that he is excited that the games will bring in true fans, and unlike the Super Bowl, the Final Four will be a much more family friendly event. Commissioner Butts Williams stated that she would be interested in an overview report that states the challenges of hosting large events such as the Final Four and concerts. She asked Mr. Talty if there is anything the MSFA should consider when planning these events, and also asked about flexibility with storage and the media. Lastly, she asked Mr. Talty to comment on how these events could turn into future investments. Mr. Talty responded by saying that the biggest asset of the stadium is its flexibility for events. The stadium has hosted an array of different events, and because of this flexibility, many people are able to attend events that suit their interests. Mr. Talty stated that one of the biggest challenges is storage, as many of these large events require the storing of materials within the stadium. He noted that the loading dock is a great asset as it is located inside the stadium and is very close to the field. He also stated that the

technology in the building is state-of-the-art, and for the first time ever, the NCAA will be able to have media located on the field.

Lastly, Mr. Talty stated that the LOC is responsible for all events located outside of the stadium, all the fundraising, and the volunteer program.

Following Mr. Talty's stadium update, Chair Vekich discussed the Final Four LOC Contract with the MSFA Board. He stated that the MSFA and SMG staff have worked with the Final Four Local Organizing Committee to finalize event plans and preparations for the 2019 NCAA Final Four Men's Basketball tournament, which will be held from April 6, 2019 through April 8, 2019. He stated that the Event Support and Funding Agreement has been finalized and is ready for signature by the MSFA and Minneapolis Local Organizing Committee. *See, Exhibit F.*

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

The MSFA authorizes the Chair and Executive Director to execute the Event Support and Funding Agreement with the Minnesota Local Organizing Committee for the 2019 NCAA Men's Basketball Final Four.

vi. Accept Comprehensive Annual Financial Report - June 30, 2018

Ms. Fox-Stroman presented the Comprehensive Annual Financial Report. She stated that The CAFR has three major sections: introductory, financial, and statistical. The financial section includes the independent auditors' report, management's discussion and analysis, the basic financial statements including the notes to the financial statements, and required supplementary information. This is the first year that an independent audit firm, CliftonLarsonAllen LLP (CLA), conducted the audit. *See, Exhibit G.*

Christopher Knopik and Michelle Hoffman from CliftonLarsonAllen then discussed the audit.

Chair Vekich thanked CliftonLarsonAllen for their great work. He noted that receiving a clean audit and having no material adjustments is a difficult task, and he complimented both Mary Fox-Stroman and Sue

Arcand for their hard work. Chair Vekich then asked Mr. Knopik and Ms. Hoffman if there are any concerns that the MSFA should be aware of, and Mr. Knopik stated that there are no concerns. Ms. Hoffman then stated that Ms. Fox-Stroman and Ms. Arcand were great to work with and that they were very responsive to any questions that the CliftonLarsonAllen had.

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

The MSFA accepts the Comprehensive Annual Financial Report for the fiscal year ended June 30, 2018.

b. Report Items

i. Comprehensive Annual Financial Report

As the Comprehensive Annual Financial Report was discussed in the action items, Ms. Fox-Stroman suggested that the MSFA move on to the next report item.

ii. 4th Quarter Budget Report – June 30, 2018

Ms. Fox-Stroman provided the board with two budget reports. The first, was the fiscal year 2017-2018 budget report for the fiscal year ended June 30, 2018 for the operating account, capital reserve account, and concession capital reserve account. Second, was the project-to-date budget report for the U. S. Bank Stadium project trust account from project inception through June 30, 2018. See, Exhibit H.

iii. Executive Director's Report

Mr. Farstad reported that the MSFA, along with the Minnesota Twins, hosted a Home Plate Unveiling ceremony to celebrate the years of baseball played in the H.H.H. Metrodome. He thanked Aramark for making the event so special, and noted that they “hit it out of the park”. Mr. Farstad also announced that Northland Community College used the latest drone technology to capture images of the stadium

in order detect any damage to the building, and if any repairs needed to be made. Mr. Farstad touched on the status of capital projects that are in progress in the stadium, including: the darkening solution acoustic curtain, ADA seating, broadcast cabling, field turf request for proposals, restroom gates prototypes, integration of Excel Energy meters into the building's automation system, Verizon Gate's matting installation, elevator audio installation, and the Polaris/Ecolab Gates' stairway repairs. Regarding the operations projects, Mr. Farstad stated that x-ray security screen tests are in progress, the concession energy management pilot has been finalized, the LEED operational certification purchase order has been submitted, and the request for proposals for IT Services, Equity Advisor, and Casualty/Property Insurance are being finalized.

iv. Patrick Talty Stadium Event Update

Mr. Talty presented a stadium update to the MSFA Board regarding 2018 events. *See, Exhibit I.* Commissioner Butts Williams asked Mr. Talty if there are any concerns regarding the turf, as U.S. Bank Stadium has hosted so many events. Mr. Talty stated that U.S. Bank Stadium has the best turf in the country, and that the Vikings always make sure it of the highest quality. He stated that usually field turf replaced after 5-6 years of use, but Mr. Talty stated that he hopes it will be replaced earlier. Chair Vekich then asked Mr. Talty to discuss the press conference with Garth Brooks and Governor Mark Dayton. Mr. Talty reported that Garth Brooks had a phone interview with Governor Dayton, and that the Governor was encouraging Garth Brooks to add a second show at U.S. Bank Stadium as the tickets to his show on May 4, 2019 were in high-demand. Garth Brooks agreed to a second show, which will be held on May 3, 2019. Lastly, Mr. Talty introduced Anne Dune, the new assistant General Manager of U.S. Bank Stadium, to the MSFA Board.

v. Steve Fletcher

Chair Vekich called Steve Fletcher, Minneapolis City Council member of Ward 3 to address the board. Mr. Fletcher stated that he is the city council member in the Downtown East district, and praised U.S. Bank Stadium for the contribution it has made to neighborhood. He stated that it is exciting to see all the activity and events that take place at that the stadium, and if any issues affect the neighborhood, the MSFA is very responsive in correcting any concerns that the surrounding community may have, especially with the stadium lighting at night. Mr. Fletcher stated that he wants to continue to grow his

relationship with the MSFA and stadium partners, and he is proud that the stadium shares the same values and morals as the City of Minneapolis' ward 3.

5. PUBLIC COMMENTS

1. Jerry Bahls: Mr. Bahls stated that in 2018, the Audubon Chapter of Minneapolis brought in three world's top experts on bird collision in order to compile current scientific information to help the MSFA develop a solution to the bird collision issue. He stated that the Audubon Chapter of Minneapolis is in the process of drafting recommendations and ideas as to make U.S. Bank Stadium more bird friendly. He noted that their plan is to complete the recommendation by the end of the year, and to present it to the Audubon Chapter of Minnesota research team, so they can incorporate it into their report to the MSFA in early 2019. Mr. Bahls is hoping that the stadium will be retrofitted with a bird safe solution by migration time in spring of 2019.

2. Constance Pepin: Ms. Pepin stated that the Audubon Chapter of Minneapolis's coalition of bird conservation groups has been eager to learn the purpose of the current study; however, the information remains private. Ms. Pepin noted that they asked Audubon Minnesota to share the research questions and the hypotheses they are testing but declined, citing the Memorandum of Understanding. Ms. Pepin and the Audubon Chapter of Minneapolis believes that the information of the study, should be made public to the citizens. She stated that she is concerned about whether the study will produce results that effectively inform local policy and management decisions to solve the known problem of bird deaths at the Stadium, and that it is evident that the stadium is killing a significant number of birds as it is on the Mississippi River flyway. Ms. Pepin urged the MSFA to take immediate action to retrofit the stadium and that she would like to meet stadium officials about the issue in early 2019.

3. Ann Laughlin: Ms. Laughlin reported that U.S. Bank Stadium has been receiving negative publicity nationally in regards to the bird deaths. In October, the National Audubon Society published an article titled "Minnesota's Newest Sports Stadiums Take Very Different Approaches to Bird Safety." She noted that the article draws a detailed comparison between U.S. Bank Stadium and Allianz Field, the new St. Paul soccer stadium, with regard to preventing bird deaths. She read an excerpt from the article that stated "Buildings are just one of the threats that migrants encounter as they cover

hundreds to thousands of miles twice a year. Considering birds in the blueprints, as McGuire has done, and retrofitting existing structures, as the Vikings have indicated they might do, is a significant step in helping ensure safer passage on their incredible journeys.” Lastly, Ms. Laughlin hopes that the Vikings and MSFA can generate some positive publicity by joining the efforts of Minnesota United FC by “doing the right thing” to protect migratory birds.

4. Phyllis Kahn: Representative Phyllis Kahn stated that as being the scientist in legislature, she noticed that MN now has a state statute to use bird safe glass, which wasn’t passed into law until after the construction of U.S. Bank Stadium was completed. She stated that U.S. Bank Stadium is the only state that has a law regarding bird safe glass, and U.S. Bank Stadium should be an example to the rest of the country. She kindly asked the MSFA to reconsider their decision, in order to prevent future bird deaths.

6. DISCUSSION

Chair Vekich stated that it has been great to work with the excellent MSFA staff as well as stadium staff throughout the year. He noted that the MSFA has completed a lot of hard work, which wouldn’t have been possible without the MSFA’s wonderful partners. Chair Vekich then thanked MSFA staff, Patrick Talty and his team at SMG, John Fitzgibbon and his staff at Aramark, as well as the Minnesota Vikings. He noted that they have been great partners, and he is excited to see the Vikings compete in the playoffs.

7. ANNOUNCEMENT OF NEXT MEETING

Chair Vekich announced that the next MSFA meeting will be held on January 18 2019, at U.S. Bank Stadium in the Hyundai Club at 9:00 A.M.

8. ADJOURNMENT

There being no further business to come before the MSFA, the meeting was adjourned at 10:55 A.M.

Approved and adopted the 18th day of January 2019, by the Minnesota Sports Facilities Authority.

Tony Sertich, Secretary/Treasurer

James Farstad, Executive Director



January 18, 2019

MEMORANDUM

TO: MSFA Commissioners

FROM: James Farstad, Executive Director

SUBJECT: Approve Contract Amendment with Chicago Flyhouse

The MSFA entered into a contract on June 28, 2018 with Chicago Flyhouse to provide a darkening solution for U.S. Bank Stadium. The project is scheduled to be completed prior to the NCAA Final Four tournament. The original amount of the contract was \$1,257,425.10. The MSFA wishes to amend the contract and increase the amount by \$186,870.00 for the addition of two accoustical curtains located on the east and west side windows, as well as additional bushel storage hampers.

Recommended Motion: *The MSFA authorizes the Chair and Executive Director to amend the contract with Chicago Flyhouse for a total contract amount of \$1,444,295.10.*



January 18, 2018

MEMORANDUM

TO: MSFA Commissioners

FROM: James Farstad and Mary Fox-Stroman

SUBJECT: Q1 Budget Report – September 30, 2018

Attached is the Q1 Budget Report for the period from July 1, 2018 through September 30, 2018 for the MSFA's operating account, capital reserve account, and concession capital reserve account. Following is a high level summary of the accounts for the first quarter of 2019:

Operating Account

The operating account is used to account for the MSFA's operations which includes SMG's operation of U. S. Bank Stadium.

Operating revenues	\$ 14,299,108
Operating expenses	<u>(\$ 13,017,667)</u>
Operating income	\$ 1,281,441
Net nonoperating revenues/(expenses)	<u>\$ (102,399)</u>
Change in account balance	\$ 1,179,042
Beginning account balance	\$ 5,999,496
Ending account balance	<u>\$ 7,178,538</u>

Capital Reserve Account

The capital reserve account is used to account for capital improvements in the stadium.

Capital reserve revenues	\$ 809,215
Capital reserve expenses	<u>(\$ 130,006)</u>
Change in account balance	\$ 679,209
Beginning account balance	<u>\$ 4,712,356</u>
Ending account balance	<u>\$ 5,391,565</u>

Concession Capital Reserve Account

The concession capital reserve account is used to account for concession capital improvements in the stadium.

Concession capital reserve revenues	\$ 272,301
Concession capital reserve expenses	<u>(\$ 180,025)</u>
Change in account balance	\$ 92,276
Beginning account balance	<u>\$1,429,865</u>
Ending account balance	<u>\$1,522,141</u>

MINNESOTA SPORTS FACILITIES AUTHORITY
YEAR 2018-2019 BUDGET
July 1, 2018 to September 30, 2018

<u>Operating Account</u>	<u>Original Budget 2019</u>	<u>Amended Budget 2019</u>	<u>Q1 - Actual 7/1/18-9/30/18</u>
Revenues:			
Stadium operating payments			
State of Minnesota operating payment	\$ 6,484,384	\$ 6,484,384	\$ 1,549,600
Minnesota Vikings operating payment	\$ 9,017,650	\$ 9,017,650	\$ 2,254,413
Stadium operating revenue-SMG	\$ 32,667,250	\$ 32,667,250	\$ 10,447,121
NCAA Final Four 2019 concessions	\$ 1,800,000	\$ 2,000,000	\$ -
MN LOC NCAA Final Four 2019 contribution	\$ -	\$ 200,000	\$ -
Miscellaneous revenues	\$ 64,200	\$ 64,200	\$ 47,974
Total revenues	\$ 50,033,484	\$ 50,433,484	\$ 14,299,108
Expenses:			
Personal services	\$ 815,370	\$ 815,370	\$ 122,704
Professional services	\$ 1,864,450	\$ 1,864,450	\$ 230,248
Travel and meetings	\$ 16,000	\$ 16,000	\$ 1,498
Supplies and network administration	\$ 221,000	\$ 221,000	\$ 62,290
Rent, stadium contractual commitments and leases	\$ 857,641	\$ 857,641	\$ 363,778
Insurance	\$ 190,916	\$ 190,916	\$ 159,655
Communication	\$ 5,520	\$ 5,520	\$ 1,321
Miscellaneous and marketing	\$ 495,148	\$ 495,148	\$ 34,786
NCAA Final Four event expense	\$ 6,492,588	\$ 6,915,008	\$ -
Event cabin license fee	\$ 300,000	\$ 300,000	\$ -
Stadium operating expenses-SMG and SMG fee \$530,803	\$ 40,720,144	\$ 40,720,144	\$ 12,041,387
Total expenses	\$ 51,978,777	\$ 52,401,197	\$ 13,017,667
Operating income/(loss)	\$ (1,945,293)	\$ (1,967,713)	\$ 1,281,441
Nonoperating revenues/(expenses):			
Revenues-Investment earnings	\$ 60,000	\$ 60,000	\$ 33,769
Revenues-Taxes-State of Minnesota	\$ 1,854,554	\$ 1,854,554	\$ -
Expenses-Stadium project costs	\$ (210,000)	\$ (210,000)	\$ (136,168)
Total nonoperating revenues/(expenses)	\$ 1,704,554	\$ 1,704,554	\$ (102,399)
Net income	\$ (240,739)	\$ (263,159)	\$ 1,179,042
Transfers:			
Transfer to Capital Reserve fund	\$ (1,000,000)	\$ (1,000,000)	\$ -
Change in Account Balance	\$ (1,240,739)	\$ (1,263,159)	\$ 1,179,042
Beginning Operating Account Balance	\$ 7,578,252	\$ 5,999,496	\$ 5,999,496
Ending Operating Account Balance	\$ 6,337,513	\$ 4,736,337	\$ 7,178,538
Capital Reserve Account			
Revenues:			
Minnesota Vikings Capital Cost payment	\$ 1,639,091	\$ 1,639,091	\$ 399,968
State of Minnesota Capital payment	\$ 1,636,989	\$ 1,636,989	\$ 409,247
Minnesota NCAA LOC Final Four 2019 Contribution	\$ 1,800,000	\$ 1,700,000	\$ -
Total revenues	\$ 5,076,080	\$ 4,976,080	\$ 809,215
Capital expenses	\$ 8,912,063	\$ 8,912,063	\$ 130,006
Net Income/(loss)	\$ (3,835,983)	\$ (3,935,983)	\$ 679,209
Transfers:			
Transfer from Operating Account	\$ 1,000,000	\$ 1,000,000	\$ -
Transfer from Concession Capital Account	\$ 600,000	\$ 600,000	\$ -
Total transfers	\$ 1,600,000	\$ 1,600,000	\$ -
Change in Account Balance	\$ (2,235,983)	\$ (2,335,983)	\$ 679,209
Beginning Capital Reserve Account Balance	\$ 5,108,122	\$ 4,712,356	\$ 4,712,356
Ending Capital Reserve Account Balance	\$ 2,872,139	\$ 2,376,373	\$ 5,391,565
Concession Capital Reserve Account			
Revenues:			
Concession Capital Reserve payment	\$ 850,000	\$ 850,000	\$ 272,301
Expenses			
	\$ 1,085,055	\$ 1,085,055	\$ 180,025
Net Income/(loss)	\$ (235,055)	\$ (235,055)	\$ 92,276
Transfers:			
Transfer to Capital Reserve Account	\$ (600,000)	\$ (600,000)	\$ -
Change in Account Balance	\$ (835,055)	\$ (835,055)	\$ 92,276
Beginning Concession Capital Reserve Account Balance	\$ 1,471,951	\$ 1,429,865	\$ 1,429,865
Ending Concession Capital Reserve Account Balance	\$ 636,896	\$ 594,810	\$ 1,522,141