



MINNESOTA SPORTS FACILITIES AUTHORITY MEETING AGENDA

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

U.S. Bank Stadium – Medtronic Club

401 Chicago Ave, Minneapolis, MN 55415

1. CALL TO ORDER
2. APPROVAL OF PRIOR MEETING MINUTES – September 30, 2019
3. BUSINESS
 - a. **Action Items**
 - i. **Approve Master Lease Agreement with Huntington Technology Finance**
 - ii. **Approve Amended FY 2018-2019 Budget**
 - a. **2019 Minneapolis NCAA LOC Contribution Revenue**
 - b. Reports
 - i. ASM Global Introduction/Event Update
 - ii. Executive Director Report
4. PUBLIC COMMENTS
5. DISCUSSION
6. ANNOUNCEMENT OF NEXT MEETING – Friday, November 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 – September 30, 2019 at 9:00 A.M.
U.S. Bank Stadium – Medtronic Club
401 Chicago Ave
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, Bill McCarthy, Barbara Butts Williams, Tony Sertich, and Angela Burns Finney.

3. APPROVAL OF MEETING MINUTES – August 16, 2019. See, Exhibit A.

4. BUSINESS

Before the action items, Chair Vekich announced that the MSFA board has a new member, Angela Burns Finney, and that she will be replacing Laura Bishop. Chair Vekich then asked Commissioner Finney to give an introduction about herself. Commissioner Finney stated that she is from St. Paul and is very involved in community engagement. She is currently on the board of the YWCA as well as the City of St. Paul Neighborhood’s STAR board, and works at PwC in the Marketing and Strategy/Development department, as a Tax Marketing Manager.

a. Action Items

i. Operating Account Budget Increase – NCAA Final Four Event Expense

Mr. Farstad stated that costs for the NCAA Final Four event have now been finalized and the total event costs are \$6,935,989. Staff is requesting an increase of \$20,981 to the NCAA Final Four event expense line item budget and to the 2018-2019 Operating Account budget. This request will increase the NCAA Final Four event expense budget to \$6,935,989 and will increase the total Operating Account expense budget to \$52,422,178. *See, Exhibit B.*

Commissioner Butts Williams asked Mr. Farstad if this was the final expense of Final Four and if it closes out the event, and Mr. Farstad stated that it did.

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

The MSFA approves an increase of \$20,981 to the Operating Account expense budget for a total NCAA Final Four event expense budget of \$6,935,989. The MSFA also approves an increase of \$20,981 to the 2018-2019 revised Operating Account expense budget for a total budget of \$52,422,178.

ii. Capital Reserve Account Budget Increase – Darkening Solution Project

Mr. Farstad stated that during the year, the capital project plan was modified and projects were added to the plan and/or project budgets were changed. The costs for the darkening solution project have now been finalized, and total project costs are \$5,256,729. Staff is requesting an increase of \$56,729 to this project budget and to the 2018-2019 capital expense budget for a total capital reserve expense budget of \$8,968,792. *See, Exhibit C.*

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

The MSFA approves an increase of \$56,729 to the darkening solution project budget for a final project budget of \$5,256,729. The MSFA also approves an increase of \$56,729 to the 2018-2019 revised capital reserve expense budget for a total budget of \$8,968,792.

iii. MSFA Chair Compensation

Commissioner McCarthy stated that he is requesting the MSFA board increase the annual salary of the MSFA Chair from \$60,000 to \$96,000, effective October 1, 2019. He stated that Chair Vekich has demonstrated significant leadership and made major contributions to the MSFA by initiating the creation of the MSFA's strategic plan, as well as developing and maintaining key strategic relationships with Governor Walz, the Minnesota legislature, the City of Minneapolis council members, the Mayor, the local business community, and the Minnesota Vikings. The Chair's current compensation is based on a 20-hour work week, however; because Chair Vekich is working 32 hours a week, Commissioner McCarthy believes that he should be compensated fairly for his time, and recommends Chair Vekich keep his current hourly rate, but be paid for the additional 12 hours of work each week. *See, Exhibit D.*

Commissioner Burns Finney asked if the salary is a yearly salary, and Commissioner McCarthy stated that the salary can be changed due to the number of hours worked by the chair.

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

The MSFA approves an increase of \$36,000 in the annual salary of the Chair, increasing the Chair's salary to \$96,000, effective October 1, 2019. The base salary for the Chair's position will remain at \$60,000.

b. Report Items

i. 2029-2020 Property Insurance Report

Mary Fox-Stroman, Director of Finance at the MSFA, stated that Willis Towers Watson marketed the MSFA's property insurance program to ten carriers to obtain competitive terms and pricing. Four carriers toured the stadium and were informed about its many features and operations. AIG quoted an insurance limit of \$1 billion

and Travelers offered a quote for the excess layer of \$200 million. The program includes terrorism insurance and it has a \$100,000 deductible. See, Exhibit E for the breakdown of coverage.

Chair Vekich asked Ms. Fox-Stroman if the terms are the same as the prior year, and Ms. Fox-Stroman stated that there are no major changes, and nothing has been added.

ii. Executive Director Report

Mr. Farstad stated that the MSFA has posted an RFP for new armor deck that will cover the field for non-Vikings' game events, as a field protectant. Verizon and AT&T have also begun installing 5G within U.S. Bank Stadium, which will work inside the stadium, as well as outside the stadium on the plaza. Lastly, Mr. Farstad noted that the MSFA is revamping its equity program, and is working closely with Aramark and SMG to create an equity committee to broaden the demographic of event day staff, as well as companies who submit proposals through the RFP process. The MSFA and their equity advisors, Tempo Creative, will be conducting interviews with employee assistance firms, as well as women and minority owned business in hopes to establish the equity goals.

5. PUBLIC COMMENTS

1. Constance Peppin: Ms. Peppin read from an article titled "Vanishing: More Than 1 in 4 Birds Has Disappeared in the Last 50 Years" by Gustave Axelson. The article discussed a study that stated that the wild bird populations in the continental U.S. and Canada have declined by almost 30% since 1970, which is a loss of 2.9 billion breeding adult birds. The article can be found at:

<https://www.allaboutbirds.org/vanishing-1-in-4-birds-gone/>

Ms. Peppin stated that the decline in the bird population is an ecological disaster unfolding around us, and that given the crisis, humans need to do everything in their power to prevent more fatalities. She stated that the Cornell lab of ornithology says that making windows safe is the number one most important action to help birds, and Ms. Peppin stated that because solutions are available, the MSFA must act immediately to make the windows at U.S. Bank Stadium more bird safe.

2. Stephen Greenfield: Mr. Greenfield stated that the windows of U.S. Bank Stadium are the greatest impact of bird mortality, and that the death toll will continue to rise as the vegetation around the stadium continues to mature throughout the years. Mr. Greenfield noted that Allianz Field has taken great efforts to reduce bird mortalities and has received a lot of positive publicity since the stadium opened. Lastly, Mr. Greenfield stated that there are many ways to help prevent the future deaths of birds, and he encourages the MSFA to look into options as soon as possible.

6. DISCUSSION

Chair Vekich announced that today would be Patrick Talty's last day at U.S. Bank Stadium. He stated that Mr. Talty provided leadership and a strong vision of success for a stadium which has become truly a gold standard in the NFL and across all event venues worldwide. He noted Mr. Talty has dedicated countless hours to developing a high performing team who live the mission of creating memorable experiences, and championed the stadium's multi-faceted service program which united the stadium partners in service excellence. Chair Vekich stated that Mr. Talty also served as Vice Chair of Sports Minneapolis since the organization's inception in 2016, and was recognized as a Power Player Facility Manager by the Sports Business Journal in 2017. Throughout his time at U.S. Bank Stadium, Chair Vekich stated that Mr. Talty executed a successful Grand Opening, ran three flawless X-Games events, Super Bowl LII, and the 2019 NCAA's Final Four. Mr. Vekich then stated that throughout the years, U.S. Bank Stadium has won many awards, all which would not have been possible without Mr. Talty's leadership. Some of these awards include: Best New Venue Award by the Stadium Business Awards in 2017 and the Venue Excellence Award by the International Association of Venue Managers in 2019. Lastly, Mr. Vekich stated that Mr. Talty brought over 4.64 million guests through the doors of U.S. Bank Stadium in a course of over 1,150 events since the opening in 2016. Chair Vekich stated that Mr. Talty will be missed, and congratulated him on his new adventure in Indianapolis.

Mr. Talty stated that he could not have had so much success without his high performing team. He noted that he has worked in two other NFL stadiums in the past, and that the staff at U.S. Bank Stadium has been the best he has ever seen. He also stated that he is so thankful for the MSFA board and the Minnesota Vikings for allowing him the opportunity to be the first General Manager of the stadium, and for trusting him to run such a large operation. Mr. Talty praised the MSFA board and stated that they

should feel happy and proud of their work, as U.S. Bank Stadium is truly the people's stadium as well as a multi-purpose building which is used for so many more events than just NFL football. Mr. Talty also stated that there have been a lot of concerts at the stadium, and the artists all love the energy of crowds in Minneapolis. He noted that leaving U.S. Bank Stadium was a hard decision, but he is looking forward to moving closer to his extended family. Lastly, Mr. Talty stated that the stadium is the gold standard and that he will miss all of the stadium staff and partners.

Commissioner McCarthy thanked Patrick for his worked over the years and stated that he had never met anyone so skilled when working with unions and putting together contracts. He noted that his job was not easy, and he appreciates all he has done for the stadium.

Commissioner Butts Williams then thanked Patrick for all he has done throughout the years. She stated that he is leaving his legacy at U.S. Bank Stadium, and that his legacy will never dissipate.

Chair Vekich then asked John Drum, Interim General Manager of SMG, to address the MSFA board. Mr. Drum stated that he is really looking forward to working with the MSFA board of directors during the time of transition, and he is honored to be able to step into the role until a permanent candidate is found for the General Manager position. He noted that Mr. Talty will be missed greatly, but that his legacy will always be within U.S. Bank Stadium.

7. ANNOUNCEMENT OF NEXT MEETING

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

8. ADJOURNMENT

There being no further business to come before the MSFA, the meeting was adjourned at 9:40 A.M.

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

Tony Sertich, Secretary/Treasurer

James Farstad, Executive Director



October 18, 2019

MEMORANDUM

TO: MSFA Commissioners

FROM: James Farstad, Executive Director

SUBJECT: Approve Huntington Master Lease and Signature Systems Contract for Turf Cover

On September 5, 2019, the MSFA published an RFP seeking competitive proposals to furnish a new protective 135,000 square foot hardscape turf cover. The existing turf cover has served the Stadium since our 2016 grand opening, and has been utilized for more than 120 floor events. Following a review of the proposals submitted, staff has recommended the OmniDeck Turf Cover solution offered by Signature Systems Group. This product is designed to support 86,400 pounds per square foot, and includes ADA compliant ramps. As the name implies, OmniDeck allows omnidirectional installation at a rate of more than 12,000 square feet per hour. This has the important operational benefit of greatly simplifying and speeding Stadium field transitions.

The product is estimated to be on-site in early December 2019 and will be placed into use for several post football season field level events scheduled in January and February 2020.

Signature Systems Group has agreed to sell the OmniDeck Turf Cover solution to the MSFA (and provide a credit to MSFA for the existing turf cover) for \$991,300 plus applicable sales taxes. Huntington Technology Finance has agreed to finance the acquisition of the new turf cover by providing a Master Lease Agreement to facilitate this procurement from Signature Systems Group. The Master Lease Agreement and financing schedule to be entered into with Huntington Technology Finance allows the MSFA to acquire the new turf cover at a monthly cost of approximately \$28,000 for a period of 48 months, with a final payment of \$1 to acquire unencumbered title to the turf cover at the end of the 48-month financing term.

Recommended Motion: *The MSFA authorizes the Chair and Executive Director to accept the proposal of Signature Systems Group and to negotiate and execute a contract agreement with Signature Systems Group to acquire the new turf cover, and the Chair and the Executive Director are authorized to execute such documents and to take such other actions on behalf of the MSFA as are necessary to accomplish the acquisition. The MSFA also authorizes the Chair and the Executive Director to negotiate and execute a Master Lease Agreement with Huntington Technology Finance and a financing schedule to the Master Lease Agreement in an amount not to exceed \$ 28,000 per month for 48 months, with a \$1.00 purchase option, and to execute such documents and to take such other actions on behalf of the MSFA as are necessary to accomplish*

the financing. Funds necessary to pay the rental payments due under the financing schedule (and the Master Lease Agreement) during the current fiscal year are available and hereby appropriated and authorized to be used for such purpose. The MSFA further makes the following findings: (1) all future rental payments are payable exclusively from moneys legally appropriated and provided therefore by the MSFA in each future fiscal year; and (2) in the sole event that funds are not so appropriated for any future fiscal year, the MSFA will have the right to terminate the financing at the end of its then current fiscal year and surrender the new turf cover to Huntington Technology Finance. All prior actions taken by the MSFA and its staff relating to this acquisition and financing are ratified and approved in all respects.



October 18, 2019

MEMORANDUM

TO: MSFA Commissioners

FROM: James Farstad, Executive Director
Mary Fox-Stroman, Director of Finance

SUBJECT: Approval of Amended 2018 – 2019 Operating Account Budget – Minneapolis LOC
NCAA Final Four 2019 contribution

Operating Account Budget

The MSFA board approved, at its December 21, 2019 meeting, an amendment to the 2018-2019 Operating Account budget to increase the NCAA Final Four concessions revenue by \$200,000 from \$1,800,000 to \$2,000,000 and to add a new revenue budget, Minneapolis LOC NCAA Final Four 2019 contribution, for \$200,000. The revised total Operating Account revenue budget increased to \$50,433,484.

On December 21, 2018 the MSFA executed the Event Support and Funding Agreement with the Minneapolis Final Four Local Organizing Committee (LOC). Per the terms of the agreement: the LOC must pay \$200,000 to the Authority for event related expenses, the Authority would retain revenues from stadium food and beverage sales, merchandise sales, and game programs, and if any LOC funds remained after payment of their obligations then the remaining funds would be paid to the Authority for event expenses.

LOC has paid all of their obligations and their remaining funds were \$1,121,654.41. The LOC recently issued a payment to the Authority for said funds.

Staff is requesting to increase the Minneapolis LOC NCAA Final Four 2019 contribution revenue budget from \$200,000 to \$1,321,654, an increase of \$1,121,654. This will increase the 2018-2019 total Operating Account revenue budget to \$51,555,138.

Recommended Motion: *The MSFA approves an increase of \$1,121,654 to the Operating Account revenue budget, Minneapolis LOC NCAA Final Four 2019 contribution, thereby increasing it from \$200,000 to \$1,321,654. The MSFA also approves an increase of \$1,121,654 to the 2018-2019 revised Operating Account revenue budget for a total revenue budget of \$51,555,138.*