



MINNESOTA SPORTS FACILITIES AUTHORITY
Meeting Minutes – October 18, 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 – September 30, 2019. *See, Exhibit A.*

4. BUSINESS

a. Action Items

i. Approve Huntington Master Lease and Signature Systems Contract for Turf Cover

Jim Farstad, Executive Director of the MSFA, stated that on September 5, 2019, the MSFA published an RFP seeking competitive proposals to furnish a new protective 135,000 square foot hardscape turf cover. After a review of the proposals, staff recommends the OmniDeck Turf Cover solution offered by Signature Systems Group for \$991,300.00 plus sales tax. Huntington Technology Finance has agreed to

finance the acquisition of the new turf cover by providing a Master Lease Agreement which 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. See, Exhibit B.

Chair Vekich asked Mr. Farstad about the lifespan of the turf cover, and Mr. Farstad stated that the expected lifespan is between four to six years.

Chair Vekich then asked if this meets the MSFA's financial obligations, and Jay Lindgren, MSFA's legal counsel, stated that it is considered routine and that the MSFA will own the turf protection system after four years. Mr. Lindgren also noted that after the four years of financing is complete, the MSFA can purchase the turf protection system for \$1. If the turf protection system is in good condition and can last for an additional two years, this would be beneficial to the MSFA.

Lastly, Mr. Farstad stated that the MSFA has received a credit for the existing turf protection system, and that the MSFA will post a RFP for the sale of the current turf protection system in November.

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 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.

**ii. Approval of Amended 2018 – 2019 Operating Account Budget – Minneapolis LOC
NCAA Final Four 2019 contribution**

Mr. Farstad stated that 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. The 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. See, Exhibit C.

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

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.

b. Report Items

i. ASM Global Introduction/Event Update

John Drum, Interim General Manager of U.S. Bank Stadium, gave an update about the merger of SMG and AEG. Mr. Drum stated that on Oct 1, 2019, AEG Facilities and SMG announced that they completed

their merger to create a new, standalone global facility management and venue services company, which will be called ASM Global. He noted that SMG has been known as the gold standard in event management, and that AEG Facilities has been the global innovator in live entertainment venues. Because of this merger, ASM Global will create the world's most amazing places and spaces, along with a talented employee base.

Mr. Drum stated that together, SMG and AEG will operate the world's most prestigious entertainment, sports, and conference venues with more than 300 arenas, stadiums, convention and exhibit centers, and performing arts venues on 5 continents, covering more than 23 million square feet of convention center space, and 2.7 million seats under management. Over 160 million guests will be hosted annually around the world, and these guests will all be served by the more than 60,000 passionate team members.

Mr. Drum then stated that while both AEG and SMG operate in the same industry, each company brings complementary skill-sets and experience to the table, with a common focus on creating the best experience for its clients, partners and guests. Mr. Drum noted that rather than an American company doing business on 5 continents, ASM Global will operate and act as a global business serving customers on a local level. U.S. Bank Stadium is one of the top venues in the ASM Global portfolio, and ASM Global will apply the power of its global expertise to deliver localized solutions that make a difference and help create the places where communities come together and prosper.

Lastly, Mr. Drum provided the board with an update on stadium events. He stated that there have been many private event rentals, and some include: Augsburg University's Graduation, United Rentals corporate event, the Page Gala, and Children's Minnesota 5K Walk. He stated that the 2019 Vikings football season is off to a great start, and that five home games have been completed, and that the stadium is performing at a high level. The Minnesota State High School League Championship games in both men and women's soccer will take place from October 28-31, and the semi-final football games will be held from November 14-16, with the championship games on November 29th and November 30th. Mr. Drum stated that other upcoming events include the Holiday Boutique, Monster Jam, NCAA Division 1 Wrestling Championship, and Kenny Chesney.

Chair Vekich thanked Mr. Drum for his presentation and congratulated him on the success of the events, as well as the SMG and AEG merger. He then asked Mr. Drum if the MSFA should expect any changes, and Mr. Drum stated that there may be some new faces, but the majority of the people and procedures will remain the same.

Commissioner McCarthy asked Mr. Drum how many companies in the world do similar work as ASM Global, and Mr. Drum stated that ASM is the largest stadium venue management company in the world, and that there are only four other companies who do venue management, but they operate on a much smaller scale.

Commissioner Butts Williams asked Mr. Drum what ASM stands for, and Mr. Drum stated that it is a combination of the letters from SMG and AEG.

Lastly, Mr. Lindgren stated that the MSFA's contract is with SMG, and that everything within the contract will stay the same. He noted that there may still be documents and correspondence that will continue to say "SMG", due to the language in said contract.

ii. Executive Director Report

Mr. Farstad stated that the MSFA recently had a listening session with stadium partners and some Employee Assistance Firms from the Twin Cities. ASM Global, Aramark, WESS, and G4S met with Comunidades Latinas Unidas en Servicio (CLUES), Hmong American Partnership (HAP), and Summit Academy to discuss creating partnerships for employment at the stadium, as well as the RFP process. The MSFA, stadium partners, and the Employee Assistance Firms will be meeting again in the near future to discuss next steps, as well as to continue to build a deeper relationship.

Mr. Farstad stated that the stadium is reviewing its landscaping project with DID, and that the warranty work has been completed. The MSFA is currently developing options to address specific weak spots within the landscaping, and we are working to clarify and control unintended pathways.

Lastly, Mr. Farstad announced that the MSFA is exploring electric car charging stations at the stadium and the parking ramps, and we are developing scope and funding strategies to bring the technology to the stadium. There will be walkthroughs later in October and more information will follow.

5. PUBLIC COMMENTS

1. David Glass and Henry Boucha: Mr. Glass and Mr. Boucha addressed the MSFA board to express their concern about the mascot for the Washington D.C.'s NFL team. They stated that the term "Red Skins" is incredibly offensive, as it refers to the skinning and selling of tribe members for cash, in order to eliminate the Native American population. He stated that the team was named "Red Skins" back in the 1930s, and protestors have tried to get the name changed ever since the team was founded. Back in 2014, over 4,000 people protested and requested the NFL change the name, without success. Mr. Glass and Mr. Boucha stated that there will be a large but peaceful protest at the Minnesota Vikings vs. Washington Red Skins football game, but they want to be transparent and cooperate with the MSFA board, the Minnesota Vikings, and the city of Minneapolis. The protest will begin at 2 pm at Peavey Park in Minneapolis, and the group will walk down Park Avenue towards U.S. Bank Stadium.

6. DISCUSSION

There was no discussion

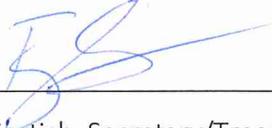
7. ANNOUNCEMENT OF NEXT MEETING

Chair Vekich announced that the next MSFA meeting will be held on November 15, 2019, at Mill City Museum 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 15th day of November 2019, by the Minnesota Sports Facilities Authority.



Tony Sertich, Secretary/Treasurer



James Farstad, Executive Director



Exhibit A

MINNESOTA SPORTS FACILITIES AUTHORITY
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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. 2019-2020 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 work 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

Exhibit B

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

Exhibit C

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.