



MINNESOTA SPORTS FACILITIES AUTHORITY
900 South 5th Street
Minneapolis, Minnesota 55415

December 7, 2012

MEMORANDUM

TO: MSFA Commissioners
FROM: Ted Mondale/Mary Fox-Stroman
SUBJECT: 2013 Operating Budget

Attached is the 2013 Operating Budget for the Minnesota Sports Facilities Authority for the period from January 1, 2013 through December 31, 2013.

Included in the Operating Budget document is a summary of the budget, a description of the governance, stadium design and construction, economic and financial condition, background information, highlights of the 2013 Budget, and the 2013 Budget Summary.

RECOMMENDATION: That the Authority approve and adopt the Year 2013 Operating Budget.

MINNESOTA SPORTS FACILITIES AUTHORITY

**900 South Fifth Street
Minneapolis, Minnesota 55415
www.msfa.com**



2013 OPERATING BUDGET

MINNESOTA SPORTS FACILITIES AUTHORITY

2013 OPERATING BUDGET

SUMMARY

A summary of the 2013 budget is shown below. The entire budget is attached for your review.

Beginning account balances \$11,847,375

The 2013 total budgeted operating revenues are:

Concessions	\$ 8,066,000
Admission tax	\$ 4,057,900
Rent	\$ 4,690,200
Charges for services	\$ 1,163,000
Parking	\$ 10,000
Miscellaneous revenues	<u>\$ 2,418,000</u>
Total	<u>\$20,405,100</u>

The 2013 total budgeted operating expenses are:

Concession costs	\$ 4,658,000
Tenants share of concessions	\$ 1,107,000
Facilities cost credit	\$ 3,565,200
Personal services	\$ 2,562,841
Contractual building services	\$ 2,055,000
Utilities	\$ 2,860,000
Miscellaneous	\$ 3,271,800
All other categories	<u>\$ 2,767,000</u>
Total	<u>\$22,846,841</u>

Operating loss \$(2,441,741)

Non-Operating revenues/expenses \$ 90,000

Change in account balances \$(2,351,741)

Ending account balances \$ 9,495,634

Non-Operating revenues and expenses include investment earnings of \$500,000, repair/replacements/improvement expenses of \$200,000 for equipment replacement in 2013, and concessions reserve expenses of \$210,000. The Concessions Reserve budgeted expenses of \$210,000 are for concessions regular maintenance and repairs for operations, equipment replacement and event promotions. Overall the budget shows a \$2,351,741 use of

the Authority's reserves. The ending account balances (reserves) of \$9,495,634 are expected to fund future operations.

Profile of Governance

The Minnesota Sports Facilities Authority was established in 2012 as a political subdivision of the state of Minnesota for the purpose of developing a new multipurpose stadium and related stadium infrastructure as a venue for professional football and a broad range of other civic, community, athletic, educational, cultural and commercial activities. The Authority will own the stadium, stadium infrastructure and related facilities in accordance with the powers and authorities granted in the Laws of Minnesota Chapter 299, the stadium bill.

The stadium bill was enacted on May 15, 2012 and 90 days after enactment the Metropolitan Sports Facilities Commission (Commission) was required to transfer its assets, liabilities, and obligations to the Authority and upon completion of the transfer the Commission was abolished. Ownership and operation of the Metrodome stadium was then transferred to the Authority.

The Authority is governed by a board of five appointed commissioners. Three members are appointed by the Governor of the state of Minnesota, two members are appointed by the Mayor of Minneapolis. The first meeting of the Authority was held on June 22, 2012.

Stadium Design and Construction

The design, development, and construction of the stadium will be a collaborative process between the Authority and the Minnesota Vikings. In August 2012 the Authority hired Hammes Company as its owner's representative and in September 2012 the Authority and the Vikings jointly hired HKS as the stadium architect. An open house was held in September 2012 to meet the architect and in October and November 2012 HKS and the Authority held public listening events in Minneapolis, Rochester and Duluth

The Authority and the Minnesota Vikings are in the early planning phases for the development of a new stadium. One of the planning requirements is that the stadium will have an architecturally significant stadium design. Another requirement is that the stadium will be built so that it is environmentally and energy efficient and eligible to receive the Leadership in Energy and Environmental Design (LEED) certification.

Construction of the stadium will begin late 2013 and construction is estimated to take 33 months. A construction manager will be selected in the first quarter of 2013. One of the first major tasks for the construction manager will be to prepare a construction timeline and schedule and a project cost estimate. The Minnesota Vikings plan to play their 2016 football season games in the new stadium.

Future capital construction and development activities will be accounted for in a separate project budget. The stadium construction project budget is \$975,000,000.

Economic and Financial Condition

Local economy

The Authority is located in Minneapolis, the largest city in Minnesota. Minneapolis is home to an estimated population of 379,631. Males and females each make up 50% of the population, children aged 19 and younger make up 24.1%, and seniors aged 65 and older are 8.1% of the population. African Americans comprise 18.2% of the population, American Indian/Alaska Natives are 1.7%, and Asians are 5.6% of the population.

Minneapolis is part of the Twin Cities metropolitan geographic area which has a favorable economic environment relative to the national economy. The Twin Cities has a varied manufacturing and industrial base that adds to the stability of the area and is a contributing factor to an unemployment rate that is below the national averages.

Several major industries have headquarters located in the state of Minnesota. The industries include retail sales, manufacturing, professional services, banking, financial, and insurance institutions, and four major professional sports teams. A few of the Fortune 500 Companies headquartered in the metropolitan area are: United Health Group, Target, Best Buy, Super Valu, and 3M.

There are twenty-one accredited colleges and universities in the Twin Cities area and four ABA-accredited law schools, thus the highly educated workforce in the area continues to be a driving force of a strong economy. The University of Minnesota's highly acclaimed medical school and the local hospitals have made this area a leader in the medical field. The area also has several vocational training and specialty schools.

Background Information

The Authority owns and operates the Metrodome and will continue to operate the Metrodome until it is closed and demolished in 2014 in preparation for construction of the new stadium. All activities of the Authority are accounted for in one enterprise fund. A "fund" is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The operations of each fund are monitored with a separate set of self-balancing accounts that comprise its assets, liabilities, net assets, revenues, and expenses. The enterprise fund is used to account for the Authority's activities which are financed and operated in a manner similar to private business enterprises where expenses, including depreciation, are recovered principally through user charges.

Revenue sources include concession revenues, admission taxes, rent, charges for services, and miscellaneous revenues. Expense classifications includes concession costs, tenants share of concession costs, facilities cost credit, personal services, professional services, contractual building services, audio-visual maintenance costs, supplies, repairs and maintenance, utilities, insurance, and other.

Highlights of the 2013 Budget

Revenues

The operating revenue budget for 2013 of \$20,405,100 is a decrease of \$901,205 (4.2%) from the 2012 projected operating revenues due to the reduction in the number of Vikings events at the Metrodome in 2013. In 2012 the Minnesota Vikings played one of their home games from the 2011 football season on January 1, 2012 thus the 2012 projected revenues includes 11 Minnesota Vikings home games. Also, the Minnesota Vikings 2013 football season has scheduled one international football game, thus reducing the number of home games to be played at the Metrodome in 2013 from 10 games to 9 games. The 2013 budgeted operating revenues of \$20,405,100 are based on:

- 2013 Planned Major events:
 - Minnesota Vikings - 9 Home games to played at the Metrodome
 - Other Events
 - Home and Landscape Show, Twins Fest, Motor Sports-Monster Jam and Supercross, Hmong American New Year, Youth in Music, Minnesota State High School League sport events, Amateur baseball and football, MN Stars soccer events, college baseball and football, and other cultural and community events
- 2013 Concessions revenues of \$8,066,000 are based on :
 - Estimated attendance at Metrodome events:
 - Minnesota Vikings-estimated attendance of 502,500
 - Other Events-estimated attendance of 380,000 based on 423 events
 - Concession per caps –
 - Minnesota Vikings-\$12.52 - 2012 season concession per cap as of October 2012
 - Other events-estimated concession receipts of \$1,475,000
- 2013 Admission taxes of \$4,057,900 are based on a tax of 10% of net ticket receipts
- 2013 Rent of \$4,690,200 includes Vikings rent of \$3,565,200 which is based on 9.5% of net ticket receipts. Also included is rent-private suites of \$400,000 which is based on an agreement with the Vikings and rent-other events of \$725,000 which is based on the various use agreements with the event users.
- 2013 Miscellaneous revenues of \$2,418,000 include a reimbursement of \$1,959,000 from the stadium project for project related expenses paid by the Authority.

Expenses

The operating expense budget for 2013 of \$22,846,841 is an increase of \$239,086 (1%) from the 2012 projected operating expenses of \$22,607,755. The 2013 line item budgets were based on 2012 staffing levels, planned events for 2013, historical trends, and estimated expenses. Major expense categories are

- Concession costs of \$4,658,000 are the costs to operate the concessions in the stadium and the plaza. This cost also includes the concessionaire's management fees.
- Tenants' share of concessions of \$1,107,000 are the costs of the Minnesota Vikings share of concessions of \$944,000 which is based on the Agreement with the Minnesota Vikings that they receive 15% of concessions net receipts. The Other events share of concession receipts of \$35,000 is based on individual use agreements.
- Facilities cost credit/rent forbearance of \$3,565,200 are costs foreborne due to a resolution the Commission passed in 1998 that forbears the collection of rent from the Vikings. The collection of rent from the Vikings in 2013 will be foreborne.
- Miscellaneous expenses of \$3,271,800 include event related costs of \$500,000 and new stadium planning costs of \$2,616,800. Stadium planning expenses include costs for the project owner's representative, legal counsel, and other project related consulting costs.
- Repair, replacement and improvement expenses proposed for 2013 are \$200,000. The budgeted expenses are for operational equipment needs as building improvements will not be made in 2013 unless there is a life safety need or an event related need.
- Concessions Reserve accounts expenses proposed for 2013 are \$210,000
 - Concessions repair and maintenance - \$170,000 – for maintenance and operation of the concession stands
 - Concessions replacements-equipment - \$25,000 – for purchase of replacement concession equipment
 - Concessions promotions - \$15,000 – for promotion of concessions

Transfers

Per the terms of the concessions services agreement the Authority has budgeted to transfer \$403,000 from the operating account to the concessions reserve account.

Account Balances

Ending account balances are proposed to decrease by \$2,351,741 to \$9,495,634. Following is a summary of the 2013 ending account balances:

Operating account	\$4,867,262
Repair, replacement, improvement account	\$2,480,842
Concessions reserve account	<u>\$2,147,530</u>
Total	<u>\$9,495,634</u>

**MINNESOTA SPORTS FACILITIES AUTHORITY
YEAR 2013 BUDGET SUMMARY**

	<u>Budget 2013</u>
Revenues	
Operating Revenues:	
Concessions	\$ 8,066,000
Admission tax	\$ 4,057,900
Rent	\$ 4,690,200
Charges for services	\$ 1,163,000
Parking	\$ 10,000
Miscellaneous revenues	\$ 2,418,000
Total operating revenues	<u>\$ 20,405,100</u>
Expenses	
Operating expenses:	
Concession costs	\$ 4,658,000
Tenants share of concessions	\$ 1,107,000
Facilities cost credit	\$ 3,565,200
Personal services	\$ 2,562,841
Professional services	\$ 715,000
Contractual building services	\$ 2,055,000
Audio-visual maintenance costs	\$ 187,000
Travel and meetings	\$ 45,000
Supplies, repairs and maintenance	\$ 794,000
Utilities	\$ 2,860,000
Insurance	\$ 946,000
Communication	\$ 80,000
Miscellaneous	\$ 3,271,800
Subtotal operating expenses	<u>\$ 22,846,841</u>
Operating income/(loss)	<u>\$ (2,441,741)</u>
Non-Operating revenues/(expenses)	
Investment earnings	\$ 500,000
Repairs, replacement and improvements	\$ (200,000)
Concession reserve	\$ (210,000)
Total non-operating revenues/(expenses)	<u>\$ 90,000</u>
Change in Account Balances	<u>\$ (2,351,741)</u>
Beginning Account Balances	\$ 11,847,375
Ending Account Balances	<u><u>\$ 9,495,634</u></u>
Recap Ending Account Balances:	
Operating Account	\$ 4,867,262
Repair, Replacements & Improvements Account	\$ 2,480,842
Concessions Reserve Accounts	\$ 2,147,530
Total Ending Account Balances	<u><u>\$ 9,495,634</u></u>

**MINNESOTA SPORTS FACILITIES AUTHORITY
YEAR 2013 BUDGET SUMMARY**

	MSFC/MSFA Annual Budget 2012	MSFC/MSFA Combined Projection 1/1/12-12/31/12	Budget 2013
Revenues			
Operating Revenues:			
Concessions	\$ 8,350,000	\$ 8,801,628	\$ 8,066,000
Admission tax	\$ 4,630,000	\$ 4,726,324	\$ 4,057,900
Rent	\$ 4,936,000	\$ 5,121,900	\$ 4,690,200
Charges for services	\$ 1,525,000	\$ 1,266,655	\$ 1,163,000
Parking	\$ 10,000	\$ 10,564	\$ 10,000
Miscellaneous revenues	\$ 417,000	\$ 1,379,234	\$ 2,418,000
Total operating revenues	<u>\$ 19,868,000</u>	<u>\$ 21,306,305</u>	<u>\$ 20,405,100</u>
Expenses			
Operating expenses:			
Concession costs	\$ 4,175,000	\$ 5,031,729	\$ 4,658,000
Tenants share of concessions	\$ 1,207,500	\$ 1,263,438	\$ 1,107,000
Facilities cost credit	\$ 4,025,000	\$ 4,024,955	\$ 3,565,200
Personal services	\$ 2,243,000	\$ 2,242,548	\$ 2,562,841
Professional services	\$ 390,000	\$ 1,405,648	\$ 715,000
Contractual building services	\$ 2,550,000	\$ 1,942,244	\$ 2,055,000
Audio-visual maintenance costs	\$ 302,000	\$ 129,574	\$ 187,000
Travel and meetings	\$ 30,000	\$ 39,877	\$ 45,000
Supplies, repairs and maintenance	\$ 829,000	\$ 696,762	\$ 794,000
Utilities	\$ 2,955,000	\$ 2,680,261	\$ 2,860,000
Insurance	\$ 996,000	\$ 897,639	\$ 946,000
Communication	\$ 90,000	\$ 68,626	\$ 80,000
Miscellaneous	\$ 1,153,000	\$ 2,184,454	\$ 3,271,800
Subtotal operating expenses	<u>\$ 20,945,500</u>	<u>\$ 22,607,755</u>	<u>\$ 22,846,841</u>
Operating income/(loss)	<u>\$ (1,077,500)</u>	<u>\$ (1,301,450)</u>	<u>\$ (2,441,741)</u>
Non-Operating revenues/(expenses)			
Investment earnings	\$ 400,000	\$ 570,709	\$ 500,000
Repairs, replacement and improvements	\$ (1,000,000)	\$ (538,866)	\$ (200,000)
Concession reserve	\$ (275,000)	\$ (225,769)	\$ (210,000)
Total non-operating revenues/(expenses)	<u>\$ (875,000)</u>	<u>\$ (193,926)</u>	<u>\$ 90,000</u>
Change in Account Balances	<u>\$ (1,952,500)</u>	<u>\$ (1,495,376)</u>	<u>\$ (2,351,741)</u>
Beginning Account Balances	\$ 13,342,751	\$ 13,342,751	\$ 11,847,375
Ending Account Balances	<u><u>\$ 11,390,251</u></u>	<u><u>\$ 11,847,375</u></u>	<u><u>\$ 9,495,634</u></u>
Recap Ending Account Balances:			
Operating Account	\$ 7,301,855	\$ 7,212,003	\$ 4,867,262
Repair, Replacements & Improvements Account	\$ 2,219,708	\$ 2,680,842	\$ 2,480,842
Concessions Reserve Accounts	\$ 1,868,688	\$ 1,954,530	\$ 2,147,530
Total Ending Account Balances	<u><u>\$ 11,390,251</u></u>	<u><u>\$ 11,847,375</u></u>	<u><u>\$ 9,495,634</u></u>

**MINNESOTA SPORTS FACILITIES AUTHORITY
YEAR 2013 BUDGET DETAIL**

Account Number	Account Title	MSFC/MSFA Annual Budget 2012	MSFC/MSFA Combined Projection 1/1/12-12/31/12	Budget 2013
OPERATING ACCOUNT:				
Operating Revenues:				
Concessions:				
A-200-4300	Concessions net receipts-Vikings 2012 Season	\$ 6,800,000	\$ 6,418,912	\$ 6,291,000
	Concessions net receipts-Vikings 2011 Season (1/1/12 game)		\$ 658,132	
A-200-4400	Plaza concession net receipts-Vikings 2012 Season	\$ 350,000	\$ 338,098	\$ 300,000
	Plaza concession net receipts-Vikings 2011 Season (1/1/12 game)		\$ 12,274	
A-900-4300	Concessions net receipts-Other events & catering	\$ 1,200,000	\$ 1,373,052	\$ 1,475,000
A-900-4350	MSFA share of catering (net of expenses)		\$ 1,160	
	Subtotal concessions	\$ 8,350,000	\$ 8,801,628	\$ 8,066,000
Admission tax:				
A-200-4500	Admission tax-Vikings 2012 Season	\$ 4,330,000	\$ 4,057,013	\$ 3,752,900
	Admission tax-Vikings 2011 Season (1/1/12 game)		\$ 420,330	
A-900-4500	Admission tax-Other events	\$ 300,000	\$ 248,981	\$ 305,000
	Subtotal admission tax	\$ 4,630,000	\$ 4,726,324	\$ 4,057,900
Rent:				
A-200-4100	Rent-Vikings 2012 Season	\$ 4,025,000	\$ 3,632,708	\$ 3,565,200
	Rent-Vikings 2011 Season (1/1/12 game)		\$ 387,247	
A-200-4102	Rent-Private suites	\$ 400,000	\$ 400,000	\$ 400,000
A-900-4100	Rent-Other events	\$ 511,000	\$ 701,945	\$ 725,000
	Subtotal rent	\$ 4,936,000	\$ 5,121,900	\$ 4,690,200
Charges for services:				
A-200-4410	Charges for services-MN Vikings reimbursed expenses	\$ 1,100,000	\$ 940,038	\$ 840,000
A-900-4410	Charges for services-Other events reimbursed expenses	\$ 100,000	\$ 36,890	\$ 37,000
A-950-4410	Charges for services-Miscellaneous reimbursed expenses	\$ 300,000	\$ 260,527	\$ 261,000
A-950-4744	Building Use fee	\$ 25,000	\$ 29,200	\$ 25,000
	Subtotal charges for services	\$ 1,525,000	\$ 1,266,655	\$ 1,163,000
Parking:				
A-900-4200	Parking-Other events	\$ 10,000	\$ 10,564	\$ 10,000
Miscellaneous Revenues:				
A-950-4720	Private suite food/beverage commissions	\$ 150,000	\$ 137,251	\$ 150,000
A-4204	City of Minneapolis parking agreement	\$ 75,000	\$ -	\$ -
A-950-4740	Miscellaneous	\$ 60,000	\$ 391,256	\$ 300,000
A-950-4745	Advertising	\$ 125,000	\$ 25,000	\$ -
A-950-4750	Tour fees	\$ 7,000	\$ 8,727	\$ 9,000
	Project Reimbursed Expenses - per PDA		\$ 817,000	\$ 1,959,000
	Subtotal miscellaneous revenues	\$ 417,000	\$ 1,379,234	\$ 2,418,000
	Total operating revenues	\$ 19,868,000	\$ 21,306,305	\$ 20,405,100
Operating Expenses:				
Concession costs:				
A-5202	Cost of concessions operations	\$ 4,000,000	\$ 4,687,966	\$ 4,349,000
A-5203	Concession cost-concessionaire management fee		\$ 174,716	\$ 152,000
A-5206	Plaza concession costs	\$ 175,000	\$ 158,752	\$ 150,000
A-5207	Plaza concession -concessionaire management fee		\$ 10,295	\$ 7,000
	Subtotal concession costs	\$ 4,175,000	\$ 5,031,729	\$ 4,658,000
Tenants share of concession receipts				
A-200-5210	MN Vikings share of concessions receipts 2012 Season	\$ 1,020,000	\$ 962,837	\$ 944,000
	MN Vikings share of concessions receipts 2011 Season (1/1/12 game)		\$ 98,720	
A-200-5215	MN Vikings share of plaza concessions receipts 2012 Season	\$ 157,500	\$ 164,345	\$ 128,000
	MN Vikings share of plaza concessions receipts 2011 Season (1/1/12 game)		\$ 3,334	
A-900-5210	Tenants share of concessions receipts-Other events	\$ 30,000	\$ 34,202	\$ 35,000
	Subtotal tenants share of concession receipts	\$ 1,207,500	\$ 1,263,438	\$ 1,107,000
Facilities cost credit:				
A-200-4600	Facilities cost credit/rent forbearance-Vikings 2012 Season	\$ 4,025,000	\$ 3,637,708	\$ 3,565,200
	Facilities cost credit/rent forbearance-Vikings 2011 Season (1/1/12 game)		\$ 387,247	
	Subtotal facilities cost credit	\$ 4,025,000	\$ 4,024,955	\$ 3,565,200

**MINNESOTA SPORTS FACILITIES AUTHORITY
YEAR 2013 BUDGET DETAIL**

Account Number	Account Title	MSFC/MSFA Annual Budget 2012	MSFC/MSFA Combined Projection 1/1/12-12/31/12	Budget 2013
Personal services:				
A-5112/6	Wages-full-time and part-time	\$ 1,639,000	\$ 1,663,926	\$ 1,925,258
A-5122	Employee retirement	\$ 76,000	\$ 71,562	\$ 92,730
A-5124	Health insurance	\$ 311,000	\$ 336,578	\$ 340,440
A-5126	Life insurance	\$ 6,000	\$ 3,700	\$ 9,497
A-5128	Disability insurance	\$ 3,000	\$ 1,899	\$ 2,714
A-5130	Dental insurance	\$ 12,000	\$ 11,945	\$ 13,638
A-5142	FICA & Medicare costs	\$ 121,000	\$ 122,368	\$ 141,564
A-5144	Workers compensation insurance	\$ 30,000	\$ 26,493	\$ 32,000
A-5146	Unemployment compensation	\$ 45,000	\$ 4,077	\$ 5,000
	Subtotal personal services	\$ 2,243,000	\$ 2,242,548	\$ 2,562,841
Professional services:				
A-5222	Consulting Services	\$ 10,000	\$ 4,975	\$ 10,000
A-5223	Investment advisor and custodian	\$ 60,000	\$ 47,898	\$ 50,000
A-5232	Legal services-general counsel and legislative representation	\$ 275,000	\$ 1,301,337	\$ 600,000
A-5234	Audit fees	\$ 45,000	\$ 51,438	\$ 55,000
	Subtotal professional services	\$ 390,000	\$ 1,405,648	\$ 715,000
Contractual building services:				
A-5240	Stadium cleaning supplies	\$ 200,000	\$ 122,889	\$ 150,000
A-5241	Stadium cleaning services	\$ 900,000	\$ 703,230	\$ 725,000
A-5243	Building maintenance-contractual	\$ 700,000	\$ 491,989	\$ 525,000
A-5244	Plaza expense	\$ 60,000	\$ 12,255	\$ 15,000
A-5245	Relamp field lights	\$ 40,000	\$ 30,872	\$ 35,000
A-5247	Other labor services	\$ 450,000	\$ 458,927	\$ 475,000
A-5250	Painting-contractual	\$ 150,000	\$ 96,628	\$ 100,000
A-5252	Turf cleaning	\$ 50,000	\$ 25,454	\$ 30,000
	Subtotal contractual building services	\$ 2,550,000	\$ 1,942,244	\$ 2,055,000
Audio-visual maintenance costs:				
A-5246	Ad panel and marquee maintenance	\$ 12,000	\$ 4,544	\$ 12,000
A-5256	Color scoreboard	\$ 130,000	\$ 69,754	\$ 100,000
A-5257	Black and white scoreboard	\$ 60,000	\$ 2,000	\$ 10,000
A-5259	Sound system	\$ 50,000	\$ 38,841	\$ 45,000
A-5260	TV system service	\$ 50,000	\$ 14,435	\$ 20,000
	Subtotal audio-visual maintenance costs	\$ 302,000	\$ 129,574	\$ 187,000
Travel and meetings:				
A-5272	Local travel and meetings	\$ 10,000	\$ 13,295	\$ 15,000
A-5274	Out-of-town travel and meetings	\$ 20,000	\$ 26,582	\$ 30,000
	Subtotal travel and meetings	\$ 30,000	\$ 39,877	\$ 45,000
Supplies, repairs and maintenance:				
A-5304	Office supplies	\$ 25,000	\$ 28,727	\$ 35,000
A-5306	First aid supplies and related costs	\$ 30,000	\$ 15,011	\$ 20,000
A-5308/12	Office equipment and repairs	\$ 5,000	\$ 9,552	\$ 15,000
A-5316	Parking lot supplies, maintenance and snow removal	\$ 135,000	\$ 52,941	\$ 100,000
A-5320	Building maintenance supplies	\$ 205,000	\$ 145,750	\$ 175,000
A-5324	Motor fuel	\$ 15,000	\$ 8,078	\$ 15,000
A-5328	Equipment repairs	\$ 35,000	\$ 26,765	\$ 30,000
A-5329	Computer administration costs and supplies	\$ 125,000	\$ 139,495	\$ 120,000
A-5332	Field maintenance supplies and field lights	\$ 50,000	\$ 57,540	\$ 60,000
A-5333	Artificial turf repairs and plywood storage	\$ 24,000	\$ 24,000	\$ 24,000
A-5335	Security	\$ 180,000	\$ 188,903	\$ 200,000
	Subtotal supplies, repairs and maintenance	\$ 829,000	\$ 696,762	\$ 794,000

**MINNESOTA SPORTS FACILITIES AUTHORITY
YEAR 2013 BUDGET DETAIL**

Account Number	Account Title	MSFC/MSFA Annual Budget 2012	MSFC/MSFA Combined Projection 1/1/12-12/31/12	Budget 2013
Utilities:				
A-5402	Sewer and water	\$ 230,000	\$ 255,128	\$ 260,000
A-5403	Electricity	\$ 825,000	\$ 997,608	\$ 1,000,000
A-5404	Heating	\$ 1,500,000	\$ 1,045,745	\$ 1,200,000
A-5405	Air conditioning	\$ 400,000	\$ 381,780	\$ 400,000
	Subtotal utilities	\$ 2,955,000	\$ 2,680,261	\$ 2,860,000
Insurance:				
A-5411	Liability-general and umbrella (includes terrorism)	\$ 135,000	\$ 131,178	\$ 135,000
A-5412	Property (includes terrorism)	\$ 850,000	\$ 756,567	\$ 800,000
A-5415	Auto	\$ 2,000	\$ 1,319	\$ 2,000
A-5416	Crime	\$ 9,000	\$ 8,575	\$ 9,000
	Subtotal insurance	\$ 996,000	\$ 897,639	\$ 946,000
Communication:				
A-5432	Postage and delivery services	\$ 15,000	\$ 5,775	\$ 10,000
A-5434	Telephone	\$ 75,000	\$ 62,851	\$ 70,000
	Subtotal communication	\$ 90,000	\$ 68,626	\$ 80,000
Miscellaneous:				
A-5302	Tour expense	\$ 7,000	\$ 9,496	\$ 10,000
A-5502	Personnel recruitment		\$ 2,504	\$ -
A-5503/5504	Bid specifications and notices public meetings	\$ 2,000	\$ 4,960	\$ 5,000
A-5510	Equipment rental	\$ 10,000	\$ 2,983	\$ 5,000
A-5514	Authority members' expenses	\$ 25,000	\$ 13,544	\$ 25,000
A-5516	Dues and subscriptions	\$ 12,000	\$ 6,058	\$ 10,000
A-5522	License and inspection fees	\$ 12,000	\$ 14,241	\$ 15,000
A-5524	Miscellaneous	\$ 10,000	\$ 3,669	\$ 10,000
A-5528	Event services and event related costs	\$ 500,000	\$ 477,399	\$ 500,000
A-5533/5555	New stadium planning	\$ 500,000	\$ 1,526,019	\$ 2,616,800
A-5545	Marketing expense	\$ 75,000	\$ 65,833	\$ 75,000
A-5550	Transition costs MSFC to MSFA		\$ 57,748	
	Subtotal miscellaneous	\$ 1,153,000	\$ 2,184,454	\$ 3,271,800
	Total operating expenses	\$ 20,945,500	\$ 22,607,755	\$ 22,846,841
	Operating income/(loss)	\$ (1,077,500)	\$ (1,301,450)	\$ (2,441,741)
Nonoperating Revenues:				
A-950-4610	Investment earnings	\$ 400,000	\$ 570,709	\$ 500,000
Transfers from/(to):				
	Transfer from/(to) Concessions Reserve account	\$ (400,000)	\$ (436,611)	\$ (403,000)
	Subtotal transfers from/(to)	\$ (400,000)	\$ (436,611)	\$ (403,000)
	Change in Account Balance	\$ (1,077,500)	\$ (1,167,352)	\$ (2,344,741)
	Beginning Operating Account Balance	\$ 8,379,355	\$ 8,379,355	\$ 7,212,003
	Ending Operating Account Balance	\$ 7,301,855	\$ 7,212,003	\$ 4,867,262

**MINNESOTA SPORTS FACILITIES AUTHORITY
YEAR 2013 BUDGET DETAIL**

Account Number	Account Title	MSFC/MSFA Annual Budget 2012	MSFC/MSFA Combined Projection 1/1/12-12/31/12	Budget 2013
REPAIR, REPLACEMENTS and IMPROVEMENTS ACCOUNT				
Expenses:				
	Audio and video projects	\$ 100,000	\$ 291,041	\$ -
	Building improvement/replacement projects	\$ 600,000	\$ 186,000	\$ -
	Equipment new/replacement projects	\$ 200,000	\$ 61,825	\$ 200,000
	Miscellaneous projects	\$ 100,000	\$ -	\$ -
	Total expenses	\$ 1,000,000	\$ 538,866	\$ 200,000
	Change in Account Balance	\$ (1,000,000)	\$ (538,866)	\$ (200,000)
	Beginning Repair, Replacements & Imp. Account Balance	\$ 3,219,708	\$ 3,219,708	\$ 2,680,842
	Ending Repair, Replacements & Improvements Account Balance	\$ 2,219,708	\$ 2,680,842	\$ 2,480,842
CONCESSIONS RESERVE ACCOUNTS				
Expenses:				
	"F" Concessions - Repair and maintenance	\$ 150,000	\$ 156,428	\$ 170,000
	"G" Concessions - Replacements and new equipment	\$ 100,000	\$ 64,580	\$ 25,000
	"H" Concessions - Promotions expense	\$ 25,000	\$ 4,761	\$ 15,000
	Total expenses	\$ 275,000	\$ 225,769	\$ 210,000
Transfers from/(to):				
	Transfer from/(to) operating account	\$ 400,000	\$ 436,611	\$ 403,000
	Subtotal transfers from/(to)	\$ 400,000	\$ 436,611	\$ 403,000
	Change in Account Balance	\$ 125,000	\$ 210,842	\$ 193,000
	Beginning Concessions Reserve Account Balance	\$ 1,743,688	\$ 1,743,688	\$ 1,954,530
	Ending Concessions Reserve Account Balance	\$ 1,868,688	\$ 1,954,530	\$ 2,147,530
SUMMARY OF ACCOUNT BALANCES:				
	Ending Operating Account Balance	\$ 7,301,855	\$ 7,212,003	\$ 4,867,262
	Ending Repair, Replacements & Improvements Account Balance	\$ 2,219,708	\$ 2,680,842	\$ 2,480,842
	Ending Concessions Reserve Account Balance	\$ 1,868,688	\$ 1,954,530	\$ 2,147,530
		\$ 11,390,251	\$ 11,847,375	\$ 9,495,634

**MINNESOTA SPORTS FACILITIES AUTHORITY
YEAR 2013 BUDGET NOTES**

NOTE 1:	2013 Recommended <u>Budget</u>	<u>Comments</u>
MN Vikings (regular season)		
Number of games	9	
Attendance (tickets sold)	534,900	
Attendance (turnstile)	502,500	
Average ticket price	\$ 82.00	Ave ticket price for 2012 @ October 2012
Concession per cap (tickets sold)	\$ 11.76	Based on concessions sales @ October 2012
Concession per cap (turnstile)	\$ 12.52	Based on concessions sales @ October 2012
Rent	9.50%	Per agreement
MN Vikings share of concession receipts	15%	Per agreement
Admission taxes paid on all tickets	10%	Per statute

NOTE 2:	2013 Recommended <u>Budget</u>
Other Events	
Amateur baseball, football, and soccer events	135
College sporting events	140
High school sport events	11
In-line skating	75
U of M Dairy Queen Baseball Classic	3
U of M Alumni Baseball	1
U of M Baseball	18
Motor Sports	4
Corporate sponsorship days and other events	15
Twins Fest	3
Home and Landscape Show	6
Hmong American New Year	2
Dog Days at Dome	3
Youth in Music	1
Vikings Draft Party and Fan Fest	2
MN Stars	4
Total Other Events	<u><u>423</u></u>

**MINNESOTA SPORTS FACILITIES AUTHORITY
YEAR 2013 BUDGET NOTES**

**2013
Recommended
Budget**

NOTE 3:

Concessions Receipts "2013"

The Authority owns the concessions in the Metrodome and has a concession services agreement with Centerplate to operate the concessions. Centerplate receives 5% of the net concessions operating profit and the Authority receives the remaining 95%. The Authority distributes a percentage of the net operating profits from to the Minnesota Vikings and Other Event Users based upon the terms of their use agreement.

Concessions receipts			
Vikings events	\$	6,291,000	
Other events	\$	1,475,000	
		<u>Subtotal</u>	<u>\$ 7,766,000</u>
Users' share of concessions receipts			
Vikings events	\$	(944,000)	15% of concessions receipts
Other events	\$	(35,000)	Per Use Agreement
		<u>Subtotal</u>	<u>\$ (979,000)</u>
Cost of concessions operations	\$	<u>(4,501,000)</u>	
Net concessions profit to MSFA	\$	<u>2,286,000</u>	
% Concessions gross to MSFA		29.44%	
Plaza concessions receipts	\$	300,000	Historical estimate, 9 games
Users' share of plaza concessions receipts	\$	(128,000)	100% net profits
Cost of plaza concessions operations	\$	<u>(157,000)</u>	
Net plaza concessions profit to MSFA	\$	<u>15,000</u>	
% Plaza concessions gross to MSFA		5.00%	

NOTE 4:

Facilities Cost Credit/Rent Forbearance "2013"

In 1998 the MSFC created the facilities cost credit to assist the major tenants in enhancing team revenues and/or reducing event day cost of operations in the Metrodome. The facilities cost credit has not been applied to the Vikings instead the MSFC has, at its discretion and subject to conditions, foreborne from collecting rent from the Vikings. Rent forbearance for the 2013 season assumes fulfillment of the conditions specified in the MSFC's resolution dated 11/19/2009.

Minnesota Vikings	\$	<u>3,565,200</u>	9.5% of ticket sales
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Professional Contracts "2013"

Affirmative Action/human resources	Investment Advisor and Custodian
Financial Analysis	Legal and Legislative Representation
Information Technology	Marketing

**MINNESOTA SPORTS FACILITIES AUTHORITY
YEAR 2013 BUDGET NOTES**

**2013
Recommended
Budget**

NOTE 5:

Repair, Replacement and Improvements

Equipment new/replacement projects:

 Various equipment projects \$ 200,000

NOTE 6:

Personnel

FTE's

Full-time exempt positions:

Chair	1.00
CEO/Executive Director	1.00
Director of Facilities and Engineering	1.00
Director of Finance	1.00
Director of Communications	1.00
Technical Services Manager	1.00
Event Services Manager	1.00
Project Coordinator for MSFA Board	1.00
Subtotal full-time exempt positions	<u>8.00</u>

Non-exempt:

Finance Assistant	1.00
Lead Security Guard - Loading Dock	1.00
Security personnel	1.00
Subtotal full-time non-exempt positions	<u>3.00</u>

Labor Agreement Personnel:

Technical Maintenance	6.00
General Maintenance	4.00
Subtotal full-time labor agreement personnel	<u>10.00</u>
Total full-time positions	<u>21.00</u>

Part-time positions:

Color Graphics
Color Video Director
Senior Video Engineer/Event Engineer
Color Video Crew
Black and White Message Scoreboard Crew-Graphics
Black and White Message Scoreboard Crew
Color Video and Production Utility
Senior Executive Assistant (.5)
Executive Assistant (.5)
Operations Assistant (.5)
Parking Lot Supervisor
Parking Attendants
General Maintenance

**MINNESOTA SPORTS FACILITIES AUTHORITY
YEAR 2013 BUDGET NOTES**

**2013
Recommended
Budget**

NOTE 7:

2013 Proposed Reserve Account Balances

The Authority funds the cost of operations, repair and maintenance items, and concession operations from current resources and the reserve account balances. The Proposed 2013 Budget recommends reducing the reserve account balances by \$2,351,741. The proposed reserve account balances of \$9,495,634 will be used to fund planned future operations.

Operating Account	\$ 4,867,262
Repair, Replacements and Capital Improvements Account	2,480,842
Concessions Reserve Account	<u>2,147,530</u>
Total Reserve Account Balances	<u>\$ 9,495,634</u>

NOTE 8:

Budget Change Authority

The CEO/Executive Director or his/her designee has the authority to make line item budget adjustments within an account and to establish and adjust accounts to carry out the intent of the Authority.



MINNESOTA SPORTS FACILITIES AUTHORITY
900 South 5th Street
Minneapolis, Minnesota 55415

December 7, 2012

MEMORANDUM

TO: MSFA Commissioners
FROM: Ted Mondale/Mary Fox-Stroman
SUBJECT: Capital Budget

The Authority needs to establish an initial capital budget to allow the expenditure of funds for project costs that are related to stadium design and construction as authorized in the Preliminary Development Agreement.

RECOMMENDATION: That the Authority approve and adopt the initial capital budget for the new stadium project consistent with the Preliminary Development Agreement.