



December 13, 2013

MEMORANDUM

TO: MSFA Commissioners

FROM: Ted Mondale/Mary Fox-Stroman

SUBJECT: 2014 Operating Budget

Attached is the 2014 Operating Budget for the Minnesota Sports Facilities Authority for the period from January 1, 2014 through December 31, 2014. Highlights of the 2014 budget and a budget summary are included.

Recommendation: *The Authority approves and adopts the Year 2014 Operating Budget.*

MINNESOTA SPORTS FACILITIES AUTHORITY

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



2014 OPERATING BUDGET

MINNESOTA SPORTS FACILITIES AUTHORITY

2014 OPERATING BUDGET

SUMMARY

Highlights of the 2014 Budget

Revenues

The operating revenue budget for 2014 consists of a grant from the stadium project for operations for \$4,500,000.

Expenses

The operating expense budget for 2014 is \$4,387,005 and includes concession closeout costs, personal services, professional services, contractual building services related to closure of the Metrodome, audio visual costs, travel and meetings, supplies, utilities for related to the Metrodome, rent for new office space, insurance, communication and miscellaneous costs.

Non-Operating revenues and expenses for 2014 includes investment earnings of \$200,000, other contributions from the stadium project for reimbursement of stadium project expenses and stadium project expenses of \$1,015,095.

Transfers

The Authority has budgeted to transfer \$2,730,842 from the Repair and Maintenance account and \$2,376,594 from the Concession Reserve accounts to the operating account. Upon completion of the transfers these accounts will be closed.

Account Balances

Ending account balances are proposed to increase by \$312,995, from \$12,085,791 to \$12,398,786.

**MINNESOTA SPORTS FACILITIES AUTHORITY
YEAR 2014 BUDGET SUMMARY**

	<u>Budget 2014</u>
Revenues	
Operating Revenues:	
Concessions	\$ -
Admission tax	\$ -
Rent	\$ -
Charges for services	\$ -
Parking	\$ -
Miscellaneous revenues	\$ -
Grant from stadium project	\$ 4,500,000
Total operating revenues	<u>\$ 4,500,000</u>
Expenses	
Operating expenses:	
Concession costs	\$ 239,000
Tenants share of concessions	\$ -
Facilities cost credit	\$ -
Personal services	\$ 2,193,505
Professional services	\$ 905,000
Contractual building services	\$ 106,000
Audio-visual maintenance costs	\$ 16,000
Travel and meetings	\$ 30,000
Supplies, repairs and maintenance	\$ 180,500
Utilities	\$ 367,000
Rent	\$ 130,000
Insurance	\$ 111,000
Communication	\$ 44,000
Miscellaneous	\$ 65,000
Subtotal operating expenses	<u>\$ 4,387,005</u>
Operating income/(loss)	\$ 112,995
Non-Operating revenues/(expenses)	
Investment earnings	\$ 200,000
Other contributions from stadium project	\$ 1,015,095
Stadium project expenses	\$ (1,015,095)
Repairs, replacement and improvements	\$ -
Concession reserve	\$ -
Total non-operating revenues/(expenses)	<u>\$ 200,000</u>
Change in Account Balances	\$ 312,995
Beginning Account Balances	\$ 12,085,791
Ending Account Balances	<u><u>\$ 12,398,786</u></u>

**MINNESOTA SPORTS FACILITIES AUTHORITY
YEAR 2014 BUDGET SUMMARY**

	Budget 2013	Actual 01/1/13-09/30/13	Projection 01/01/13-12/31/13	Budget 2014
Revenues				
Operating Revenues:				
Concessions	\$ 8,066,000.00	\$ 3,107,213.00	\$ 8,747,619.54	\$ -
Admission tax	\$ 4,057,900.00	\$ 1,447,819.00	\$ 4,129,414.22	\$ -
Rent	\$ 4,690,200.00	\$ 2,044,467.00	\$ 4,761,924.65	\$ -
Charges for services	\$ 1,163,000.00	\$ 1,112,629.00	\$ 1,323,278.06	\$ -
Parking	\$ 10,000.00	\$ 9,534.00	\$ 9,533.94	\$ -
Miscellaneous revenues	\$ 459,000.00	\$ 310,401.00	\$ 327,793.16	\$ -
Grant from stadium project	\$ -	\$ -	\$ -	\$ 4,500,000.00
Total operating revenues	\$ 18,446,100.00	\$ 8,032,063.00	\$ 19,299,563.57	\$ 4,500,000.00
Expenses				
Operating expenses:				
Concession costs	\$ 4,658,000.00	\$ 2,165,775.00	\$ 4,727,775.31	\$ 239,000.00
Tenants share of concessions	\$ 1,107,000.00	\$ 349,007.00	\$ 1,189,095.42	\$ -
Facilities cost credit	\$ 3,565,200.00	\$ 1,090,584.00	\$ 3,655,325.81	\$ -
Personal services	\$ 2,562,841.00	\$ 1,739,912.00	\$ 2,560,179.29	\$ 2,193,505.00
Professional services	\$ 715,000.00	\$ 571,557.00	\$ 948,945.41	\$ 905,000.00
Contractual building services	\$ 2,055,000.00	\$ 990,023.00	\$ 1,526,781.26	\$ 106,000.00
Audio-visual maintenance costs	\$ 187,000.00	\$ 86,957.00	\$ 122,205.92	\$ 16,000.00
Travel and meetings	\$ 45,000.00	\$ 19,559.00	\$ 22,799.61	\$ 30,000.00
Supplies, repairs and maintenance	\$ 794,000.00	\$ 355,927.00	\$ 659,099.69	\$ 180,500.00
Utilities	\$ 2,860,000.00	\$ 1,683,332.00	\$ 2,641,694.30	\$ 367,000.00
Rent	\$ -	\$ -	\$ -	\$ 130,000.00
Insurance	\$ 946,000.00	\$ 856,543.00	\$ 856,543.00	\$ 111,000.00
Communication	\$ 80,000.00	\$ 47,132.00	\$ 56,965.11	\$ 44,000.00
Miscellaneous	\$ 655,000.00	\$ 328,233.00	\$ 545,890.44	\$ 65,000.00
Subtotal operating expenses	\$ 20,230,041.00	\$ 10,284,541.00	\$ 19,513,300.57	\$ 4,387,005.00
Operating income/(loss)	\$ (1,783,941.00)	\$ (2,252,478.00)	\$ (213,737.00)	\$ 112,995.00
Non-Operating revenues/(expenses)				
Investment earnings	\$ 500,000.00	\$ 282,122.00	\$ 312,122.00	\$ 200,000.00
Other contributions from stadium project	\$ 1,959,000.00	\$ -	\$ -	\$ 1,015,095.00
Stadium project expenses	\$ (2,616,800.00)	\$ (1,836,832.00)	\$ -	\$ (1,015,095.00)
Repairs, replacement and improvements	\$ (200,000.00)	\$ -	\$ -	\$ -
Concession reserve	\$ (210,000.00)	\$ (58,902.00)	\$ (92,817.00)	\$ -
Total non-operating revenues/(expenses)	\$ (567,800.00)	\$ (1,613,612.00)	\$ 219,305.00	\$ 200,000.00
Change in Account Balances	\$ (2,351,741.00)	\$ (3,866,090.00)	\$ 5,568.00	\$ 312,995.00
Beginning Account Balances	\$ 12,080,223.00	\$ 12,080,223.00	\$ 12,080,223.00	\$ 12,085,791.00
Ending Account Balances	\$ 9,728,482.00	\$ 8,214,133.00	\$ 12,085,791.00	\$ 12,398,786.00
Recap Ending Account Balances:				
Operating Account	\$ 4,972,610.00	\$ 3,359,718.00	\$ 6,978,355.00	\$ 12,398,786.00
Repair, Replacements & Improvements Account	\$ 2,530,842.00	\$ 2,730,842.00	\$ 2,730,842.00	\$ -
Concessions Reserve Accounts	\$ 2,225,030.00	\$ 2,123,573.00	\$ 2,376,594.00	\$ -
Total Ending Account Balances	\$ 9,728,482.00	\$ 8,214,133.00	\$ 12,085,791.00	\$ 12,398,786.00



December 13, 2013

MEMORANDUM

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

On October 25, 2013 the Minnesota Sports Facilities Authority (Authority) approved the initial capital budget of \$50,000,000 for the first funding phase of the stadium project.

Then on November 22 2013 the Authority authorized approval for various project related agreements including the Amended and Restated Development Agreement. This agreement included a master project budget of \$975 million.

Now that the Development Agreement has been executed the Authority needs to approve a capital budget of \$975 million to allow for the expenditure of funds for project costs that are related to the stadium project as authorized in the Development Agreement. The Master Project Budget in the Development Agreement stated:

Uses:

Building construction	\$762,941,876
Site acquisition, parking, skyway	\$ 49,600,000
Furniture , fixtures and equipment	\$ 57,600,000
Soft costs	\$ 82,119,692
TCF Stadium costs	\$ 16,230,000
Xcel Service line	\$ 956,389
Owners contingency (net)	\$ 3,552,043
Environmental contingency	<u>\$ 2,000,000</u>
Total Uses	<u>\$975,000,000</u>

Sources:

State of Minnesota	
Appropriation grant	<u>\$498,000,000</u>
Minnesota Vikings and private contributions	
Term Loan - U.S. Bank	\$177,000,000
Owner's Equity	100,000,000
NFL G-4	<u>200,000,000</u>
	<u>\$477,000,000</u>
Total Sources	<u>\$975,000,000</u>

The Minnesota Vikings have committed to the project a Line of Credit of \$26,447,957 for when the contingency is exhausted and additional funding sources are needed for project costs.



Recommendation: *The Authority approves a capital budget of \$975,000,000 for the Minnesota Multipurpose Stadium project consistent with the Development Agreement*