



**MINNESOTA SPORTS FACILITIES AUTHORITY REGULAR MEETING MINUTES**

**Friday, January 17, 2014, 9:00 A.M.**

**1010 Metrodome Square Building, Lower Level Conference Room  
1010 South 7<sup>th</sup> Street, Minneapolis, MN 55415**

**1. CALL TO ORDER**

Chair Michele Kelm-Helgen called the meeting of the Minnesota Sports Facilities Authority to order at 9:05 AM.

**2. ROLL CALL**

Commissioners Present: Chair Kelm-Helgen, Commissioner Butts Williams, Commissioner Benson and Commissioner McCarthy.

Commissioners Absent: Commissioner Griffith

**3. ADOPTION OF AGENDA**

Chair Kelm-Helgen presented the agenda. Commissioner Butts Williams moved approval of the agenda, seconded by Commissioner Benson and approved unanimously – 4 YEAS, 0 NAYS.

**APPROVED**

**4. APPROVAL OF AUTHORITY MEETING MINUTES**

Approval of Authority Minutes for Regular Meeting of December 13, 2013. Commissioner Benson moved approval of the December 13, 2013 Regular Meeting Minutes, seconded by Commissioner Butts Williams and approved unanimously – 4 YEAS, 0 NAYS.

**APPROVED**



## 5. CHAIR'S REPORT

Chair Kelm-Helgen reported that as usual, there has been a lot of activity since the last board meeting, and that substantial progress has been made.

On December 29<sup>th</sup>, 2013, the Vikings held their last game in the Metrodome, and experienced a big win. The game also featured a tribute to 31 years in the Dome. The process was safe and respectful from a fan perspective.

Mortenson/Thor and Frattalone have begun full demolition of the Dome. Frattalone, a Minnesota company, has been able to reuse or recycle over 90% of the materials in the Dome. There is already an apparent shell of the stadium. It has been amazing to see how quickly that process was undertaken. The Authority offices have moved over to the 511 building. Another Minnesota company and minority-owned business enterprise (MBE), Albrecht Signs has been conducting the seat removal process in the Dome. Due to continued interest, they are moving several thousand more seats to a warehouse as they still have orders that haven't been filled. Many schools and non-profit organizations have had the opportunity to purchase mass numbers of seats. The Shakopee Community Center was able to purchase 800 seats. It has been wonderful to accommodate the needs of civic and community groups and individuals.

Throughout the construction process, the board will be receiving regular updates from Mortenson/Thor at each of its meetings. Obviously, there has been great interest in the roof deflation. The deflation is planned for tomorrow, pending weather. If there is any kind of high winds, it will have to be postponed. Exact timing is unclear, as it will depend on myriad factors. It's really important that everyone remembers that this is a construction site. While the Authority strives to be open and transparent about the construction process, it's a construction site and there are many safety issues that go along with that. Mortenson/Thor and their subcontractors need to do construction work, and can't be preoccupied with the safety of any news media or public on the site. There will be a camera in the Dome, which will record the deflation. This video will be made available to the public and media. The Authority will keep everyone updated and informed as to everything that happens.

In terms of outreach, the Authority, Team and Mortenson/Thor have been working hard to organize neighborhood meetings. These meetings have allowed residents and businesses to hear what they should expect during the construction process and to express concerns. Last week, a broad community meeting was held with local neighborhood associations and businesses. The Authority, Team and Mortenson/Thor described the construction process and schedule and outlined the communications process for distributing information. There is an email list for folks to sign up and receive alerts and update. Communication will be occurring on a regular basis. Chair Kelm-Helgen emphasized that communication will be key throughout this process. Yesterday, the Authority and Mortenson/Thor spoke at a community meeting. The Authority and Team are planning statewide public listening sessions.

Chair Kelm-Helgen then provided an update on the Downtown East (DTE) lawsuit that had been filed. This lawsuit halted the state bond sale from going through. The delay of the bond sale will have a significant impact on the project timeline if it continues. The MN Supreme Court understands the urgency, and it is anticipated



that a decision will come fairly soon. The state is confident in the outcome, as these issues have already been dealt with in other courts.

Chair Kelm-Helgen reported that the Super Bowl bid is moving along. The Authority, Team, State of Minnesota and Meet Minneapolis have been working closely together throughout this process and have been working hard on this bid as well as other bids. It is important to keep in mind the economic impact of these major sports events. Indianapolis had conducted a study that concluded the overall economic impact of the Super Bowl to be \$324 million with hotel, restaurant and tourism revenue.

## 6. ORGANIZATIONAL MATTERS

### a. Election of Officers

-Vice-Chair

-Secretary/Treasurer

Per the Authority bylaws, the Authority is required to hold elections for Vice-Chair and Secretary/Treasurer positions at its first meeting of each year. Chair Kelm-Helgen opened nominations for Vice-Chair. Commissioner Benson nominated Commissioner McCarthy for re-election as Vice-Chair, seconded by Commissioner Butts Williams and approved unanimously. – 4 YEAS, 0 NAYS.

**APPROVED**

Chair Kelm-Helgen opened nominations for Secretary/Treasurer. Commissioner McCarthy nominated Commissioner Benson for re-election as Secretary/Treasurer, seconded by Commissioner Butts Williams and approved unanimously. – 4 YEAS, 0 NAYS.

**APPROVED**

## 7. BUSINESS

### a. Action Items

#### i. Approve & Authorize Negotiations/Contract-Special Inspections & Quality Control

Five proposals were received for the above Request for Proposals (RFP) on January 7, 2014 at 4 pm. The work encompassed in this RFP covers special inspections and quality control relative to the new stadium construction. Key work scope areas include concrete testing and steel inspection. The budget for this project element is \$3,505,500.

Proposals were received from:

- Element Materials Technology (steel inspection only)
- American Engineering Testing Inc.
- Braun Intertec Corporation
- Professional Services Industries
- Terracon



Staff and Hammes have reviewed the proposals and interviewed the proposal respondents. Staff requests the Authority authorize negotiations with the respondents to reach agreement with the firm that staff believes will provide the best value to the Authority for work on the new stadium project. Furthermore, staff requests the Authority authorize the Chair and CEO/Executive Director to enter into contract once that contract is negotiated. Staff will return with a report on this matter at the February 2014 Authority Meeting.

**Recommendation: The Board approves & authorizes staff to negotiate a contract and the Chair and CEO/Executive Director to enter into contract for Quality Control and Special Inspections as outlined above.**

**Commissioner Butts Williams moved to approve the recommendation. Commissioner Benson seconded the motion.**

**APPROVED**

#### **ii. Approve Full-Time Equity Specialist Position**

The Minnesota Sports Facilities Authority (Authority) has a need for a full-time Equity Specialist position. This position will report to the Equity Director and participate in the development of stadium project reports for the Authority, conduct on-site project visits with the various contractors and subcontractors, review the certifications for targeted businesses, and proactively work with community organizations. The position will conduct a Good Faith Effort Analysis for both targeted businesses and the workforce, work with contractors to maximize targeted business participation on the project, and participate on various diversity committees. The position will also work with the City of Minneapolis Civil Rights Office, Minnesota Department of Human Rights, Minnesota Department of Administration, Minnesota Unified Certification Program, and the City of Saint Paul Contract and Compliance and Business Development.

The recruiting process will include advertisement of the position, review of applications, and interviews. The salary will be commensurate with the position qualifications and responsibilities. Staff will work closely with our human resources consultant to develop a job description, recruit for this position, and complete a salary analysis.

The salary, benefits, and related costs for this position will be funded 100% by the project.

**Recommendation: The Authority approves the addition of a full-time Equity Specialist position. Staff will present a salary request for this position at a future meeting. Commissioner Butts Williams moved to approve the recommendation. Commissioner McCarthy seconded the motion.**

**APPROVED**

#### **iii. Approve & Authorize Technical Amendments to Stadium Trust Agreement & Stadium Disbursing Agreement**

On November 22, 2013, the Authority authorized the execution of the Amended and Restated Construction Funds Trust Agreement and the Stadium Disbursing Agreement.



These agreements provide for the receipt, holding, and disbursement of funds for the payment of expenses related to the development and construction of the Stadium pursuant to the Amended and Restated Development Agreement.

It now appears that certain amendments to the Construction Funds Trust Agreement and the Stadium Disbursing Agreement are necessary to accommodate the payment of: (1) expenses related to certain capital improvements carried out by the University of Minnesota relating to the Team's use of the TCF Bank Stadium; and (2) funds for the acquisition of the Downtown East Ramp and the Block 1 Parcel adjacent to the Stadium.

In order to facilitate the transactions set out above, the revisions address a few minor issues. The changes and the reason for each change are described below:

#### Amended and Restated Construction Funds Trust Agreement

- Section 2: Clarify that Trustee obligation to disburse funds is triggered on receipt of funds.
- Section 3.1: Confirm that expenses related to capital improvements at TCF Bank Stadium are project costs payable under the relevant project agreements, and permit payment of TCF Bank Stadium improvement costs subject to limited review by the Authority and Construction Monitor.
- Section 3.2: Require expedited payment of acquisition costs for parcels of property by the Authority to facilitate the stadium development and provide public parking to accommodate January closing dates.

#### Stadium Disbursing Agreement

- Section 2: Alter Disbursing Agent's fee for conducting disbursements.
- Section 3(a): Confirm that expenses related to capital improvements at TCF Bank Stadium are project costs payable under the relevant project agreements, and permit payment of TCF Bank Stadium improvement costs subject to limited review by the Authority and Construction Monitor.
- Section 3(b): Require payment of acquisition costs for parcels of property by the Authority to facilitate the stadium development and provide public parking on an expedited schedule to accommodate January closing dates.

**Recommendation: The Authority authorizes the Chair and CEO/Executive Director to finalize and execute the First Amendment to the Stadium Disbursing Agreement and the First Amendment to the Amended and Restated Construction Funds Trust Agreement as proposed. Commissioner Benson moved to approve the recommendation. Commissioner McCarthy seconded the motion.**

**APPROVED**



**iv. Approve Operational Plan & Budget for Downtown East Parking Ramp & Block 1 (McClellan) Property**

On January 23, 2014, the Authority will close on the purchase of the Downtown East (DTE) Ramp and Block 1 (McClellan) Property. The DTE ramp is a functioning parking ramp with 455 underground parking stalls. The McClellan property has 150 surface parking spaces as well as a vacant building.

Upon closing on the purchase of the DTE and Block 1 (McClellan) properties, the Authority will oversee the operation of the parking on both properties until Ryan Companies constructs for the Authority the Block 1 Ramp on the McClellan property and the Parking Agreement entered into by the Authority, Ryan Companies US, Inc. and the City of Minneapolis is effective (contemplated to be on or around January 1, 2016). The Ryan Management Period will begin at this time and the provisions of the agreement will commence. The provisions affect both the Block 1 Ramp and the DTE Ramp.

From the closing on the purchase until the Ryan Management Period begins, the Authority staff needs budget authorization to spend funds on the operation of the parking facilities. Funds are needed to continue the parking operations management contract, insurance, maintenance and other operational items. The staff will prepare a detailed budget and present it to the board at a future meeting.

**Recommendation: The Board authorizes the CEO/Executive Director to expend funds for the maintenance and operation of the DTE and Block 1 (McClellan) properties. Commissioner McCarthy moved to approve the recommendation. Commissioner Butts Williams seconded the motion.**

**APPROVED**

**v. Approve 2014 Salary Recommendation for MSFA Chair Salary**

**Chair Kelm-Helgen recused herself from this agenda item. Commissioner McCarthy presided over this agenda item.**

As previously reported, on December 3<sup>rd</sup> and 12<sup>th</sup>, the Board held special meetings as allowed under Minnesota law for the purpose of evaluating the Chair and the CEO/Executive Director. As reported at the December Board meeting, the Authority is very well run under the strategic direction of the Chair and the daily management of the CEO/Executive Director. It was an incredibly productive year with major accomplishments leading to the recent Stadium groundbreaking. The MSFA Ad Hoc Committee has analyzed and recognized that the current compensation for the Chair does not fully recognize the role and responsibilities of the Chair. Therefore, the Chair's salary should be adjusted to more accurately reflect the current responsibilities.

The MSFA Ad Hoc Committee was charged with developing a salary package for the Chair reflecting current responsibilities and that recommendation is provided below.



**Recommendation: The Authority authorizes increasing the annual salary of Board Chair Michele Kelm-Helgen by \$25,000 effective January 17, 2014. Commissioner Butts Williams moved to approve the recommendation. Commissioner Benson seconded the motion.**

**APPROVED**

**b. Report Items**

**i. Construction Project Update**

Allen Troshinsky from Mortenson Construction offered an update on the construction process. There has been much progress to date with the excavation and drilled foundations. Approximately 100,00 cubic yards of soil have been removed. 850,000 additional cubic yards will be removed. This represents about 20% of our work of excavation. The overall construction process has been going smoothly. The weather has not had a significant impact on the project. In regards to the drilled piers (deep foundations that the building will rest upon) 7 of them have been completed. 330 more piers will be constructed.

Looking forward, the first of 5 tower cranes will be erected next week. The roof deflation is scheduled for tomorrow. Mortenson/Thor will be monitoring the weather very closely throughout the evening and will be adjusting activities if necessary. True demolition will begin next week. The loading will be demolished next week. Everyone will really be able to notice physical changes. Demolition and excavation will continue over the next several months. The shallow concrete foundations will be getting underway next week as well. This is an important milestone that is right upon us.

Mr. Troshinsky reported that there are over 300 workers on site, and that they are on track with the project equity goals in regards to both the workforce and targeted businesses. These positive trends indicate that the project is starting off on the right foot. At the last meeting, Mortenson/Thor reported that it had awarded contracts to Harris Mechanical/Build 23. They represent a joint venture for roofing and metal panels and are Minnesota-based firms. Another dozen contracts will be awarded in the coming month.

**Recommendation: None. This report is for informational purposes. No action is required at this time.**

**8. PUBLIC COMMENT**

One individual came forward to address the MSFA Board.

1. Chuck Turchick, Topic: Mr. Turchick commented on the current lawsuit delaying the Authority bond sale, and that it will be difficult to circumvent the judiciary.



9. **DISCUSSION**

Commissioner Benson raised the question of whether or not the Authority has considered developing revenue-generating events for the new stadium outside of pre-established sporting events. For instance, the Houston stadium stages a rodeo every year, which brings in large amounts of revenue to their facility. Holding such events could bring in more revenue on an ongoing basis. Chair Kelm-Helgen replied that this is a good suggestion and it should be included in the third-party operator RFP. Mr. Mondale added that a draft third-party operator RFP would be circulated in the first week of February.

10. **ANNOUNCE FUTURE MEETINGS**

Wednesday, February 19, 2014 at 9:00 A.M – MSFA Board Meeting, 1010 Metrodome Thresher Square Building

11. **ADJOURNMENT**

There being no further business to come before the Authority, Commissioner Benson moved to adjourn the meeting, seconded by Commissioner McCarthy and approved unanimously – 4 YEAS, 0 NAYS. Chair Kelm-Helgen adjourned the meeting at 9:35 am.

ADOPTED this 19<sup>th</sup> day of February, 2014 by the Minnesota Sports Facilities Authority

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Duane Benson, Secretary

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Ted Mondale, CEO/Executive Director