



# Minnesota Sports Facilities Authority

## Meeting Agenda

Revised Agenda  
Friday, December 7, 2012  
9:00 a.m.

Hubert H. Humphrey Metrodome  
Halsey Hall Room  
900 South Fifth Street, Minneapolis, MN 55415

1. CALL TO ORDER
2. ROLL CALL
3. ADOPTION OF AGENDA
4. APPROVAL OF AUTHORITY MEETING MINUTES: Regular Meeting, November 16, 2012
5. CHAIR'S REPORT
6. BUSINESS
  - a. Approve Preliminary Development Agreement
  - b. Budget Report – October 31, 2012
  - c. Adopt 2013 Operating Budget
  - d. Approve 2013 Salary Recommendations
  - e. Adopt Capital Budget
  - f. Construction Manager RFP
7. PUBLIC COMMENTS
8. DISCUSSION
9. ANNOUNCE FUTURE MEETINGS – Friday, January 18, 2013 at 9:00 a.m.
10. ADJOURNMENT

# MINNESOTA SPORTS FACILITIES AUTHORITY

Regular Meeting  
Friday, November 16, 2012  
9:00 a.m.

Hubert H. Humphrey Metrodome  
MSFA Conference Room  
900 South 5<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 9:00 am

## 2. ROLL CALL

Commissioners Present: Michele Kelm-Helgen, Barbara Butts Williams, Duane Benson, Bill McCarthy, John Griffith

Commissioners Absent: None

## 3. ADOPTION OF AGENDA

Chair Kelm-Helgen presented the agenda. *A motion was made by Commissioner Benson and seconded by Commissioner McCarthy to adopt the agenda. Motion carried.*

## 4. APPROVAL OF AUTHORITY MEETING MINUTES

Approval of Authority Minutes for Regular Meeting of October 26, 2012 and Special Meeting of November 9, 2012. *A motion made by Commissioner Butts Williams and seconded by Commissioner Benson to approve the minutes. Motion carried.*

## 5. CHAIR'S REPORT

Today the Board will vote on the WBE / MBE Design Services plan to HKS. There is no requirement to do so, but the Board would like to set a new standard for inclusion. The plan outlines how to accomplish 8% MBE and 11% WBE goals. The Construction Manager RFP is scheduled to be posted in early December.

## 6. BUSINESS

- a. Action Items – New Stadium

i. Authorize Environmental Impact Statement Scoping Decision

The new stadium project (People's Stadium) environmental review process is currently in the stage called "Scoping". The first step in the scoping process is the issuance of the Scoping Environmental Assessment Worksheet (Scoping EAW)/Draft Scoping Decision Document (Draft SDD). For The People's Stadium project, this document was issued on October 1, 2012. During a required 30-day review period, a public open house was held on October 23, 2012, where approximately 40 people attended to learn about the project and provide comment. During the official review and comment period, the Minnesota Sports Facilities Authority (MSFA) received 19 written and verbal comments.

Serving as the Responsible Governmental Unit (RGU) for the proposed People's Stadium project, it is the MSFA's responsibility to issue a Scoping Decision at this point in the state environmental review process. The Scoping Decision can be considered essentially a "blueprint" for the EIS, specifically defining:

- The Alternative(s) to be studied in more detail in the Draft Environmental Impact Statement (Draft EIS) – including design options
- What issue areas will be evaluated in more detail in the Draft EIS

Following Authority action on the Scoping Decision; the Final Scoping Decision Document will be completed and distributed to all who received or commented on the Scoping EAW/Draft SDD. The Board will also receive a copy of that document when completed.

During the next several months, more detailed technical analysis will be completed on the project, for inclusion in the Draft EIS; scheduled to be released for public review and comment in March 2013.

*Recommendation: The MSFA approve the Resolution for EIS Scoping Decision as attached. Motion made by Commissioner Benson and Seconded by Commissioner Butts Williams. Motion carried.*

RESOLUTION ACCEPTING ENVIRONMENTAL IMPACT STATEMENT SCOPING

**WHEREAS**, the People's Stadium is a proposed project to construct a new Stadium on the current Hubert H. Humphrey Metrodome site in Downtown Minneapolis. Construction of the new Stadium would include demolition of the existing Metrodome stadium and construction of a new stadium facility and ancillary parking and access facilities. The new 65,000-seat stadium (with expansion up to 73,000 seats) will include suites, club seats, shops, restaurants, a National Football League (NFL) team museum, and Hall of Fame, and;

**WHEREAS**, the People's Stadium project must comply with the requirements of the Minnesota Environmental Policy Act (MEPA), and;

**WHEREAS**, the Minnesota Sports Facilities Authority (MSFA) is the project proposer and the designated Responsible Governmental Unit (RGU) for the mandatory Environmental Impact Statement (EIS) under the state environmental review requirements, and;

**WHEREAS**, the MSFA published a notice of availability of the People’s Stadium Scoping Environmental Assessment Worksheet (EAW)/Draft Scoping Decision Document (Draft SDD) in the *Minnesota Environmental Quality Board (EQB) Monitor* on October 1, 2012, and;

**WHEREAS**, the MSFA issued press releases on October 1 and 19, 2012; and published legal notices regarding the Scoping EAW/Draft SDD document availability and public open house in the Star Tribune and Finance and Commerce, and;

**WHEREAS**, the MSFA distributed the Scoping EAW/Draft SDD to the Minnesota EQB distribution list and other project stakeholders, and held of public open house on October 23, 2012, and;

**WHEREAS**, the comment period for the Scoping EAW/Draft SDD began on October 1 and ended on October 31, 2012, and;

**WHEREAS**, approximately 40 people attended the open house meeting held during the Scoping EAW review period, and ;

**WHEREAS**, a total of 19 comments were received during the Scoping EAW process, both in written format and through oral testimony recorded by a court reporter at the open house meeting, and;

**WHEREAS**, the MSFA has reviewed and considered technical analysis conducted during the Scoping EAW process as well as the comments received on the project during Scoping, and;

**WHEREAS**, the Final Scoping Decision Document will reflect the decision of the MSFA, and will include project information in compliance with Minnesota Rule 4410.2100, Subp. 6, and;

**WHEREAS**, the legislation passed in the Minnesota legislature and signed by the governor of Minnesota in May 2012 states that the EIS shall not be required to consider alternate stadium sites.

**NOW THEREFORE BE IT RESOLVED**, that the MSFA adopt that the No-Build Alternative (serving as a base of comparison for the Build Alternative) and the proposed new Stadium Alternative, as described below;

- Demolition of the Existing Metrodome Stadium (900,000 square feet [sf])
- At Least 1,500,000 sf
- 65,000 Seats, Expandable up to 73,000
- 150 Suites
- 7,500 Club Seats
- Concessions and Restaurants, NFL Team Museum, Hall of Fame, Administrative and Ticket Offices and Team Meeting Space, Lockers, and Training Rooms
- 2,000 Parking Spaces Within One Block of Stadium, Connected by Skyway or Tunnel
- 500 Spaces Within Two Blocks of the Stadium, With Dedicated Walkway on Game Days
- Stadium Infrastructure (Plazas, Parking Structures, Rights of Way, Connectors, Skyways and Tunnels)

be carried forward for further evaluation in the Draft EIS, and;

**BE IT FURTHER RESOLVED**, that the closure of 5<sup>th</sup> Street from Chicago to 11<sup>th</sup> Avenues be studied in the EIS, and;

**BE IT FURTHER RESOLVED**, that the issue areas to be excluded from the EIS are listed below (specific Scoping EAW question noted in parenthesis for reference):

- Cover types (#10)
- Fish, Wildlife, and Ecologically Sensitive Resource (#11)
- Physical Impacts on Water Resources (#12)
- Water-Related Land use Management District I#14)
- Water Surface Use (#15)
- Geologic Hazards (#19a)
- Nearby Resources: Prime Farmlands, Scenic Views and Vistas and Other Unique Resources (#25 b, d, e)
- Compatibility with Plans and Land Use Regulations (#27)

are confirmed through this resolution, and;

**BE IT FURTHER RESOLVED**, that the issues to be addressed in the EIS include (specific Scoping EAW question noted in parenthesis for reference):

- Land Use (#9)
- Water Use (#13)
- Erosion and Sedimentation (#16)
- Water Quality: Surface Water Runoff (#17)
- Water Quality: Wastewaters (#18)
- Soil Conditions/Contamination (#19b)
- Solid Wastes, Hazardous Wastes, Storage Tanks (#20)
- Transportation (referenced as Traffic in EAW - #21)
- Vehicle Related Air Emissions (#22)
- Stationary Source Air Emissions (#23)
- Odors, Noise and Dust (#24)
- Nearby Resources: Archaeological, Historical or Architectural Resources and Designated Park, Recreation Areas or Trails (#25a and c)
- Visual Impacts (#26)
- Impact on Infrastructure and Public Services (#28)
- Cumulative Potential Effects (#29)
- Other Potential Environmental Impacts (#30)

**BE IT FURTHER RESOLVED**, that two design options for the Build Alternative will be evaluated – a fixed roof and a design with a retractable element such as a roof or wall, and;

**BE IT FURTHER RESOLVED**, that if, through more detailed study in the Draft EIS, it is revealed that one of the two design options is determined to no longer be a prudent and feasible design option, the MSFA will make a determination regarding whether the design option should be further screened. If this decision is made, the MSFA, serving as the project proposer and RGU will provide notice of the

decision to all persons on the Minnesota EQB distribution list, along with Scoping commenters and publish the decision in the *Minnesota EQB Monitor*.

ADOPTED this 16th day of November, 2012, by the Minnesota Sports Facilities Authority.

ii. Authorize Request for Proposal – New Stadium Concessionaire

The new stadium will require a food and beverage services company (aka concessionaire) for operations and maintenance of that system. Currently, Centerplate provides those concessionaire services to the Authority. That contract will end with cessation of Metrodome operations.

Staff and the Minnesota Vikings have had initial discussions on this matter. From conversations with other stadium operators it has been evident that bringing on a concessionaire early on in the design process adds significant value to the project outcomes.

Staff requests the Authority approve solicitation of a request for proposals for concessionaire services for the new stadium. Staff anticipates a recommendation on this matter next January.

*Recommendation: The Authority approve solicitation of Request for Proposals – New Stadium Concessionaire. Motion made by Commissioner McCarthy and seconded by Commission Benson. Motion carried.*

iii. Approve Design Services Agreement – WBE/MBE Plan

The Authority recognizes the legislature’s mandate that the Authority establish and attempt to meet participation goals for involving women- and minority-owned businesses in construction and design of the new stadium. To that end, Authority staff, Metropolitan Council loaned executives, and the Authority’s legal team have spent extensive time developing a Design Services Agreement WBE/MBE “Plan” for the design phase of the new stadium project. Although the Plan is specifically applicable to the design phase of this project, the Plan is part of the Authority’s ongoing and active efforts to encourage and enlist participation of minority- and women-owned businesses in all phases of the design and construction of the project. The Authority will adopt a more comprehensive program for later construction phases of the project.

The Plan is based on, among other things, a study completed for the City of Minneapolis captioned “The State of Minority- and Women-Owned Business Enterprise: Evidence from Minneapolis.” The Plan establishes the goals of 8% participation by minority-owned businesses and 11% participation by women-owned businesses. The Plan also provides the legal framework for how the project architect, HKS, may achieve these goals.

The Minnesota Vikings fully support the Plan. The Vikings recognize our community is made up of a wide range of people, organizations, and businesses, and that not all of them have had the same

opportunities in the past. The Vikings are committed to inclusion and will actively work toward reducing barriers for minority and women-owned businesses to participate in this historic project.

Significant efforts are under way to contact and engage minority and women-owned businesses to promote participation of these historic underutilized businesses in the new stadium. The Authority and the Vikings are confident that working toward these goals will yield a world class stadium that is built on time and on budget with a positive impact in our communities.

*Recommendation: The MSFA approve the Design Services Agreement WBE/MBE Plan as attached. Motion made by Commissioner Butts Williams and seconded by Commissioner McCarthy. Motion carried.*

**7. PUBLIC COMMENT**

Chair Kelm-Helgen acknowledged Senator Rosen was in the audience to listen and announced three individuals signed up to address the MSFA Board.

- Kathy Brown Zerwas. Topic MBE/WBE Participation in Design Package
- Gilbert ODonkor. Representative of N.A.M.C
- Robert Wood. Representative of N.A.M.C.

**8. DISCUSSION**

None

**9. ANNOUNCE FUTURE MEETINGS**

Friday, December 7, 2012 at 9:00am – MSFA Board Meeting, Halsey Hall

**10. ADJOURNMENT**

There being no further business to come before the Authority, a motion was made by Commissioner Benson and seconded by Commissioner McCarthy to adjourn the meeting. Motion carried. Chair Kelm-Helgen adjourned the meeting at 9:26 am

ADOPTED this 7 day of December, 2012 by the Minnesota Sports Facilities Authority

---

Duane Benson, Secretary

---

Ted Mondale, CEO/Executive Director



**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:** Budget Report – October 31, 2012

Attached is the budget report for the Minnesota Sports Facilities Authority for the period from January 1, 2012 through October 31, 2012.

The report is divided into two sections: the financial activities of the Metropolitan Sports Facilities Commission and the financial activities of the Minnesota Sports Facilities Authority. The first section includes the Commission's 2012 adopted budget, actual revenues, expenses, changes in account balance, and the ending account balances as of July 31, 2012. The second section includes the Authority's continuing budget resolution, actual revenues, expenses, changes in account balance, and the ending account balances as of October 31, 2012.

For the first seven months of the year the Commission's revenues were \$1,869,925 and expenses totaled \$5,837,071, the ending account balance at July 31, 2012 was \$9,375,605. This account balance was transferred to the Authority as of August 1, 2012.

At the end of the Authority's first three months of operations revenues totaled \$3,797,923, expenses totaled \$2,159,927 and the ending account balance was \$11,013,601.

**RECOMMENDATION:** *No action is required at this time. This is for informational purposes only.*



**MINNESOTA SPORTS FACILITIES AUTHORITY**  
**BUDGETARY COMPARISON SUMMARY**  
**STATEMENT OF REVENUES, EXPENSES AND CHANGES IN ACCOUNT BALANCES**  
**For the Period from January 1, 2012 through October 31, 2012**

	<b>METROPOLITAN SPORTS FACILITIES COMMISSION</b>		<b>MINNESOTA SPORTS FACILITIES AUTHORITY</b>	
	<b>2012 Budget Annual</b>	<b>Actual 01/01/2012-07/31/2012</b>	<b>Continuing Resolution 08/01/2012-12/31/2012</b>	<b>Actual 08/01/2012-10/31/2012</b>
<b>Revenues</b>				
MN Vikings 2011 Regular Season Net Revenues (Vikings game 1/1/2012) \$	-	\$ 418,458	\$ -	\$ -
MN Vikings 2012 Regular Season Net Revenues	6,727,500	-	6,727,500	3,180,843
Other Events Net Revenues	1,400,000	629,457	770,543	64,779
Miscellaneous Revenues	833,000	426,189	406,811	438,425
Investment Income	400,000	395,821	4,179	113,876
<b>Total revenues</b>	<b>9,360,500</b>	<b>1,869,925</b>	<b>7,909,033</b>	<b>3,797,923</b>
<b>Expenses</b>				
Operating expenses:				
Personal services	2,243,000	1,337,336	905,664	479,434
Professional services	390,000	560,814	(170,814)	353,614
Contractual building services	2,550,000	976,136	1,573,864	468,907
Audio-visual maintenance costs	302,000	66,041	235,959	18,949
Travel and meetings	30,000	22,250	7,750	5,005
Supplies, repairs and maintenance	829,000	261,698	567,302	113,313
Utilities	2,955,000	1,427,631	1,527,369	339,401
Insurance	996,000	513,728	482,272	383,911
Communication	90,000	30,193	59,807	18,445
Miscellaneous	1,153,000	594,616	558,384	315,329
Less: reimbursed expenses	(1,500,000)	(463,926)	(1,036,074)	(454,580)
<b>Subtotal operating expenses</b>	<b>10,038,000</b>	<b>5,326,517</b>	<b>4,711,483</b>	<b>2,041,728</b>
Repairs, Replacements and Improvements				
Other expenses	1,000,000	460,981	539,019	27,885
Concessions-Repair and maintenance	150,000	39,925	110,075	59,931
Concessions-Replacements and new equipment	100,000	9,513	90,487	30,067
Concessions-Promotions	25,000	135	24,865	316
<b>Total expenses</b>	<b>11,313,000</b>	<b>5,837,071</b>	<b>5,475,929</b>	<b>2,159,927</b>
Change in Account Balances	(1,952,500)	(3,967,146)	2,433,104	1,637,996
Beginning Account Balances	13,342,751	13,342,751	9,375,605	9,375,605
<b>Ending Account Balances (Unaudited)</b>	<b>\$ 11,390,251</b>	<b>\$ 9,375,605</b>	<b>\$ 11,808,709</b>	<b>\$ 11,013,601</b>



**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](http://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**

	<b>MSFC/MSFA</b>		
	<b>Annual Budget</b>	<b>Combined</b>	
	<b>2012</b>	<b>Projection</b>	<b>Budget 2013</b>
	<b>1/1/12-12/31/12</b>		
<b>Revenues</b>			
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>
<b>Expenses</b>			
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
<b>Ending Account Balances</b>	<u><u>\$ 11,390,251</u></u>	<u><u>\$ 11,847,375</u></u>	<u><u>\$ 9,495,634</u></u>
<b>Recap Ending Account Balances:</b>			
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 SUMMARY**

	<b>MSFC/MSFA</b>		
	<b>Annual Budget</b>	<b>Combined</b>	
	<b>2012</b>	<b>Projection</b>	<b>Budget 2013</b>
	<b>1/1/12-12/31/12</b>		
<b>Revenues</b>			
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>
<b>Expenses</b>			
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
<b>Ending Account Balances</b>	<u><u>\$ 11,390,251</u></u>	<u><u>\$ 11,847,375</u></u>	<u><u>\$ 9,495,634</u></u>
<b>Recap Ending Account Balances:</b>			
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**  
**900 South 5th Street**  
**Minneapolis, Minnesota 55415**

---

December 7, 2012

**MEMORANDUM**

**TO:** MSFA Commissioners  
**FROM:** Commissioner Benson  
**SUBJECT:** Request for 2013 Salary and Wage Rate Adjustments

The Authority's human resources consultant and staff reviewed salary and wage rate information from published salary surveys to assist in recommending an increase for 2013. The surveys projected salary budget increases of 2.9% - 3.0% for the national average, Minneapolis, and Minnesota. The 2013 salary structures were projected to increase 1.9% - 2.0% for the national average.

The Commissioner of Minnesota Management & Budget (MMB) approved a 2.2% increase in the compensation limit of employees of local and metropolitan units of government for 2013 based on the change in the consumer price index for the period from October 2011 to October 2012.

The Authority has an estimated annualized salary expense of \$1,224,872 for non-labor agreement employees. The cost of the recommendation for 2013 for the non-labor agreement personnel is \$31,957.

The labor agreement with the Construction and General Laborers' Local No. 563 for the maintenance employees was negotiated separately. That agreement expires February 28, 2014.

It is recommended that the salary and wage rate schedules be adjusted as follows:

1. 2.0% - cost of living increase for all non-labor agreement personnel, except for Scoreboard and Video positions.
2. 0.0% - no increase for Scoreboard and Video positions
3. 4.0% - additional salary adjustment for the Director of Facilities and Engineering
4. 2.0% - additional salary adjustment for the Director of Finance, Technical Services Manager, and Event Services Manager

**RECOMMENDATION:** *That the Authority approves the attached 2013 salary and wage schedule effective January 1, 2013.*



**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.*