



**MINNESOTA SPORTS FACILITIES AUTHORITY
Minutes of March 10, 2017 Meeting**

**U.S. Bank Stadium - Hyundai Club
401 Chicago Avenue, Minneapolis, MN 55415**

1. **CALL TO ORDER**

Chair Blatz called the meeting of the Minnesota Sports Facilities Authority (“MSFA”) to order at 9:00 A.M.

2. **ROLL CALL**

Commissioners Present: Kathleen Blatz, Barbara Butts Williams, Bill McCarthy and Tony Sertich.

3. **ADOPTION OF AGENDA**

Chair Blatz presented the proposed agenda for the meeting. Commissioner Sertich moved approval of the agenda as presented. The motion was seconded by Commissioner McCarthy and unanimously adopted.

4. **APPROVAL OF PRIOR MEETING MINUTES**

Commissioner Butts Williams moved to approve the February 24, 2017 meeting minutes as presented. *See, Exhibit A.* That motion was seconded by Commissioner McCarthy and unanimously approved.

5. **CHAIR’S REPORT**

Chair Blatz reported on the issue of several exterior metal panels that recently became dislodged on the northwest prow at U.S. Bank Stadium (“Stadium”) due to high winds. During several other previous high-wind events, a number of other zinc panels also became loose and Mortenson Construction, the Stadium’s general contractor, secured them by adding fasteners, and has since installed additional fasteners to all zinc panels around the Stadium in a manner Mortenson feels confident will address the problem. Workers began reattaching the panels on February 24, 2017, and finished adding additional fasteners to all remaining panels soon thereafter.

Chair Blatz announced that the general manager of Aramark Sports Entertainment Services, LLC (“Aramark”), the third-party food and concessions contractor at the Stadium, recently resigned. Aramark has been recruiting for that position and has begun the interview process in Minnesota. The MSFA, Vikings and SMG, the Stadium’s third-party management company, participated in the interview process, which is continuing. Aramark expects to have their new general manager on-board in the near future.

Lastly, Chair Blatz reported that college baseball teams recently began playing at the Stadium, and stated that 120 college and university teams will be playing a total of 136 games at the Stadium. The *Dairy Queen Classic* baseball tournament was held March 3-5, 2017, and was a great success, with over 5,300 baseball fans in attendance.

6. **BUSINESS**

a. **Action Items**

i. **Operations Equity Plan**

Alex Tittle, MSFA’s Equity Consultant, reviewed the Stadium’s proposed equity operations plan, which is attached as Exhibit B. He explained that the five-page document was developed with the involvement and cooperation of SMG and Aramark, as well as MSFA leadership and legal counsel. Mr. Tittle stated that monitoring and reporting is the focus of the plan, and a third-party WMBE data management firm will compile and record the data, which he ultimately will review. Quarterly reports will be provided to the MSFA, and quarterly meetings will be held with the public. Mr. Tittle reported that the first community equity meeting is scheduled for April, 19, 2017, and subsequent meetings are scheduled for August 16 and November 15, 2017.

Commissioner Butts Williams inquired as to whether there is a similar equity benchmark for other stadiums around the country. Mr. Tittle responded that, to his knowledge, no benchmark to this degree exists at other stadiums, and stated that the Stadium’s process is very detailed and cutting edge. Following further discussion, upon a motion by Commissioner Butts Williams that was seconded by Commissioner McCarthy, the following recommendation was unanimously approved:

The Authority authorizes the adoption of an operations equity plan to support event operations at U. S. Bank Stadium.

ii. **MSFA Capital Reserves Procurement Procedures**

James Farstad, MSFA’s Interim CEO/Executive Director, presented for the Board’s review and approval procedures for the planning and procurement of future capital improvements at the Stadium. A copy of that 10-page document and its exhibits, related forms and contract templates are attached as Exhibit C.

Mr. Farstad stated that the procedures were developed by staff to provide an orderly process for annual approval by the Board of MSFA's Capital Funding Plan, and for the efficient procurement of capital improvements authorized under such Plan. During construction of the Stadium, all capital expenditures were handled through a detailed process that was managed by the MSFA's owner representative. As Stadium construction concludes and the focus turns to operations, Mr. Farstad said it is important to implement a similarly detailed process for internal management of capital planning, budgeting and procurement to supplement and replace the construction project management system. That system, provided by Hammes Company Sports Development, Inc. ("Hammes"), will no longer be available to MSFA after construction close out.

Mr. Farstad briefly summarized the new procedures, including:

- The scheduling and processing of proposed items to be included in the Capital Funding Plan, with specific deadlines for MSFA staff, SMG, Aramark and the Vikings.
- Detailed information on various procurement methods available for approved capital items and request/approval forms for utilizing each procurement option.
- Templates for the solicitation of bids/proposals and the resulting contracts.

Commissioner Butts Williams asked Mr. Farstad if the proposed capital improvement procurement procedure is standard. Mr. Farstad responded that this procedure is routine, as it complies with state statutes and guidelines. Jay Lindgren, MSFA's legal counsel, noted that the MSFA has an existing procurement policy that previously was adopted by the Board, and the new capital procurement procedure closely follows the requirements set forth in the legislation.

Commissioner McCarthy asked Mr. Lindgren if the new procurement plan focused on Minnesota businesses. Mr. Lindgren stated that the proposed procedure does not set a goal for Minnesota, as it is only a process; but he noted that in the October-November timeframe, the Board can set annual goals pertaining to the use of Minnesota businesses, as well as equity goals.

Commissioner Sertich moved and Commissioner Butts Williams seconded the motion to approve the following recommendation, which was unanimously approved:

The Authority approves and adopts the Procedures for Planning and Procurement of Capital Enhancements dated March 10, 2017.

iii. SMG Pre-Opening Budget

Mr. Farstad reminded the Board that in August 2014, the MSFA entered into a *Management and Pre-Opening Services Agreement* ("Agreement") with SMG for the management, operation, maintenance and marketing of the Stadium and The Commons park. The Agreement covered the Stadium's pre-opening period, which began upon execution of the Agreement and ended on June 30, 2016, the

opening date of the Stadium (“Pre-Opening Period”). At the December 2014 Board meeting, the Board approved SMG’s Pre-Opening Consulting Budget.

Pursuant to the Agreement, Mr. Farstad stated that SMG has now submitted the Final Pre-Opening Consulting Budget (“Final Budget”) for consideration and approval. See, Exhibit D. He reported the Final Budget is presented consistent with the accounting methodology approved by the Board at its December 16, 2016 meeting, and reflects revenues and expenses on a gross basis. The Final Budget reflects a favorable variance to the Original Pre-Opening Consulting Budget of \$2,341.

Following discussion, upon a motion by Commissioner Butts Williams that was seconded by Commissioner Sertich, the following recommendation was unanimously approved:

The Board (1) approves the final Pre-Opening expense budget of \$4,725,000 and a revenue budget of \$615,000 for a net Final Pre-Opening Consulting Budget of \$4,110,000, and these changes will be reflected in the final 2016 MSFA Budget; and (2) directs that the Pre-Opening account be closed once all of the Pre-Opening transactions are completed and that the remaining favorable variance be transferred to Authority Operating Reserves

iv. Approve Amendment to Owner’s Representative Agreement

Mr. Farstad explained that the *Owner’s Representative Agreement* between the MSFA and Hammes will expire March 31, 2017. There are Stadium construction project close-out tasks and related financial reporting requirements that will continue beyond the contract expiration date. Hammes has offered to continue providing Owner’s Representative services through the month of April 2017, on an hourly fee basis plus reimbursable expenses. See, Exhibit E.

Upon the motion of Commissioner Sertich that was seconded by Commissioner McCarthy, the following recommendation was unanimously approved:

The MSFA authorizes the Chair and CEO/Executive Director to execute Amendment No. 6 to the Owner’s Representative Agreement with Hammes Company Sports Development, Inc. on an actual hourly fee basis plus reimbursed expenses.

b. Reports

i. Legislative Update

Amos Briggs of Lockridge Grindal Nauen P.L.L.P. provided an update on legislation potentially affecting the MSFA that currently are under consideration in the 2017 legislative session. See, Exhibit F.

ii. Executive Director Update

Chair Blatz announced that she was nominating Rick Evans as the MSFA’s new Executive Director. She commented on Mr. Evans’ impressive background, and that he will be a great addition due to his

experience in both the public and private sectors. Mr. Evans is an attorney, who worked in the Attorney General's Office, and thereafter served as Executive Director of the Minnesota Racing Commission. He has extensive knowledge in finance, real estate and governance matters. Chair Blatz stated she is grateful for Mr. Evans' willingness to step into this important role, and is confident he will be a great resource to the MSFA. Following discussion, upon a motion duly made, seconded and unanimously adopted, Richard G. Evans was appointed Executive Director of the MSFA. Chair Blatz then asked Mr. Evans if he'd like to address the audience.

Mr. Evans thanked the Board for the opportunity to serve as MSFA's Executive Director. He commented that the Stadium is one of the states' great assets, and that he looks forward to offering his assistance to the Board, staff and public in assuring the Stadium remains a world-class facility. Mr. Evans also stated that he would like to contribute in helping regain the public's trust and confidence in the MSFA.

Mr. Lindgren stated that Mr. Evans' employment effective date will be March 13, 2017, and that he will receive the same compensation as the former CEO/Executive Director. Commissioner Blatz then thanked Mr. Farstad for his service as Interim CEO/Executive Director, and for his continued assistance during the transition period.

iii. Statement of Audubon Minnesota Regarding Study

Molly Pederson and Joanna Eccles from Audubon Minnesota addressed the Board relative to the bird mortality study. Ms. Pederson, Audubon Minnesota's Executive Director, provided an overview of the scientific study being jointly funded by the MSFA and the Minnesota Vikings and led by Audubon Minnesota in collaboration with Oklahoma State University and the University of Minnesota. That study will assess the impact of the Stadium on bird mortality from glass collisions. Ms. Pederson stated the study will begin in March 2017, and will conclude after the 2018 fall migration season. The study's conclusions and recommendations will be released in 2019. Leading the design and implementation of the study will be:

- Dr. Scott R. Loss - Oklahoma State University, Assistant Professor in the Department of Natural Resource Ecology & Management.
- Dr. Robert B. Blair - University of Minnesota, Professor and Extension Specialist in the Department of Fisheries, Wildlife and Conservation Biology.
- Joanna Eckles, Audubon Minnesota, Bird Friendly Communities Manager.

See, Exhibit G.

7. PUBLIC COMMENTS

1. John Hayden expressed concerns about the funds invested by the City of Minneapolis. He stated that \$675 million was invested in the Stadium, but he believes that money should have been

utilized in other ways, such as helping non-profit organizations. He also expressed his concerns as to how additional money was provided to the MSFA to build the public parking ramp, yet the naming rights were given to the Vikings. Mr. Hayden stated that past leadership of the MSFA did not do enough to advocate for the citizens of Minneapolis, and he is hopeful that the new MSFA management will.

2. Paul Ostrow presented and expressed his quest to find a “person of authority” to follow Minnesota law to protect the public interest and trust in the Stadium. A copy of Mr. Ostrow’s presentation is attached as Exhibit H.
3. Jim Sharpsteen provided a summary of the Audubon report that was given at the February 24, 2017 Board meeting. He stated that there have been over 21 species of birds killed, and some of the deceased birds are part of a declining species population. Mr. Sharpsteen stated that over the next three years, he estimates 360 birds will die due to the glass façade of the Stadium, and that the ongoing study does not include birds removed by staff or the public.
4. Constance Pepin raised an issue with the bird study that is taking place between the MSFA and Audubon Minnesota over the next several years. She acknowledged the study will show transparency; however, she voiced concern that Audubon Minnesota will not make the study results available to the public until it is completed.
5. Stephen Greenfield stated that the secrecy of the data found in the study by Audubon Minnesota is not fair, and that that the study provides an excuse for not making a change. Mr. Greenfield questioned how the public can be confident with the accuracy of the report if the data is not available until the study concludes. He stated that secrecy will do nothing to regain public trust.
6. Ann Laughlin stated that the MSFA has the responsibility to protect birds, and that a solution should be implemented immediately. Ms. Laughlin suggested a number of possible solutions on how to deter birds from the glass, and estimated that these solutions would cost \$500,000 to \$800,000.
7. Chuck Turchick expressed his frustrations with the MSFA Board. He stated he would like the public to be able to comment on Board action items before the vote takes place, so citizens can contribute and participate in the discussion and decision-making of changes or additions to the Stadium. Mr. Turchick stated that he is frustrated by former Chair Kelm-Helgen’s access to early seat selection, and shared his disappointment in Commissioner Butts-Williams’ comment regarding her desire to enjoy events with family and friends in the MSFA suite. Lastly, Mr. Turchick expressed his concerns about the appointment of Chair Blatz due to the possible appearance of a conflict of interest with the Stadium. He believes that although Chair Blatz is qualified for the job, her leadership role is a concern because her deceased husband was once a part owner of the Minnesota Vikings.

8. DISCUSSION

There was no additional discussion.

9. ANNOUNCEMENT OF NEXT MEETING

It was announced that the next meeting of the MSFA Board will be April 28, 2017 at 9:00 A.M.

10. ADJOURNMENT

There being no further business to come before the MSFA, Commissioner McCarthy made a motion to adjourn the meeting, which was seconded by Commissioner Butts Williams and unanimously adopted. The meeting was adjourned at 10:35 A.M.

Approved and adopted the 28th day of April 2017, by the Minnesota Sports Facilities Authority.



TONY SERTICH, Secretary/Treasurer



RICHARD G. EVANS, Executive Director



MINNESOTA SPORTS FACILITIES AUTHORITY REGULAR MEETING MINUTES
Friday February 24, 2017, 11:00 A.M.
U.S. Bank Stadium Hyundai Club
401 Chicago Ave, Minneapolis, MN 55415

1. **CALL TO ORDER**

Chair Kelm-Helgen called the meeting of the Minnesota Sports Facilities Authority to order at 11:03 AM.

2. **ROLL CALL**

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

3. **ADOPTION OF AGENDA**

Chair Kelm-Helgen presented the agenda. Commissioner Sertich moved approval of the agenda, seconded by Commissioner Butts Williams and approved unanimously – 5 YEAS, 0 NAYS

APPROVED

4. **APPROVAL OF AUTHORITY MEETING MINUTES**

Commissioner McCarthy moved approval of the December 16, 2016 Regular Meeting Minutes seconded by Commissioner Sertich and approved unanimously – 5 YEAS, 0 NAYS.

APPROVED

5. **CHAIR'S REPORT**

Chair Kelm-Helgen announced that the Home Remodeling Show took place from January 27-29 was successful, and over 23,000 people attended.

Monster Jam returned to U.S. Bank Stadium on February 11, 2017. It was the third Monster Jam event at U.S. Bank Stadium within the last 3 months. Super Cross was held on February 18, 2017. The two events attracted over 85,000 attendees.

It was announced that the Badass Dash will be coming back to U.S. Bank Stadium on Saturday June 3, 2017.

Chair Kelm-Helgen stated that starting February 24, 2017, there will be 120 high school and college teams that will be playing baseball in at U.S. Bank Stadium. Century College played the first baseball game, and the University of Minnesota will play 13 games between February 24-March 12.

Chair Kelm-Helgen made a statement to the public, as it was her last board meeting as Chair of the MSFA. She stated:



"I accepted this assignment four and a half years ago, and today, I again chair this board's 76th public meeting. While this process has not always been easy, or perfect, and I take full responsibility for my mistakes, I believe we have overall, done good work in the public's interest. We delivered a fully functional, world-class stadium for the people of Minnesota on time, and on budget. This is truly an amazing facility! Today is my final meeting, but the important work of the Stadium Authority continues. I promise you, I am committed to working towards a smooth transition over the next few weeks, to help ensure its continued success.

I am convinced this transition will be successful, thanks to the exceptional staff, consultants, and board members of the Authority. Together, your knowledge and experience of the work that has gone on, and the challenges that are yet to come, will continue serve the public well; that continuity will be important. I welcome and thank our newest board member and soon-to-be Chair, Kathleen Blatz, for agreeing to take on this challenging and important role. I have worked with her this past week, and I am confident she will provide the excellent leadership needed to steady the ship, and keep the stadium operating at top performance.

Many people have committed years of work to make this stadium a reality, and a success for the people of Minnesota. I believe we all share the goal of doing whatever we can to continue that success. Many thanks to each of you, including our wonderful staff, consultants, the Minnesota Vikings, Mortenson Construction and HKS Architects for your years of support, partnership, and ongoing work on behalf of the stadium and the Minnesotans it serves. I know you will continue to do great work! It has been an honor to serve with all of you and I wish you the very best."

6. **BUSINESS**

a. **Action Items**

i. **Plan Annual Appointment of Officers**

Commissioner McCarthy nominated Commissioner Sertich for Secretary/Treasurer, and nominated Commissioner Butts Williams as Vice-Chair. The board voted to elect said commissioners, and it was approved unanimously- 5 YEAS, 0 NAYS.

APPROVED

ii. **Appointment of Interim Executive Director**

Counsel Lindgren began by explaining the process of the nomination of the CEO/Executive Director: The Chair nominates the CEO/Executive Director, and the board needs to approve of the Chair's nomination by a 4/5th vote. Chair Kelm-Helgen nominated Jim Farstad, who has worked as an MSFA consultant for the last few years. She stated that his current role is overseeing the IT infrastructure, and noted that he is an incredible manager. Chair Kelm-Helgen mentioned that Craig Skiem and Jay Lindgren will consult with Mr. Farstad through his interim term as the CEO/Executive Director.

Chair Kelm-Helgen moved to make a motion, and Commissioner McCarthy seconded the motion, approved unanimously-5 YEAS, 0 NAYS.

APPROVED



DISCUSSION:

Commissioner Blatz commented that she is appreciative of Mr. Farstad’s willingness to step up into this position and to assist with the transition.

The board then discussed the terms of Mr. Farstad’s appointment. The board agreed that he would be paid a fee commensurate to Mr. Mondale’s salary prorated to the time spent and length of service as Interim-Director. The board also agreed that the Chair would determine what hours Mr. Farstad would devote to the Executive Director responsibilities while fulfilling his IT contractual responsibilities and finalize the compensation based on the agreed upon proration.

iii. Adoption of Equity of Plan for Capital Projects

Pursuant Minnesota Statutes, Section 473J.12, the Authority instituted an equity plan to make every effort to employ, and cause the NFL team, the construction manager and other subcontractors, vendors, and concessionaires to employ women and members of minority communities when hiring during Stadium construction.

The Statute also requires that an equity plan be developed for capital repair, replacement and improvement of the Stadium. Authority staff has now prepared, and is requesting adoption of, the attached post-construction equity plan to support construction projects funded out of capital reserves.

Recommendation: *The Authority authorizes the adoption of a post-construction equity plan to support construction projects funded out of capital reserves. Commissioner McCarthy moved to approve the recommendation. Commissioner Butts Williams seconded the motion, approved unanimously-5 YEAS, 0 NAYS.*

APPROVED

Discussion:

Commissioner McCarthy inquired as to who is responsible to oversee the equity compliance plan., Counsel Lindgren stated that it is MSFA’s is responsibility. Should the MSFA want to assign an employee to oversee equity compliance, the CEO/Executive Director would have to appoint someone. The MSFA would also need to decide if there is still a need for Mr. Alex Tittle’s equity services. Mr. Tittle then provided an overview of the equity program. The MSFA strongly encouraged SMG and Aramark to utilize people of color, women, and veterans in their hiring practices. The MSFA is arranging an equity meeting, where it will recommend a quarterly update on equity numbers. Commissioner Blatz asked if Mr. Tittle would review the results with the CEO/Executive Director and would make recommendations to the MSFA. Mr. Tittle stated that recommendations would be made and that the results would be reviewed with the Executive Director.

The Equity Plan for Capital Projects is part of the Capital Improvement Plan Document located on the MSFA website. See “About/Capital Improvement Plan”.



iv. Approve Verizon DAS Expansion License Agreement Amendment

MSFA has entered into a DAS License with Verizon which provides for the design, implementation, and hosting of carrier neutral Distributed Antenna Services to support Cellular voice and data transmission throughout the U.S. Bank Stadium Site.

MSFA desires to execute an Amendment to the DAS License Agreement to allow Verizon to fund and implement enhancements to the DAS which will prepare U.S. Bank Stadium for the NFL Super Bowl and NCAA Final Four events. For the right to expand the capacity of the DAS network, Verizon will pay MSFA an additional \$40,000.00 per year, beginning January 1, 2018 and each subsequent anniversary for a period consistent with the term of the DAS License Agreement.

The staff is requesting authority to finalize and enter into an Amendment and to the DAS License Agreement, and to invoice for the initial expansion Payment.

Recommendation: The Authority Board authorizes staff to finalize and enter into an Amendment to the DAS License Agreement and invoice for the initial expansion Payment. Commissioner Sertich moved to approve the recommendation. Commissioner Blatz seconded the motion, approved unanimously-5 YEAS, 0 NAYS.

APPROVED

v. Approve Amendments to Owners Representative Agreement

The Owner's Representative Agreement with Hammes Company Sports Development, Inc. ("Hammes") expires on February 28, 2017. There is construction, project close-out tasks and financial tasks that will continue past the contract expiration date. Hammes has offered to continue their Owner's Representative services at a reduced staffing level for the period from February 1, 2017 through March 31, 2017 on (1) an actual hourly fee basis and actual reimbursable expenses for February and (2) an amount not-to-exceed \$75,000.00, plus a fixed monthly reimbursed expense amount of \$8,975.00 for March. It is anticipated that Owner's Representative Agreement with Hammes will need to be extended beyond March 31, 2017, and the tasks are still being defined for that anticipated extension, which will be recommended at the next meeting of the MSFA Commissioners.

Recommendation: The MSFA authorizes the Chair and CEO/Executive Director to execute Amendments No. 4 and No. 5 to the Owner's Representative Agreement with Hammes Company Sports Development, Inc. on an actual hourly fee basis for February and an hourly fee basis not-to-exceed \$75,000.00 (plus a fixed monthly reimbursed expense amount of \$8,975.00) for March. Commissioner McCarthy moved to approve the recommendation. Commissioner Butts Williams seconded the motion and approved unanimously, 5 YEAS and 0 NAYS..

APPROVED

Discussions:

Commissioner Butts Williams inquired whether the \$75,000 was an additional payment to Hammes Company. Counsel Lindgren clarified that the amendment has two parts. The first part is for the month of February, and it is for the actual amount. For March, it is hourly amount, which is capped at \$75,000 plus \$8,975 for reimbursed expenses.



vi. Approve Event Marketing Fund Budget

On October 9, 2015 the Authority authorized the Chair and CEO/Executive Director to negotiate and execute a contract with Irwin Seating Company, Inc. for the purchase of 1924 seats for a contract amount of \$162,968.37 plus use tax of \$11,204.08, for a combined total of \$174,172.45.

Irwin Seating Company, Inc. has fabricated the seats and is ready to ship or store the seats.

An event marketing fund of \$500,000 was established in 2016 and is maintained by SMG per section 5.5(d) of the Management and Pre-Opening Services Agreement with SMG. The initial investment of \$500,000 was from the Manager's (SMG) Capital Investment. The Authority and SMG have agreed that the purchase of these seats is needed for the Super Bowl event that will be held in the stadium on February 2018 and that the seats should be an expense of the event marketing fund.

Recommendation: The Authority approves an event marketing fund budget expense of \$174,173 for the purchase of the 1924 seats from Irwin Seating Company, Inc. Commissioner Sertich moved to approve the recommendation. Commissioner Butts Williams seconded the motion, and it was approved unanimously, 5 yeas and 0 nays.

APPROVED

Discussion: Before giving the report on the Event Marketing Fund Budget, Ms. Mary Fox-Stroman expressed concern that the MSFA needs to pay bills before the end of the month, and was hoping that the new appointees (Commissioner Sertich and Commissioner Butts Williams) could begin their newly designated officer duties either March 8, 2017 or March 9, 2017, to ensure the MSFA's bills could be paid on time.

Counsel Lindgren advised that in order to have Commissioner Sertich and Commissioner Butts Williams terms begin on March 9, 2017, there would have to be a motion for approval. Chair Kelm-Helgen presented motion for approval to the board. *Commissioner Butts Williams moved to approve, Commissioner Blatz seconded the motion, and it was approved unanimously, 5 YEAS and 0 NAYS.*

APPROVED

vii. Approve and Authorize Requests for Proposal for Government Relations Services and Public Relations Services

MSFA is soliciting qualifications/proposals for a full service, governmental relations contractor to represent it with the Minnesota State Legislature, Executive Branch, City of Minneapolis, Hennepin County and other public bodies in connection with the funding of related public infrastructure, use, and operation of a multi-use stadium.

In addition, MSFA is soliciting qualifications/proposals for an individual or firm to provide public relations counsel and creative services contractor to support in proactive and crisis communications, responding to time sensitive issues, developing newsletters, public relations and local and community communications plans.

The staff is requesting authorization to issue a Request for Proposals for Government Relations Services, and Public Relations Counsel and Creative Services.



Recommendation: *The Authority authorizes the issuance of a Request for Proposal for Government Relations Services and Public Relations Services. Commissioner Sertich moved to approve the recommendation. Commissioner McCarthy seconded the motion; it was unanimously approved 5 YEAS and 0 NAYS.*

APPROVED

Discussion: Chair Kelm-Helgen suggested to the board the RFP issues could be bifurcated. She mentioned that it may be a good idea to wait to post the RFP until after the legislative season is over, and she would like board approval to do so.

Commissioner Blatz inquired as to whether the current contract with the MSFA's Government Relations Services had expired. Chair Kelm-Helgen replied that the contract ends at the end of February. Commissioner Blatz suggested to the board that it to extend the Government Relations Services contract until the end of session, and then put out an RFP. *After Further discussion, Commissioner Sertich made the motion to extend the government relations contract through June 1, 2017 and release an RFP that would go out on May 1, 2017. Commissioner McCarthy seconded the motion, and it was approved unanimously 5 YEAS and 0 NAYS.*

APPROVED

Further Discussion:

Chair Kelm-Helgen then went on to discuss the second part of the action item relating to the Public Relations Services RFP. Commissioner Blatz she would like to do an evaluation to determine the need for an outside PR firm to help the MSFA. CEO/Executive Director Farstad stated that the MSFA is not obligated to enter into any contracts but that the MSFA can put out an RFP for the services, and that it is a matter of choice if it decides to use an outside firm or not. Commissioner Butts Williams believes that the MSFA should wait on presenting an RFP, and that the MSFA could explore internal capabilities, instead of using an outside firm. The other commissioners agreed.

b. Report Items

i. Summary of Legislative Auditor Recommendation

The Office of the Legislative Auditor released its findings regarding the use of the MSFA owned suites on February 7, 2017.

Mr. Lindgren submitted to the commissioners the following memorandum summarizing the report:

Specific findings by the Auditor regarding the use of Authority Suites have been largely addressed by the revised suite use policy adopted by the Board on December 16, 2017. This policy sets up clear guidelines regarding the strict marketing purpose of the MSFA owned suites and requires detailed record keeping system. Mr. LingrenThe Auditor expressed concerns about two areas in the revised policy. First, the Auditor questioned whether it was sufficient for individual Commissioners and executive staff to make determinations of whether a marketing purpose is satisfied. Second, the Policy contains a list of proper attendees that may serve a marketing purpose and includes the phrase "Other." The Auditor also expressed concern over the category of "Other" guests being allowed in the policy.



In addition the Auditor recommended the following legislative steps:

- The Legislature should enact a law to control the Authority's use of complimentary tickets to events at the U.S. Bank Stadium.
- The Legislature should consider enacting a law that would allow one or both of the Authority's suites at the U.S. Bank Stadium to be used for nonprofit charitable purposes.
- The Legislature should exercise more oversight of the Authority.
- The Legislature should consider enactment of laws to control the use of complimentary tickets at all sports and entertainment facilities built with public money.

Discussion:

Commissioner Blatz inquired as to the legislative auditor's satisfaction with the MSFA policy regarding future record keeping. Counsel Lindgren responded by saying that he is not entirely sure how the auditors feel about the new procedure, but believes that they are satisfied. Chair Kelm-Helgen commented by saying the MSFA has been keeping very detailed records of who has come into the suite, and doesn't believe that any of the MSFA's guests fell under the "other" category. There have only been a few events since the new policy went into effect, and she believes that these events will be reviewed by the auditors during their 2017 yearly audit. She also stated that the MSFA should show the new record keeping procedures to the auditors to get their feedback. Commissioner McCarthy asked if the MSFA should more clearly define the "other" category when keeping records in the future. Counsel Lindgren confirmed that the MSFA has not yet used the "other" category, but believes at some point in a later date, the MSFA should look into making that category more specific.

Commissioner Blatz made a motion to amend the policy and delete the "other" category. Commissioner Butts Williams seconded the motion, and was approved unanimously 5 yeas and 0 nays.

APPROVED

ii. Legislative Update Report-Memorandum Legislation Affecting Authority

Mr. Amos Briggs and Mr. Cullen Sheehan of Lockridge Grindal Nauen reviewed with the MSFA the status of pending legislation outlined herein:

[H.F. 778](#) / [S.F. 626](#): Minnesota Sports Facilities Authority data classification provided, board appointments modified, duties modified, and use of stadium suites restricted.

[House Research Summary, February 16, 2017](#)

- **House authors:** [Anderson, S.](#); Hoppe; Scott; Barr, R.; Knoblach; Nash; Fenton; Dettmer
- **Senate authors:** [Rosen](#); Kiffmeyer; Nelson
- **House committee action:** Passed Government Operations and Elections Policy, re-referred to State Government Finance. Passed State Government Finance, as amended, and re-referred to Ways and Means.
- **Senate committee action:** Introduced and referred to State Government Finance and Policy and Elections.



- **Status:** Met policy deadline in House, awaits action in Senate.
[H.F. 291](#) / [S.F. 604](#): Convention center data classification clarified.

[Senate Counsel & Research Summary, February 15, 2017](#)

- **House authors:** [Scott](#); Anderson, S.; Pugh; Miller; Lucero; Howe; O'Neill
- **Senate authors:** [Limmer](#); Kiffmeyer; Rosen
- **House committee action:** Passed Civil Law and Data Practices Policy, re-referred to State Government Finance. Amended onto H.F. 778 (above) in State Government Finance.
- **Senate committee action:** Passed Judiciary and Public Safety Finance and Policy, as amended, and re-referred to State Government Finance and Policy and Elections.
- **Status:** Met policy deadline in House and Senate. Travelling within H.F. 778.

[H.F. 1211](#): Stadium suite disposal required.

- **House authors:** [Howe](#); Bahr, C.
- **House committee action:** Introduced and referred to Government Operations and Elections Policy.
- **Status:** Awaits committee action in House, no Senate companion introduced.

[S.F. 900](#): Super Bowl admissions sales tax exemption modification; Minnesota sports facilities commission operating and capital expenses sales tax reimbursement requirement.

- **Senate authors:** [Bakk](#); Tomassoni; Rosen; Senjem; Gazelka
- **Senate committee action:** Introduced and referred to Taxes.
- **Status:** Awaits committee action in Senate, no House companion introduced. Not subject to policy deadlines.

Discussion:

Commissioner Sertich inquired as to the status of the Legislative Commission on the Minnesota Sports Facilities Authority. Mr. Briggs of Lockridge, Grindal, Nauen responded by saying that he did not believe all of the committee members had been appointed yet, but would get back to the MSFA with updated information. Commissioner Blatz then asked Mr. Briggs about the repeal on the raffle. Chair Kelm-Helgen stated that the MSFA did a study of what a raffle would produce, and the study found that there would be little revenue to be recovered, and also outlined the difficulty of the raffle.

iii. Authority Response to Legislative Inquiry

Two letters, dated February 23, 2017, were received by the MSFA from Representative Kelly Fenton and Representative Sarah Anderson, respectively. The letters are attached. Representative Anderson inquired as to access issue which will be responded to after information is gathered. Representative Fenton inquired about delegations of contract signature authority that was granted in 2016 from the Board to the Chair and CEO/Executive Director ("Executive Director"). In response to Representative Fenton's inquiry, Mr. Lindgren prepared a memorandum to



provide background information to frame a discussion among the Board and guide preparation of a written response to the legislators.

Mr. Lindgren's memorandum to the MSFA Commissioners is set forth below:

Current Board-approved Policy:

The Board has a properly approved and adopted Procurement Policy (revised 12/13/2013). The Policy provides:

The CEO/Executive Director has purchasing power for the Authority. The CEO/Executive Director may make the following expenditures on behalf of the Authority pursuant to the CEO/Executive Director's duties without obtaining Authority approval prior to such expenditure:

CEO/Executive Director may approve contracts for goods and services up to \$250,000

The CEO/Executive Director may authorize a construction contract Project Change Order (PCO) from 10% up to \$500,000, whichever is greater, of original value per each PCO.

The CEO/Executive Director may authorize construction contract change orders up to \$250,000.

The Chair and the Executive Director each have the authority to give necessary approvals as required by the Construction Services Agreement for construction of the new stadium by Mortenson Construction. Delegations of signature authority to executive staff are a common and legally recognized tool for the management of political subdivisions. In my opinion, the amounts within the existing Procurement Policy are consistent with those granted by similar government entities to senior staff.

May through November Delegations of Signature Authority

Near the end of the Stadium project, the Board made additional delegations of authority to the Chair and Executive Director on a rolling, monthly basis to aid Project completion. Specifically, the Board approved an authorization for the Chair and Executive Director to negotiate and execute contracts at certain amounts until the time of the next regular monthly Board meeting. The specific delegations were:

- not to exceed \$2 million from the May Board meeting until the June Board meeting
- not to exceed \$2 million from the June Board meeting until the July Board meeting
- not to exceed \$2 million from the July Board meeting until the August board meeting
- not to exceed \$2 million from the August Board meeting until the September board meeting
- at the September Board meeting, this delegation was reduced to a maximum of \$1 million until the October Board meeting
- at the October Board meeting, this \$1 million delegation was extended until the November Board meeting

A detailed accounting is currently under review and additional information will be provided at the February 24 Board meeting.



Each of these delegations of authority to contract were publicly noticed and acted upon during open meetings of the Board. Copies of the Board memorandum for each authorization are attached. The minutes from each corresponding Board meeting are available on the Authority's website.

This Delegated Authority Primarily Allowed Additional Vikings' and Verizon Contributions

The primary purpose of these delegations of contract authority were for contract increases included in the Master Project Budget and/or for requests of the Minnesota Vikings to allow the Vikings to make additional financial contributions to the Stadium project and for additional investment Verizon for the cellular communications systems that benefit all attendees. Each of the financial contributions by the Vikings are detailed in the Development Agreement (or amendments thereto) which were discussed and voted upon by the Board in public meetings. The receipt of these private contributions are authorized in the Stadium Act (see Minnesota Statutes, Section 473J.09, subd. 7). As the construction came to a close and the Vikings prepared for their inaugural season, they chose to invest additional funds into the Stadium. These additions are referred to as "Privately Financed Enhancements" within the agreements between the Authority and the Vikings. In essence, this procedure allowed the Vikings to gift to the public additional contributions to the publicly-owned Stadium. This resulted in Stadium enhancement that benefit both the Vikings and the other public events held at the Stadium

Significant Board Limitation on Delegated Authority

Each temporary delegation of authority was limited by the Project Budget. The Project Budget can only be adopted by and approved by the Board. The Board made numerous adjustments to the Project Budget at its public meetings. None of these Project Budget amendments changed the amount of public funds that were spent on the Stadium. Rather, the amendments reflected private monetary contributions to the Stadium Project. All contracted amounts were either currently reflected in a Board-approved Project Budget or the result of direct financial contributions from the Vikings.

1. The May delegation of authority was for "contract amendments with Mortenson Construction, or other contractors." At the request of the Vikings, this language was expanded to also apply to "other contracts" as long as the amounts contracted for were within the Project Budget or funded by the Vikings. The Vikings requested this change because they were concerned that some of their proposed Privately Financed Enhancements would require contracts with companies that did not fall within the scope of the language "other contractors."

Discussion:

Commissioner Blatz inquired if the up to \$2,000,000 is aggregated. Counsel Lindgren responded by saying that the \$2,000,000 is the total for the 30-day period, and then it would be extended for another 30 days after that. The commissioners were informed that a response to legislators was being drafted based on the information provided by Mr. Lindgren and the MSFA records.

7. PUBLIC COMMENTS

1. Barbara Butts Williams:



Commissioner Butts Williams presented an award that she received on behalf of The Minnesota Sports Facilities Authority. The award was presented at a conference for the American Council of Engineering Companies (ACEC). The MSFA was awarded the “Grand Award” for innovative environmental and geotechnical engineering solutions for US Bank Stadium.

2. The following 7 people all presented to the MSFA their concerns about bird deaths incidental to the U.S. Bank Stadium:

Connie Pepin, Ann Laughlin, Stephen Greenfield, Jim Sharpsteen, Jerry Bahls, Wendy Haan, and Lisa Venable.

According to the presenters, during a 2016 informal study conducted at the stadium 60 birds were killed and 14 were observed as being stunned after colliding into the glass. The presenters requested the MSFA to take immediate action and implement bird-safe treatments to the stadium. Further, it was suggested that a study be done with more thorough and frequent monitoring.

3. Captain Jack Sparrow:

Mr. Sparrow requested that the word, “Vikings” in the name “Minnesota Vikings”, be changed to a name that does not glorify murder, rape, and slavery. He mentioned that we should not be honoring the Vikings at a time when the United States is at war with ISIS for committing these very same acts. He noted that football players are mentors to young children and young adults, and that the name “Vikings” does not show good morale for these kids. Mr. Sparrow compared the action of the Vikings, and related it to the ongoing issue of with the Minnesota Gopher’s Football Team. Lastly, he believes the team name has created a culture of violence in our community.

10. Bar Lau:

Ms. Lau stated that she wanted to end the meeting by stating that this has been a great team to work with, and that she would like to thank Chair Kelm-Helgen-the “captain”-, as she played an instrumental role in the building of the stadium. She commended on her long hours, and her professionalism. Ms. Lau gave her thanks to Chair Kelm-Helgen for believing in her throughout the project relating to the equity and inclusion goals, and appreciated her listening and believing in her. Ms. Lau stated that Chair Kelm-Helgen played a pivotal role in securing the Super Bowl, Final Four, and the X-Games, and she should be proud of all her successfulness. She concluded her comments by saying the public does not judge a football player based on one missed kick, one mistake, or one missed catch. She then thanked Chair Kelm-Helgen for all she has done in the past five years.

8. DISCUSSION

1. Bill McCarthy:

Commissioner McCarthy stated that working with Chair Kelm-Helgen the last 4 years has been an honor, and he has never worked with anyone who was so committed, dedicated, and hard working. He



mentioned that the public doesn't understand the complexity and magnitude of the pieces that needed to come together to build the stadium, and he thanked Chair Kelm-Helgen for serving the community, and noted that the public is indebted to her services.

2. Tony Sertich:

Commissioner Sertich thanked Ted Mondale for excellent leadership beginning at the Metrodome, as well as U.S. Bank Stadium and thanked Chair Kelm-Helgen on her dedication and hard work. He believes that she is hard working, tough as nails, and has a heart of gold, and he is proud of her leadership. He believes that it takes a person with special skills to bring everything and everyone together.

3. Barbara Butts Williams:

Commissioner Butts Williams stated that she wanted to personally thank Chair Kelm-Helgen for all her work the last five years. She said that a lot of things could not be done without her, and that she was the right person for the job. She appreciates her being steady, and she knows that the MSFA will do great work for the state of Minnesota as will Chair Kelm-Helgen in her future endeavors.

9. ANNOUNCE FUTURE MEETINGS

Friday, March 10, 2017, 9:00 A.M. – Board Meeting

10. ADJOURNMENT

There being no further business to come before the MSFA, Commissioner McCarthy moved to adjourn the meeting, seconded by Commissioner Butts Williams and approved unanimously – 5 YEAS, 0 NAYS.

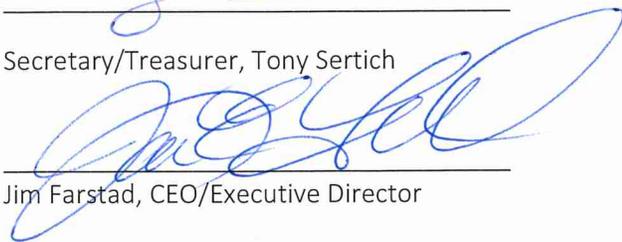
APPROVED

The meeting was adjourned at 1:20 pm.

ADOPTED this 10th day of March 2017 by the Minnesota Sports Facilities Authority



Secretary/Treasurer, Tony Sertich



Jim Farstad, CEO/Executive Director



EXHIBIT B

March 10, 2017

MEMORANDUM

TO: MSFA Commissioners

FROM: Alex Tittle

SUBJECT: Approve Operations Equity Plan

Pursuant to Minnesota Statutes, Section 473J.12, the Authority instituted an equity plan to make every effort to employ, and cause the NFL team, the construction manager and other subcontractors, vendor and concessionaires to employ women and members of minority communities when hiring during stadium construction. The Equity Plan for U. S. Bank Stadium Operations was developed based on the targeted assessment of stadium event activity. The current attached plan addresses the foundation of the data tracking and analysis needed to report on the inclusion efforts of a diverse labor force as well as Women, Minority and Veteran-Owned Businesses.

The key participants in the equity plan are the Stadium Concessionaire "Aramark" and Stadium Manager "SMG". These parties are responsible for the regular equity-related data that will be communicated to the MSFA. The equity consultant "Diversity ACT, LLC", is contracted to conduct the necessary auditing functions which will validate the labor and procurement data provided by Aramark and SMG. The MSFA has also contracted with an Employment Assistance Firm "EAF". The EAF organizations will support the outreach and recruiting efforts for both the Stadium Concessionaire and Manager. The Equity Consultant will provide a quarterly report to the board for review and subsequently to the community for results and transparency purposes. These reports, which will be developed over the next season, will allow the MSFA to create a standard for a diverse and inclusive environment at the stadium.

The Statute also requires than an equity plan be developed for capital repair, replacement and improvement of the Stadium. Authority staff has now prepared, and is requesting adoption of, the attached Operations Equity Plan to support event operations.

Recommendation: *The Authority authorizes the adoption of an operations equity plan to support event operations at U. S. Bank Stadium.*



**MINNESOTA MULTI-PURPOSE STADIUM
STADIUM OPERATIONS
PRELIMINARY EQUITY PLAN**

Section 1. Purpose / Outline – Overall

- 1.1 **Introduction.** The State of Minnesota created the Minnesota Sports Facilities Authority (“Authority”) to build a state-of-the-art multipurpose facility now known as the U.S. Bank Stadium (“Stadium”). The Authority is required by law to promote the involvement of women and members of minority communities in the operation and management of the Stadium, as more completely described in Minn. Stat. § 473J.12. The Authority hereby adopts this Preliminary Equity Plan for on-going stadium operations. The purpose of this Preliminary Equity Plan is to formalize the Authority’s efforts to implement the Authority’s statutory mandate.
- 1.2 **Definitions.** For purposes of this Preliminary Equity Plan, the following definitions apply:
- (a) “Stadium Concessionaire” means any and all entities retained directly or indirectly by the Authority to manage food and beverage operations at the Stadium, as well as any entity providing food and beverage services at the Stadium (including not-for-profit businesses).
 - (b) “Stadium Manager” means the entity retained by the Authority to provide management and pre-opening services for the Stadium, as well as any entity providing management, operation, or pre-opening services for the Stadium (including not-for-profit businesses).
 - (c) “Employment Data” means information including the name of each employer and the name, Social Security Number, address, full-time or part-time status, hours worked, position/title, wage rate or salary, veteran status, race/ethnicity, and gender of each employee.
 - (d) “Procurement Data” means information regarding goods or services procured by the Authority for the operation of the



Stadium, including the amount of contract, purchase order, or other agreement; date of procurement; total purchase or expenditures; name of business; type of business, including NAICS code if applicable; and MBE/WBE status or certification.

- 1.3 Commitment to Equity. The Authority is committed to addressing any current or past racial or gender discrimination in the employment of women and members of minority communities in its operation and management of the Stadium. (This commitment includes a thorough investigation of whether an appropriate Equity Plan (similar to the Equity Plans for design and construction of the Stadium) should be implemented for operation and management of the Stadium.) Programs involving goals for employment of women and members of minority communities (a “Workforce” program) and goals for contracting with women-owned or minority-owned small businesses (a “Targeted Business” program) are being considered.
- 1.4 Lack of Information. The Authority has determined it lacks the legally required data necessary to support creation of an Equity Plan involving Workforce or Targeted Business programs and also lacks sufficient and necessary data to establish the goals for any such program.
- 1.5 Collection of Past and Present Data. The Authority will collect Employment Data and Procurement Data from the Authority’s predecessor, the Authority itself, the Stadium Manager and Stadium Concessionaire; and other relevant data.
- 1.6 Equity Consultant. The Authority intends to retain a qualified consultant to facilitate the efforts described in this Preliminary Equity Plan. This includes but is not limited to working with the Stadium Manager and Stadium Concessionaire regarding all employment and procurement practices, analyzing submitted reports, managing the data procurement system and facilitating regular meetings.
- 1.7 Reporting. The Authority shall provide quarterly reports to the public regarding the Authority’s implementation of this Preliminary Equity Plan, facilitated by the Equity Consultant, including summaries of the Employment Data and Procurement Data.

Section 2. **Current Efforts.**



- 2.1 The Authority recognizes the legislature’s mandate that the Authority make every effort to employ women and members of minority communities in the operations and management of the Stadium, as more completely described in Minn. Stat. § 473J.12. These efforts include:
- (a) The Authority entered into a contract with two firms, the Minneapolis Urban League and Summit Academy, which have created an employment assistance programs to recruit, hire, and retain minorities, women and veterans. These firms also will assist and consult with the Authority to identify, recruit, and train appropriately qualified, experienced, and skilled minorities, women and veterans as candidates for potential employment in the operation of the Stadium;
 - (b) The Authority, the Stadium Manager and Stadium Concessionaire have held and will continue to hold job fairs, recruit, and advertise at Minneapolis Urban League, Summit Academy OIC, Sabathani, American Indian OIC, Youthbuild organizations, and other such organizations;
 - (c) The Authority has created a database and associated software to register potential women-owned, minority-owned and veteran-owned small businesses contractors with the Authority and help the Authority ensure qualified targeted businesses contractors are aware of procurement opportunities; and
 - (d) Quarterly reporting. The Authority will host public quarterly meetings where the Stadium Manager, the Stadium Concessionaire, and a select group of their subcontractors will provide a report and/or update on the previous quarter’s procurement and employment status. In preparing that report, their data must be validated by the Authority or its designee.

Section 3. **Workforce.**

- 3.1 In regard to Workforce, the Authority recognizes the legislature’s mandate that the Authority make every effort to employ women and members of minority communities in the operations and management of the Stadium, as more completely described in Minn. Stat. § 473J.12.



- 3.2 The Authority also recognizes that the legislature did not establish specific Workforce goals for employment of women and members of minority communities.
- 3.3 The Authority has investigated various means and methods of establishing appropriate Workforce goals for employment of women and members of minority communities and has determined that it presently lacks the required and sufficient data to create a specific, goal-based Workforce program or establish goals for any such program.

The Authority intends to gather all available Employment Data from the Authority's predecessor, the Authority, the Stadium Manager, and the Stadium Concessionaire as follows:

- (a) With respect to the Authority's predecessor, the Authority has gathered certain Employment Data and will continue to attempt to gather Employment Data from the predecessor's files.
 - (b) With respect to the Authority, the Authority shall provide Employment Data for all employees working at the Stadium. The Authority will also require the Stadium Manager and Stadium Concessionaire to provide quarterly Employment Data for all employees working at the Stadium.
- 3.4 The Authority intends to gather data as outlined above, report summaries of that data on a quarterly basis, and assess on a going-forward basis what additional efforts the Authority can take to achieve the legislative mandate.

Section 4. Targeted Business.

- 4.1 The Authority recognizes the legislature's mandate that the Authority make every effort to employ women and members of minority communities in the operations and management of the Stadium, as more completely described in Minn. Stat. § 473J.12.
- 4.2 In addition to the current efforts described above, the Authority will make every effort to broadly advertise requests for proposal and other solicitations to facilitate qualified women-owned, minority-owned and veteran-owned small business participation.



- 4.3 The Authority also recognizes that the legislature did not establish specific goals for contracting with Targeted Businesses such as women-owned or minority-owned small businesses.
- 4.4 The Authority has investigated various means and methods of establishing appropriate goals for contracting with women-owned or minority-owned small businesses and has determined that it presently lacks the required and sufficient data to support creation of a specific, goal-based Targeted Business program or establish goals for any such program.
- 4.5 The Authority intends to gather all available Procurement Data from the Authority's predecessor, the Authority, the Stadium Manager, and the Stadium Concessionaire as follows:
 - (a) With respect to the Authority's predecessor, the Authority has gathered certain Procurement Data and will continue to gather available Procurement Data from the predecessor's files.
 - (b) With respect to the Authority, the Authority shall provide Procurement Data from all vendors, contractors, and others working at or providing services to the Stadium. The Authority shall also require the Stadium Manager and Stadium Concessionaire to provide Procurement Employment Data for all employees working at or providing services to the Stadium.
- 4.6 The Authority intends to gather data as outlined above, report summaries of that data on a quarterly basis, and assess on a going-forward basis what additional efforts the Authority can take to achieve the legislative mandate.



EXHIBIT C

March 10, 2017

MEMORANDUM

TO: MSFA Commissioners

FROM: James Farstad

SUBJECT: Adoption of Procedures for Planning and Procurement of Capital Enhancements included in the 2017 Stadium Capital Plan

The attached Procedures have been developed by staff to provide for an orderly process for annual approval by the Board of an annual Capital Funding Plan and for the efficient procurement of capital improvements authorized under an approved annual Capital Funding Plan. During construction of the Stadium, all capital expenditures were managed through a detailed process that was managed by the Authority's Owners representative. As the Authority closes out of the Project (Stadium construction and fit-out), it is important to implement a detailed process for internal management of capital planning, budgeting and procurement to supplement and replace the Stadium Project management system. This system, provided by Hammes Company, the MSFA Project Owners Representative, will no longer be available to MSFA, after project close out.

In summary, these Procedures outline the following:

1. The schedule and process for proposed items to be included within Capital Funding Plan, with specific deadlines for staff, SMG, Aramark, and the Vikings before Board review in October or November of each year.
2. Detailed information on various procurement methods available for approved Capital items and request/approval forms for utilizing each procurement option.
3. Template documents for solicitation of bids/proposals and corresponding contracts.

Recommendation: *The Authority approves and adopts the Procedures for Planning and Procurement of Capital Enhancements dated March 10, 2017.*

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PURPOSE

The Minnesota Sports Facilities Authority (the “Authority”) is a public body and political subdivision of the State of Minnesota established pursuant to 2012 Minnesota Laws, Chapter 299 (codified at Minnesota Statutes, Chapter 473d) to construct, finance, and operate a multi-purpose stadium and related infrastructure as a venue for the National Football League and a broad range of other civic, community, athletic, educational, cultural, and commercial activities in the City of Minneapolis, Minnesota. The Board of the Authority (the “Board”) hereby establishes a set of procedures to be used for reviewing and approving the Capital Funding Plan and the resulting procurements for Capital Enhancements. These procedures provide greater detail than the existing Procurement Policy for the Authority previously adopted by the Board. The procurement portion of the procedures set forth herein shall also be used for other, non-capital procurements. The Board anticipates that most of the work of capital planning and procurement shall be carried by its Executive Director (“Executive Director”), employees reporting to the Executive Director, and by a consultant or employee designated by the Executive Director to administer the procurement process (the “Contract Manager”). However, the Board will need to review and approve certain planning and procurement decisions and the Executive Director will need to approve the work of the Contract Manager at various stages. These procedures are meant to create an orderly process for the necessary reviews and approvals. All procurements must comply with applicable law and the Authority’s Procurement Policy, and the steps set forth in these procedures are meant to facilitate compliance with legal requirements and those set forth in the policy. Nothing in this set of procedures should be understood or interpreted so as to contravene the requirements of the Procurement Policy and applicable law. Defined terms have the same meanings as in the Procurement Policy, the Second Amended & Restated Stadium Use Agreement (the “Use Agreement”), and the Food and Beverage, Catering, and Concession Agreement (the “Concession Agreement”), as applicable.

PLANNING

Each November or December, the Board shall have on its agenda the review and approval of the Capital Budget for the following calendar year, the Food Service Capital Budget for the following calendar year, and the Long Term Capital Plan (collectively, the “Capital Funding Plan”). In preparation for those submissions, the staff of the Authority (the “Authority Staff”) and Executive Director shall consult with the Team each summer and obtain from it by September 30 of each year its list of those Capital Improvements for the next calendar year which it is designating for funding pursuant to the Use Agreement as well as any Capital Enhancements which it contends are NFL-Mandated Amenities. In addition, the Executive

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Director and the Authority Staff shall obtain from Aramark (the “Concessionaire”) its suggested budget for expenditures which it proposes to have charged against the Capital Replacement Fund pursuant to Section 7.1.2 of the Concession Agreement. The Executive Director and Authority Staff shall also forecast the amount the Concessionaire is likely to contribute to the food service Capital Reserve Fund during the next calendar year and determine the balance in the Capital Reserve Fund. The Executive Director and the Authority Staff shall also consult with SMG (the “Stadium Manager”) each summer and/or fall to determine what projects it believes should be included in the short and long-term capital planning.

Using the information obtained from the Team, the Stadium Manager, and the Concessionaire as well their own information and best judgment, the Executive Director and Authority Staff shall prepare a proposed Capital Budget for the following calendar year, proposed Food Service Capital Budget for the following calendar year, and a proposed Long Term Capital Plan. Preliminary drafts of the budgets and plan constituting the Capital Funding Plan shall be provided to the Team, the Stadium Manager, the Concessionaire, the Contract Manager, and such other persons as the Executive Director may designate by October 15 for review and comment. The Authority Staff shall thereafter make such edits, removals, and additions as the Executive Director deems appropriate. However, the Authority Staff and Executive Director shall not remove or alter the Capital Improvements for the next calendar year included pursuant to the direction provided by the Team in exercising its rights to direct certain Capital Improvements annually for the first five (5) years of the Use Agreement in accordance with the terms of the Use Agreement. At a minimum, the documents of the proposed Capital Funding Plan shall include a description of each proposed Capital Enhancement, an explanation of why the Capital Enhancement is needed or desired, the estimated cost for each item of work proposed, and a proposed timetable for completion of each item of proposed work.

In November or December at the designated meeting, the Executive Director shall present to the Board the budgets and plan constituting the proposed Capital Funding Plan for its review and approval. In addition to approving the Capital Funding Plan, with such additions, removals, and amendments as it shall make, the Board shall also specifically authorize or deny each individual proposed Capital Enhancement which is anticipated to be a Major Purchase scheduled to begin during the next calendar year.

The Executive Director shall present the Capital Enhancements submitted for individual approval using the attached Form A, and approvals of such projects should be recorded in minutes of the Board’s meetings and also noted on Form A.

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PROCUREMENT

A. Micro Purchases

Pursuant to Minn. Stat. §471.345, subd. 5, procurements valued at less than \$25,000 will be considered *Micro Purchases* and can be made either upon quotation or in the open market, in the discretion of the Executive Director. The Contract Manager shall present proposed capital project Micro Purchases to the Executive Director for approval using Form B.

The Contract Manager and Authority Staff will ensure that the price is fair and reasonable. Procurements will not be split to avoid competition.

If a contract is made upon quotation it shall be based, so far as practicable, on at least two quotations that shall be kept on file for a period of at least one year after their receipt. Alternatively, a contract for construction, alteration, repair, or maintenance work may be awarded to the vendor or contractor offering the best value under a request for proposals as described in Minn. Stat. § 16C.28, subd. 1, para. (a), clause (2), and para. (c). The specific procedures for best value procurements are as set forth in the relevant section below.

B. Small Purchases

Pursuant to Minn. Stat. §471.345, subd.4 and 4a, procurements valued between \$25,000 and \$100,000 will be considered *Small Purchases* and will be made after obtaining two or more quotations, bids, or proposals from qualified sources. Small Purchases may be made either upon sealed bids or by direct negotiation, by obtaining two or more quotations for the purchase or sale when possible, and without advertising for bids. The Contract Manager and Executive Director shall be responsible for overseeing this process and ensuring it is carried out fairly and reasonably. The Contract Manager shall present proposed Small Purchases to the Executive Director for approval using Form B.

All quotations shall be kept on file for a period of at least one year after receipt thereof.

As an alternative to the procurement method described above, a *Small Purchase* for construction, alteration, repair, or maintenance work may be awarded to the vendor or contractor offering the best value under a request for proposals as described in Minn. Stat. § 16C.28, subd. 1, para. (a), clause (2), and para. (c). The specific procedures for best value procurements are as set forth in the relevant section below.

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C. Major Purchases

Pursuant to Minn. Stat. §471.345, subd. 3 and 3a, procurements valued at greater than \$100,000 will be considered *Major Purchases* and will be made by either (1) publicly soliciting sealed bids in accordance with Authority’s Procurement Policy and these procedures and as required by Minnesota Statutes and Rules or (2) *Major Purchases* for construction, alteration, repair, or maintenance work may be made to the vendor or contractor offering the best value under a request for proposals as described in Minn. Stat. § 16C.28, subd. 1, para. (a), clause (2), and para. (c). This second process is known as “best value procurement.” It is anticipated that best value procurement will be used for many of the capital project Major Purchases. The specific procedures for both best value procurements and the public solicitation of sealed bids are set forth below. *Major Purchases* shall be made through public solicitation of sealed bids unless the best value process is approved by the Executive Director through Form C.

D. Best Value Procurement

1. Development and Approval of the RFP

It is anticipated that best value contracting, as described in the Procurement Policy and Minn. Stat. § 16C.28, subd. 1, para. (a), clause (2), and para. (c), will be used for many of the Major Purchase Capital Enhancement projects. It may also be used for obtaining professional services as determined by the Executive Director.

Once a project has been approved for which best value procurement is appropriate and any design work or other necessary preliminary professional services have been completed, the Contract Manager shall develop a draft Request for Proposals (“RFP”). The draft RFP shall set forth the evaluation criteria that will be used to evaluate proposals along with the relative weight of price and other selection criteria. Each RFP shall also contain a draft contract for the Capital Enhancement. Templates for use in preparing the RFP and draft contracts are included in Exhibit A to this policy.

Pursuant to Minn. Stat, § 16C.28, subd. 1b, best value criteria may include, but are not limited to:

- (1) the quality of the vendor’s or contractor’s performance on previous projects;
- (2) the timeliness of the vendor’s or contractor’s performance on previous projects;
- (3) the level of customer satisfaction with the vendor’s or contractor’s performance on previous projects;

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- (4) the vendor's or contractor's record of performing previous projects on budget and ability to minimize cost overruns;
- (5) the vendor's or contractor's ability to minimize change orders;
- (6) the vendor's or contractor's ability to prepare appropriate project plans;
- (7) the vendor's or contractor's technical capacities;
- (8) the individual qualifications of the vendor's or contractor's key personnel; or
- (9) the vendor's or contractor's ability to assess and minimize risks.

If changes are made to the criteria listed in Minn. Stat, § 16C.28, subd. 1b, the Board will revise its Procurement Policy and these procedures accordingly. Each best value procurement will require the services of a Technical Review Committee made to review proposals. The Contract Manager shall determine the persons he or she proposes to have serve as members of the Technical Review Committee.

The Contract Manager shall submit the draft RFP for a given project along with the names of the persons proposed as members of the Technical Review Committee to the Executive Director for review and approval. The submission shall be made using the attached Form C. The Executive Director, or a person designated by him or her, shall review the draft RFP and the proposed members of the Technical Review Committee and shall then either deny or approve the proposed solicitation. The Executive Director may choose to engage consultants to serve on Technical Review Committees. Any related procurements of professional services must be carried out pursuant to the Procurement Policy and applicable law. The Executive Director's approvals or denials, and appointment of persons to Technical Review Committees shall be provided on attached Form C.

If a proposed RFP and/or proposed members of a Technical Review Committee are denied, the Contract Manager shall take account of the reasons provided by the Executive Director for such denial and shall revise and resubmit, if appropriate.

2. Solicitation and Review of Responses

Once an RFP has been approved, the Contract Manager shall solicit proposals from the marketplace by having the RFP posted on the Authority's website and published in the State Register. In addition, the Contract Manager may also publish the RFP in additional sources, such as trade journals or industry websites, and/or he or she may directly contact vendors who may be interested in submitting proposals. All proposals which are received shall be evaluated as set forth in the RFP and as required by the Procurement Policy and applicable law. Once a

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Technical Review Committee has evaluated all proposals and determined through its scoring which proposal presents the best value, the Contract Manager shall carry out any necessary or appropriate final negotiations regarding contract terms with the proposer which provided the best value proposal.

If the Contract Manager determines after the solicitation process that the price offered by the best value proposer exceeds the budget for the project (or is likely to), then he or she shall notify the Executive Director who shall submit the matter for consideration by the Board at its next regularly scheduled meeting at which time the Board may direct the Executive Director to move forward with the Capital Enhancement after approving an additional funding source, cancel or postpone the Capital Enhancement, or reduce the scale of the Capital Enhancement. If the best value proposal for a Capital Improvement designated by the Team pursuant to the Use Agreement has come in over budget, the matter shall be brought to the Board to either cancel the procurement or approve an additional funding source. Any resolution that does not result in the project proceeding with an approved additional funding source will require the Contract Manager to cancel the solicitation and, if the project is still to move forward in some form, issue a new RFP following the procedures set forth above.

3. Contracting

After completion of any contractual negotiation that followed the best value solicitation process, the Contract Manager shall present the proposed final contract for approval by the Board. If the Board approves the contract, said approval shall be noted in the meeting minutes and by the Board Chair on Form D. The contract for the project shall then be executed by the Executive Director and/or the Chair on behalf of the Authority consistent with the Procurement Policy.

E. Sealed Bidding

1. Development and Approval of Notice

All notices that the Authority is inviting competitive bids for Major Projects shall be published in both the State Register and on the Authority's website. In addition, the Contract Manager may also publish in additional sources, such as trade journals or industry websites, and/or directly contact vendors who may be interested in bidding. Each notice of requests for competitive bids shall contain the following:

- A description of the project or purchase being sought.

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- The availability and location of specifications.
 - The specifications shall include the requirements for bid bonds, payment and performance bonds, and insurance.
 - The specifications shall also include, or incorporate by reference, any and all requirements resulting from the Authority’s Equity Plan (discussed below).
- Bid requirements (including sealed bids, or any accompanying security).
- Where the bids must be submitted.
- The deadline for submitting bids.
- The time and place of the bid opening.
- Two or more persons who will be present for the opening who may be identified by job title or role.
- As applicable, a statement indicating that the Authority may delay the award until certain events occur.
- A statement indicating that the Authority may waive minor informalities or irregularities.
- A statement indicating that the Authority reserves the right to reject all bids submitted.

The Contract Manager shall prepare a proposed invitation for competitive bids, publication plan, and set of drawings and specifications for each Major Project which is being put out for competitive bidding. The specifications shall contain a proposed contract for the project. Templates for the proposed invitation for bids and the contracts are included in Exhibit A to this policy. The bid materials shall be submitted for approval by the Executive Director using Form E. The Executive Director, or a person designated by him or her, shall review the proposed notice, publication plan, and set of specifications and shall then either deny or approve the proposed solicitation.

If a proposed notice and/or proposed specifications are denied, the Contract Manager shall take account of the reasons provided by the Executive Director for such denial and shall revise and resubmit, if appropriate.

2. Opening and Tabulation of Bids

The Contract Manager shall bring all sealed bids to the MSFA’s offices and then open them at the time designated in the published notice in the presence of those persons indicated in the published notice, including the Executive Director or his or her designee. After the bids have been opened, the Contract Manager shall review the bids and investigate their compliance with the specifications, the prices quoted, their reasonableness, and the responsibility of the bidders.

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Determining whether a bidder is responsible includes considerations of financial responsibility, integrity, skill, and the likelihood of performing faithful and satisfactory work, including the likelihood that a bidder will make a good faith effort to comply with the requirements of the Equity Plan discussed below. Promptness can also be considered in determining whether a bidder is responsible. The lowest responsible bidder's bid must conform to the specifications and no material changes to the bids or specifications may be made once the bids have been opened.

Based on the results of his or her tabulation and investigation, the Contract Manager shall determine which bidder he or she believes provided the lowest responsible bid, and shall report the results of the tabulation and investigation at the next regularly scheduled Board meeting using Form F. If the lowest responsible bid exceeds the budgeted cost for a project, including a Capital Improvement designated by the Team pursuant to the Use Agreement, the matter shall be brought to the Board to either reject all bids or approve an additional funding source.

At the meeting during which the bids are considered, the Board may direct the Contract Manager and Executive Director to either move forward with the Project by contracting with the lowest responsible bidder or to reject all bids. The Board may reach its own conclusion regarding which bidder is the lowest responsible bidder as the question of whether a bidder is responsible requires some consideration of subjective factors. The Board's decisions shall be recorded in the minutes and also provided on Form F by the Chair.

3. Contracting

No material variations to a draft contract that benefit the bidder are allowed once the bids have been opened. Accordingly, further approval from the Board is not necessary once a lowest responsible bidder has been determined by the Board. The Contract Manager shall communicate with the lowest responsible bidder regarding any minor, non-material changes needed to finalize the contract, and shall then prepare the final contract for signature by the Executive Director and/or Chair on behalf of the Authority. The final contract shall be presented for execution using Form G. As noted on Form G, the Contract Manager shall provide a red-lined version comparing the version of the contract presented for execution and the version provided to bidders demonstrating that no material changes have been made.

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F. Joint Purchasing Agreements

The Authority has the ability to enter into *Joint Purchasing Agreements* with other governmental units as provided for in Minn. Stat. § 471.59. Procurement's made through *Joint Purchasing Agreements* will satisfy the Authority's competitive procurement requirements, including those set forth above. Under such agreements, a governmental unit solicits bids and/or proposals and then enters into a contract with a vendor under which other parties to the joint purchasing agreement may order. The competitive process used by the other governmental unit to obtain the pricing and terms for the contract in question satisfies the competitive procurement requirements for micro, small, and even major purchases, but purchasing under a Joint Purchasing Agreement may not be allowed by law for certain types of procurements and the Contract Manager should consult with the Authority's legal counsel before beginning a Joint Purchasing Agreement procurement.

If the Purchasing Manager proposes that a major purchase of \$250,000 or less be made through a Joint Purchasing Agreement, rather than by having the Authority itself conducting a sealed bidding or best value process, then the proposed purchase shall be submitted to the Executive Director for approval using attached Form H. If the proposed purchase is going to exceed \$250,000, then it shall be presented to the Board for approval, also using Form H, and such approval shall be noted in the meeting minutes and by the Chair on Form H.

G. Professional Services

A competitive process is required when contracting for professional services for more than \$100,000 such as those provided by engineers, lawyers, architects, accountants, and other services requiring technical, scientific, or other professional training, unless otherwise determined by the Board. . Although it is not required by statute, the Executive Director may determine that the procedures set forth herein for best value procurements shall be followed when contracting for professional services in excess of \$100,000 for Capital Enhancements. Any Small Purchases or Micro Purchases of professional services shall be conducted using the procedures set forth above for those categories.

H. Equity Plan

Pursuant to Minn. Stat. § 473J.12, in the operation, maintenance, capital repair, replacement, and improvement of the stadium and stadium infrastructure the Authority is required to “make every effort to employ” and cause its vendors “to employ” women and members of minority



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communities. Accordingly, the Board has adopted an equity plan, a copy of which is attached hereto as Exhibit B and incorporated into these procedures. In carrying out the responsibilities set forth in these procedures, the Executive Director, the Contract Manager, Authority Staff, and all employees, consultants or contractors of the Authority involved in procurement are to comply with the requirements of the Equity Plan.



MINNESOTA SPORTS FACILITIES AUTHORITY

Form A

Individual Capital Projects Requiring Board Approval

Project Title:

Project Description (attach other documents or pages as appropriate):

Need Served by Project (attach other pages as appropriate):

Proposed Budget:

Proposed Project Timeline:

Submitted By:

Executive Director, Minnesota Sports Facilities Authority

Date

Approved by Authority on _____

Chair, Minnesota Sports Facilities Authority



MINNESOTA SPORTS FACILITIES AUTHORITY

Form B

Micro Purchases and Small Purchases

Purchase Title:

Purchase Description (attach any purchase orders or contracts):

Method Used to Obtain Pricing, Quotations, Bids, or Proposals (if Joint Purchase Agreement, note which agreement):

Purchase Amount:

Contract Manager

Date

Proposed Small Purchase or Micro Purchase is Approved or Not Approved

MSFA Executive Director

Date

Reason for any denials:



MINNESOTA SPORTS FACILITIES AUTHORITY

Form C

Best Value – RFP Approval Request

Project Title:

Attach complete text of proposed RFP to this form. If some portion of the RFP or exhibits or attachments thereto are too bulky or otherwise inappropriate for attachment, submit such documents on an attached drive or provide a site from which they may be downloaded.

Names of persons proposed as members of the Technical Review Committee:

Provide CVs or resumes of proposed Technical Review Committee members if proposing persons not already known to the Executive Director.

Contract Manager

Date

Draft RFP is Approved or Not Approved

Proposed Technical Review Committee Members are Approved or Not Approved

MSFA Executive Director

Date

Reason for any denials:



MINNESOTA SPORTS FACILITIES AUTHORITY

Form D

Best Value – Contract Approval

Project Title:

Attach completed/signed copies of Form A and Form C to show that the capital improvement project was approved by the Authority and the solicitation was reviewed and approved by the Executive Director.

Attach copy of proposed contract.

Submitted by:

Contract Manager

Date

Contract was Approved or Not Approved

Chair, Minnesota Sports Facilities Authority

Date

Reason for any denial:



MINNESOTA SPORTS FACILITIES AUTHORITY

Form E

Sealed Bidding – Approval of Notice of Opportunity to Bid

Project Title:

Attach complete set of proposed specifications and text of proposed notice to this form. If set of specifications is too bulky and/or cannot be appropriately printed (as may be the case, for example, with construction design documents) then provide the specifications on a drive submitted with the form or indicate a secure web location from which the specifications may be downloaded.

Describe plan for providing notice of the opportunity to bid:

Submitted by:

Contract Manager

Date

Proposed specifications, proposed notice, and notice plan are Approved or Not Approved

MSFA Executive Director

Date

Reason for any denials:



MINNESOTA SPORTS FACILITIES AUTHORITY

Form F

Sealed Bidding – Lowest Responsible Bidder

Project Title:

Attach summary of results of tabulation and investigation of bids.

Attach copy of form of contract provided with specifications.

The Contract Manager believes the following firm is the lowest responsible bidder:

Submitted by:

Contract Manager

Date

Authority Board determined that _____ is the lowest responsible bidder.

OR

Authority Board has decided to reject all bids.

Chair, Minnesota Sports Facilities Authority



MINNESOTA SPORTS FACILITIES AUTHORITY

Form G

Sealed Bidding – Contract Approval

Project Title:

Attach completed/signed copies of Form A, Form E, and Form F to show that the capital improvement project was approved by the Authority, the bidding process was reviewed and approved by the Executive Director, and the determination of the lowest responsible bidder was made by the Board.

Attach copy of proposed contract and a red-line showing all changes between the version presented with this form and the one provided with the specifications. The red-line should demonstrate that no material changes have been made.

Submitted by:

Contract Manager

Date

Contract has been executed on _____

Executive Director, Minnesota Sports Facilities Authority



MINNESOTA SPORTS FACILITIES AUTHORITY

Form H

Major Purchase Using a Joint Purchasing Agreement

Purchase Title (attach any purchase orders or contracts):

Purchase Description:

Joint Purchase Agreement in Question:

Reason for Using Joint Purchase Agreement:

Purchase Amount:

Contract Manager

Date

Proposed Purchase is Approved or Not Approved (approval must come from the Board if the proposed purchase is in excess of \$250,000, and in such cases the signature below must come from the Chair of the Board)

Executive Director or Chair, Minnesota Sports Facilities Authority

Date



EXHIBIT D

March 10, 2017

MEMORANDUM

TO: MSFA Commissioners
FROM: James Farstad
SUBJECT: SMG Pre-Opening Budget

On August 22, 2014, the Authority entered into a Management and Pre-Opening Services Agreement (“Agreement”) with SMG for the management, operation, maintenance, and marketing of U.S. Bank Stadium and The Commons park. The Agreement established a pre-opening period that began on execution of the agreement (August 22, 2014) through the Opening Date of the Stadium (June 30, 2016) (the “Pre-Opening Period”). At the December 19, 2014 Board meeting, the Board approved the SMG Pre-Opening Consulting Budget in the amount of \$4,112,341.

Pursuant to the Agreement, SMG has now submitted the Final Pre-Opening Consulting Budget (the “Final Budget”) for approval of the Board. The Final Budget is presented consistent with the accounting methodology presented to the Board at the December 16, 2016 meeting reflecting revenues and expenses on a gross basis. The recommended Final Budget reflects a favorable variance to the Original Pre-Opening Consulting Budget of \$2,341. The Final Budget represents an increase in expenses from the previously approved budget of \$612,659. The increase is due to a combination of (1) increases in certain Pre-Opening expenses and (2) the inclusion of reimbursable expenses. The Final Budget also reflects Pre-Opening revenues that offset Pre-Opening expenses and the reimbursement of Pre-Opening expenses, which together total \$615,000.

The recommended Final Budget is as follows:

Expense Categories:

Personnel	\$2,425,000
Advertising and Grand Opening	1,120,000
Corporate/Regional Support	125,000
Other and Staffing Support	<u>1,055,000</u>
Total Expenses	\$4,725,000

Revenue Categories:

Advertising/Sponsorship/Event Revenue	\$315,000
Pre-Opening Expense Reimbursements	<u>300,000</u>
Total Revenues	\$615,000
Total Expenses and Revenues	\$4,110,000
Previously Approved Pre-Opening Consulting Budget	<u>\$4,112,341</u>
Estimated Favorable Variance to Original Budget	<u>\$ 2,341</u>

Recommendation: The Board (1) approves the final Pre-Opening expense budget of \$4,725,000 and a revenue budget of \$615,000 for a net Final Pre-Opening Consulting Budget of \$4,110,000 and that these changes will be reflected in the final 2016 Authority Budget, and (2) directs that the Pre-Opening account be closed once all of the Pre-Opening transactions are completed and that the remaining favorable variance be transferred to Authority Operating Reserves.

AMENDMENT NO. 6

AGREEMENT BETWEEN AUTHORITY AND OWNER'S REPRESENTATIVE

The Minnesota Sports Facilities Authority (“Owner”) and Hammes Company Sports Development, Inc. (“Owner’s Representative”) hereby agree to amend the Agreement between Owner and Owner’s Representative effective August 5, 2012, including Amendments No. 1, No. 2, No. 3, No. 4, and No. 5 (the “Agreement”) as follows:

1. The purpose of this Amendment No. 6 is to describe the Scope of Services and Fee structure for the Additional Services to be provided by the Owner’s Representative. The Scope of Services and Total Fee of the Owner’s Representative under the Agreement, Amendment No. 1, Amendment No. 2, Amendment No. 3, Amendment No. 4, and Amendment No. 5 shall remain unchanged. The Owner’s Representative’s fee and staff hours associated with this Amendment No. 6, are in addition to the Total Fee and shall be paid by Owner using the process described in Exhibit A. If Owner and Owner’s Representative agree to any further Additional Services, the Parties shall enter into a further Amendment reflecting such agreement and additional fees and costs of the Owner’s Representative.
2. Following completion of the Basic Services and the Agreement Term, on October 31, 2016, and the subsequent completion of Amendment No. 5 Services on March 31, 2017, the Owner’s Representative’s Staffing of the Project shall be adjusted as described herein and the Scope of Services shall be limited, and provided as an Additional Service. The table included in Exhibit A describes the Owner’s Representative’s anticipated staffing hours, but is for planning purposes only. Allocation of staffing hours may vary at the Owner’s Representative’s reasonable discretion
3. Owner Agrees that Owner’s Representative’s Limitation on Liability applies to this Amendment No. 6, in the same way it applies in the Agreement and all other previous Amendments to the Agreement (please refer to Section 2.1 of Amendment No. 2 and Section 3 of Amendment No. 3).
4. Owner and Owner’s Representative hereby release and waive against each other all claims consistent with the requirements of the Agreement and previous Amendments to the Agreement (please refer to Section 2.1 of Amendment No. 2 and Section 4 of Amendment No. 3).
5. Owner agrees that the Owner’s Representative’s Additional Services described in this Amendment No. 6 will require additional travel and other Reimbursable Expenses. Owner agrees that the Owner’s Representative shall be compensated for all additional Reimbursable Expenses, associated with this Amendment No. 6, subject to the Reimbursable Expense guidelines in the Agreement. Reimbursable Expenses are in addition to the monthly Fee described herein. Owner further agrees to continue to

provide office space within US Bank Stadium during the Term of this Amendment No. 6, to the Owner's Representative's staff at no cost, as currently provided.

IN WITNESS WHEREOF, the parties hereto have executed this Amendment No. 6 by their duly authorized representatives, intending thereby that this Amendment No. 6 to the Agreement shall be effective April 1, 2017 and shall terminate on July 31, 2017, unless extended by the Parties.

OWNER:
MINNESOTA SPORTS FACILITIES AUTHORITY

By: _____
Name: _____
Its: Chair

By: _____
Name: _____
Its: CEO/Executive Director

OWNER'S REPRESENTATIVE
HAMMES COMPANY SPORTS DEVELOPMENT, INC.

By:
Name:
Title: President

EXHIBIT A

AMENDMENT NO. 6 COMPENSATION SCHEDULE AND

REVISED PROJECT STAFFING PLAN

Subject to adjustment made by written Contract Revisions to the Agreement, the Owner’s Representative’s Additional Services Compensation and Project Staffing Plan will be updated in accordance with the anticipated staffing hours summarized below. All Additional Services Compensation is in addition to the Overall Cap in the Agreement. Owner will require a monthly invoice for the Additional Services to be submitted by the Owner’s Representative.

Contract Amendment #6 - Anticipated Staffing Hours and Fees

Anticipated Staffing*:

R. Robinson
G. Johnson
A. Burrage
P. Sautebin
C. Zirbel
T. Kurt

APR - 17	MAY - 17	JUN - 17	JUL - 17
AVG	AVG	AVG	AVG
Hrs./wk.	Hrs./wk.	Hrs./wk.	Hrs./wk.
5	2	5	2
30	30	30	30
10	8	10	8
15	12	15	12
20	15	20	15
4	2	4	2
84	69	84	69

*Actual staffing may vary depending on MSFA direction

On or before the 5th day of each month, or the next business day following such date if the 5th day falls on a weekend, the Owner’s Representative will invoice Owner for the monthly Fee based on actual staff hours expended, and will provide a summary of such staff hours in a format similar to the summary shown above.* The Owner will provide payment to the Owner Representative within thirty (30) calendar days of the invoice. Reimbursable Expenses for this extended period of services are in addition to the monthly Fee, and will be invoiced and paid in the same manner as the monthly fee, as described above.

Note:

* Hourly Rates for staff are consistent with the Agreement between Owner and Owner’s Representative effective August 5, 2012, including Amendments No. 1, No. 2, No. 3, No. 4 and No. 5 (the “Agreement”) and are subject to annual adjustment per escalator language described in the Agreement.

AMENDMENT NO. 6
SCOPE OF SERVICES

Subject to adjustment made by written Contract Revisions to the Agreement, the Owner Representative's Scope of Services will be revised to include only the following Additional Services:

1. Assist MSFA and MSFA counsel in preparing and administering Trade Contracts to commence capital projects and other projects as approved by the MSFA Board and as described on the February 9, 2017 MMPS Potential Change Report.
2. Assist MSFA and MSFA counsel in engaging HKS to design yet to be approved projects.
3. Assist MSFA and MSFA counsel in preparing and administering Trade Contracts to engage contractors to complete yet to be approved projects.
4. Prepare the monthly Master Application for Payment ("MAP") for MSFA's review and use, consistent with the process and format provided for the most recent MAP.
5. Assist MSFA in monitoring Mortenson's completion of outstanding City of Minneapolis code compliance items.
6. Assist MSFA in monitoring RRJ review of the exterior wall system and assist MSFA's counsel on related issues.
7. Assist MSFA in monitoring Verizon's completion of DAS system upgrades.
8. Assist MSFA in monitoring the completion of approved stadium security enhancements approved by MSFA.
9. Assist MSFA and MSFA Counsel in developing and implementing procedures for stadium Capital Improvement projects.
10. Assist MSFA in monitoring the completion of approved Capital Improvement projects.
11. Participate in weekly meetings by conference call or in person with MSFA in support of the above Scope of Services.



EXHIBIT E

March 10, 2017

MEMORANDUM

TO: MSFA Commissioners

FROM: Jim Farstad

SUBJECT: Approve Amendment to the Owner's Representative Agreement

The Owner's Representative Agreement with Hammes Company Sports Development, Inc. ("Hammes") expires March 31, 2017. There are construction project close-out tasks and related financial tasks that will continue past the contract expiration date. Hammes has offered to continue their Owner's Representative services for the period from April 1, 2017 through April 30, 2017, on an actual hourly fee basis plus reimbursable expenses.

Recommendation: *The MSFA authorizes the Chair and CEO/Executive Director to execute Amendment No. 7 to the Owner's Representative Agreement with Hammes Company Sports Development, Inc. on a hourly fee basis plus reimbursed expenses.*

MEMORANDUM

EXHIBIT F

TO: Minnesota Sports Facilities Authority
FROM: Lockridge Grindal Nauen, P.L.L.P., Government Relations
DATE: March 10, 2017
RE: Legislation Affecting the Authority (current as of March 9, 2017)

H.F. 778 / S.F. 626: Minnesota Sports Facilities Authority data classification provided, board appointments modified, duties modified, and use of stadium suites restricted.

House Research Summary, February 16, 2017

- **House authors:** Anderson, S.; Hoppe; Scott; Barr, R.; Knoblach; Nash; Fenton; Dettmer; Howe; Pugh; Christensen
- **Senate authors:** Rosen; Kiffmeyer; Nelson
- **House committee action:** Passed Government Operations and Elections Policy, re-referred to State Government Finance. Passed State Government Finance, as amended, and re-referred to Ways and Means. Passed Ways and Means, as amended. Passed House, as amended.
- **Senate committee action:** Passed State Government Finance and Policy and Elections, as amended, and re-referred to Judiciary and Public Safety Finance and Policy.
- **Status:** Passed House 122-7, as amended, on March 6, awaits action in Judiciary and Public Safety Finance and Policy on March 10.

H.F. 291 / S.F. 604: Convention center data classification clarified.

Senate Counsel & Research Summary, February 15, 2017

- **House authors:** Scott; Anderson, S.; Pugh; Miller; Lucero; Howe; O'Neill
- **Senate authors:** Limmer; Kiffmeyer; Rosen

- **House committee action:** Passed Civil Law and Data Practices Policy, re-referred to State Government Finance. Amended onto H.F. 778 (above) in State Government Finance.
- **Senate committee action:** Passed Judiciary and Public Safety Finance and Policy, as amended, and re-referred to State Government Finance and Policy and Elections. Amended onto S.F. 626 (above) in State Government Finance and Policy and Elections.
- **Status:** Met policy deadline in House and Senate. Travelling within H.F. 778 / S.F. 626.

[H.F. 1211](#): Stadium suite disposal required.

- **House authors:** [Howe](#); Bahr, C.
- **House committee action:** Introduced and referred to Government Operations and Elections Policy.
- **Status:** Awaits committee action in the House, no Senate companion introduced.

[S.F. 900](#): Super Bowl admissions sales tax exemption modification; Minnesota sports facilities commission operating and capital expenses sales tax reimbursement requirement.

- **Senate authors:** [Bakk](#); Tomassoni; Rosen; Senjem; Gazelka
- **Senate committee action:** Introduced and referred to Taxes.
- **Status:** Awaits committee action in the Senate, no House companion introduced. Not subject to policy deadlines.

[H.F. 1778](#) / [S.F. 1638](#): Publicly owned stadiums and certain other facilities oversight, record keeping and reports requirements.

- **House authors:** [Nelson](#); Freiberg; Lesch; Johnson, S.; Flanagan
- **Senate authors:** [Kent](#); Rest; Laine; Carlson
- **House committee action:** Introduced and referred to the Committee on Government Operations and Elections Policy. Multiple votes as an amendment to H.F. 778 (above), not adopted.
- **Senate committee action:** Introduced and referred to the Committee on State Government Finance and Policy and Elections.
- **Status:** Awaits committee action in the House and Senate.

[H. F. 1888](#): Minnesota Sports Facilities Authority and Minnesota Ballpark Authority members and employees prohibited from giving gifts to officials.

[House Research Summary, March 9, 2017](#)

- **House authors:** Quam; Bahr, C.; Smith; Pierson; Davids
- **House committee action:** Passed Committee on Government Operations and Elections Policy and re-referred to the House General Register.
- **Status:** Met policy deadline in the House, no Senate companion introduced.

H. F. 1934 / S.F. 1603: Minnesota Sports Facilities Authority required to provide suites to charitable organizations for NFL events.

House Research Summary, March 3, 2017

- **House authors:** Dehn, R.; Clark; Johnson, S.; Lee
- **Senate authors:** Klein; Rosen; Cohen
- **House committee action:** Passed Government Operations and Elections Policy, as amended, and re-referred to State Government Finance.
- **Senate committee action:** Introduced and referred to the Committee on State Government Finance and Policy and Elections.
- **Status:** Met policy deadline in House, awaits committee action in Senate. Similar language traveling within S.F. 626.

NOTES:

1st deadline - March 10, 2017 at midnight

2nd deadline - March 17, 2017 at midnight

3rd deadline - March 31, 2017 at midnight

There is no yearly deadline for the introduction of bills. However, each year the Legislature establishes deadlines for committee action on bills. From Joint Rules ([2.03, Deadlines](#)):

- "The deadlines do not apply to the House committees on Capital Investment, Ways and Means, Finance, Taxes, or Rules and Legislative Administration, nor to the Senate committees on Capital Investment, Finance, Taxes, or Rules and Administration."
- "The first deadline is for committees to act favorably on bills in the house of origin."
- "The second deadline is for committees to act favorably on bills, or companions of bills, that met the first deadline in the other house."
- "The third deadline is for committees to act favorably on major appropriation and finance bills."



EXHIBIT G

March 10, 2017

MEMORANDUM

TO: MSFA Commissioners

FROM: Molly Pederson, Audubon Minnesota

SUBJECT: Statement of Audubon Minnesota Regarding Beginning of Study

Molly Pederson, Audubon Minnesota's Executive Director will be presenting an overview of the scientific study funded by the MSFA and Vikings and led by Audubon Minnesota in collaboration with Oklahoma State University and the University of Minnesota. This study will assess the impact of the stadium on bird mortality from glass collisions. The study will begin this month and will conclude after the 2018 fall migration season, with the study conclusions and recommendations to be released in 2019.

Audubon Minnesota, based in St. Paul, is the state office of the National Audubon Society and a non-profit environmental organization dedicated to conservation and the protection of wildlife, in particular the protection of birds. Audubon Minnesota engages people of all ages to take conservation action at home, work, school, and in their communities in order to address the biggest challenges birds face today.

Leading the design and implementation of the study:

Dr. Scott R. Loss, Oklahoma State University, Assistant Professor in the Department of Natural Resource Ecology & Management. Dr. Loss obtained his PhD at the University of Minnesota. He is recognized as a world expert in the study of migratory bird mortality including collisions with buildings.

Dr. Robert B. Blair; University of Minnesota, Professor and Extension Specialist in the Department of Fisheries, Wildlife and Conservation Biology. He is a global leader in the field of urban ecology and has specific expertise in studying the effects of urbanization on birds and other wildlife.

Ms. Joanna Eckles, Audubon Minnesota, Bird Friendly Communities Manager. She has a Master's in Conservation Biology from the University of Minnesota and is recognized as a national leader in the study of bird-window collisions. She has worked internationally with scientists, architects, planners and building managers to develop and promote solutions.

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

EXHIBIT H

December 7, 2016

To: Mayor Hodges and Minneapolis City Council Members
From: Arne H. Carlson and Paul T. Ostrow
Re: US Bank Stadium and Downtown East

We are submitting these written comments to the public hearing prior to the consideration of the 2017 budget. Although the issues set forth in our letter are not technically addressed in the budget nonetheless the long term financial ramifications of your inaction and the inaction of other levels of government to restrain increasing subsidies to the stadium and the Vikings ownership will have a long term impact on your ability to address the urgent needs of your residents. You have the authority tonight to begin a process to rein in these unlawful and inappropriate city expenditures by directing your staff to return to you early in 2017 with a detailed assessment and further directing a public hearing be scheduled to ensure full disclosure of these issues.

As you may know, we are deeply troubled by the highly questionable practices employed by government as it relates to the financing of the US Bank Stadium. Our experience in government has taught us that private-government projects are not only complicated but pose considerable risks to taxpayers particularly when the partnerships involve debt and multiple conflicting interests. That is precisely the case with the stadium and the attendant city project known as Downtown East.

This risk can be minimized when governments establish protocols that stress thorough and professional analysis, exhaustive and comprehensive public hearings and ongoing transparent oversight.

The opposite has been the case on the state as well as the city level. And sadly the efforts to keep the public fully informed have been stifled. Governor Dayton's refusal to reappoint John Griffith to the Minnesota Sports Facility Authority on the grounds he has caused "friction" on the board is all too typical of this attitude of smothering dissent. Similarly, the City's ongoing refusal to publicly address the issues raised in this letter and in many previous communications is a dereliction of your fiduciary responsibilities to the Minneapolis taxpayer.

Further, we will do all in our power to remove all barriers designed to hinder the public's right to know. That is why this letter is public. We are seeking your help as Mayor and City Council Members as you are the elected officials responsible for protecting the financial health of the City and residents. It is imperative that all the issues involved be made public as the public has a right to know that is critical to the next election debate.

Most of you opposed any public subsidy of the Vikings stadium either in your role as Council Member or for some of you in your election campaigns. Despite your started opposition to the stadium project you have been unanimous in your support of the Downtown East project and have been unanimous in your refusal to raise any of these troubling issues through the Council's committee process. However, what is important here is that you either are or need to be intimately familiar with both projects and will be compelled to explain all aspects of this development, the Commons and the City's subsidies to the stadium project and infrastructure to voters this coming election.

Governor Mark Dayton and legislative leaders of both political parties often declared that the Vikings Stadium would be the “People’s Stadium” and pledged that it would be built “without using a single dollar of general fund tax revenues.” Toward that end, they negotiated and presented a bill to the legislature in 2012 that they argued would accomplish those goals. It involved the sale of bonds in the amount of \$462 million with \$36 million up front.

The subsequent law contained provisions that limited the State’s participation as well as the City’s. Minn. Statutes Section 473J.11 restricts the state’s share to “\$348,000,000” and the city of Minneapolis to \$150,000,000. Further, Section 16A.965 and Section 16A.726 make it abundantly clear that the legislature intended to limit the public’s total participation in “stadium costs” to a total of \$498,000,000. The City of Minneapolis at the urging of Mayor R.T. Rybak and Council leadership asked the legislature to permit the city to contribute up to \$150 million to stadium and related infrastructure construction costs, and base amounts of six million dollars and 1.5 million dollars increasing annually over thirty years for the operation and capital maintenance costs of the stadium.

This was the deal as presented to the public. It was a deal that Forbes magazine stated was the third worst deal for the public of any stadium in American history. Given the extreme generosity of the stadium bill, the public had every right to expect that all public officials would abide by the agreement and support the limits it placed on public subsidies. Tragically, that was not to be the case.

Consider this:

I. Oversight.

A. To protect the public, the Governor and Legislature agreed to create a 12-member legislative commission on Minnesota Sports Facilities. Each caucus in the House and Senate was to appoint members to this bi-partisan commission. Instead of meeting and performing this vital function of oversight, the commission became dormant. It abrogated its responsibility to determine actual levels of contribution, review costs, and to make certain that spending limits were properly enforced. This commission was to be the public’s watchdog. Instead it slept.

B. In order to obtain a comprehensive compliance audit and determine spending legitimacy, the directive for the legislative audit must come from the Legislative Audit Commission. Had the commission noted above done its work, they could have triggered a full-blown compliance audit. Instead nothing happened and the financial clouds remain. The Governor and legislative leaders failed to sound the alarm. Indifference was the order of the day.

C. The compliance audit responsibility for the city’s role in the stadium and the Downtown East Project resides with the State Auditor. We met with Rebecca Otto in the spring of 2015 and she fully agreed to pursue the audit. This audit would have dealt with a variety of the City’s public expenditures on the stadium and related infrastructure, including the issuance of debt that well exceeded the state imposed limit of \$150 million. She reneged on her promise and advised us that her office was “too busy” thereby forfeiting her responsibility to taxpayers.

D. Finally, despite numerous letters and information provided to the Mayor and Council Members regarding these concerns we have heard nothing from our city leaders on these issues.

Consider this:

When the City’s chief financial officer finally acknowledged in January 2015 that revenues from the parking ramps to pay off the bonds for the Downtown East project would likely be inadequate by as much

as \$31 million there was not so much as a Committee report or discussion. This despite the fact that when the Council approved the project in December 2013 it was told that there was no “subsidy” and that the City’s role was merely to “finance the project.”

When the City sought to maximize revenues from the air rights over the newly constructed parking ramp the City allowed the MSFA and the Vikings to veto a larger and more lucrative residential development because of the potential of “inconvenience” to premium Vikings ticket holders with free parking in the ramp.

Just last month the MSFA and the Vikings announced that the Vikings will receive the proceeds from naming rights on the publicly owned parking ramp which is now called “the Mills Fleet Farm Ramp.” This action was taken without any objection from City leaders even though the City’s property taxpayers are on the hook for anticipated shortfalls from the revenues on that very ramp.

In 2014 the MSFA reached an agreement with a promotional company in which the company will pay an amount of six million dollars per year (increasing annually) for the right to proceeds from non-Viking events at the stadium. These same revenues for other events were a pivotal argument for the public benefits allegedly provided to the City and the State by the new stadium. Chair Kelm Helgen on two separate occasions has stated that it is her intent to spend all of these public revenues on even more improvements to the stadium. Despite the massive City contribution to the stadium no one at City Hall has questioned her authority to do so or made the case that these revenues should be used to offset City and State expenditures for the ongoing maintenance and operation of the stadium.

Tonight you are considering ongoing operational funding for the Commons. This is absurd. It is unlawful, as the Court made clear in 2013. The City Council has no authority to operate a park. Beyond that, however, the Council has refused to renegotiate the Use Agreement with the Vikings and the MSFA despite former Mayor Rybak’s call to renegotiate. A budget direction from 2015 calling for staff to report back on options to re-negotiate the Use Agreement was ignored.

Finally, the City should assert its rights under the stadium legislation to use its annual six-million-dollar operational subsidy for any of the following: 1) extraordinary costs for the hosting of the Super Bowl; 2) any shortfalls in the parking revenues necessary to satisfy the bond payments; and 3) any operational costs for the Commons. Rather than take this approach the City seems intent on increasing the public’s exposure for the stadium and stadium related costs at every turn.

In essence, the very checks that government put in place to protect the public against excess and illegal spending were abandoned by those same governments. Oversight was a sham and the above-mentioned officials all went along with it.

II. The Downtown East Development Agreement and City Subsidies to Stadium Development

The many questions raised by the Downtown East development project by the signers of this letter have never been addressed:

Now:

1 – The stadium legislation made clear that the cap on the City’s contribution to the stadium and surrounding infrastructure was limited to \$150 million. The City argued in Court in 2013 that the cap was not violated because it was merely financing the deal and further that the development was not to benefit the Vikings but to further redevelopment. We now know that both statements were untrue. Why was

there never any debate or even legal opinion provided on the legality of the City's additional subsidies to provide a free parking ramp and free open space to the Vikings?

2 - Why was there no public appraisal of this land to determine value? The portion of the land earmarked for the park was listed by the County as having a valuation of five million dollars. In a convoluted deal, the land was sold to the developer of Downtown East for \$13.9 million and then subsequently transferred to the city for the same price. Why did the public pay such a high price for the land without any public appraisal?

3 - Why did the city bypass a review board and hearings before the Minneapolis Board of Estimate and Taxation as well as the Committee on Long-Range Improvements (CLIC)? These bodies study and take a long-term perspective thereby protecting the city from an undue debt burden. It should be noted that Moody's lowered the city's credit rating due to its debt load. It should also be noted that there was a public protest from the Board of Estimate and Taxation with one member calling the bypass "sleazy".

4 - The city floated some \$65 million in bonds for the purpose of purchasing the park land and funding a parking ramp. The city has represented that this debt will be retired by revenues generated. Toward that end, the bond prospectus lists some 60 scenarios relative to the projects being self-sustaining. If that were the case, then why did the city not use revenue bonds? Interest rates have been very low so why burden the Minneapolis taxpayers with General Obligation bonds which use taxpayer property as the guarantor? As you know, parking ramps are at best a financial challenge. Further, the city has pledged free days for Viking parking thereby lowering revenue opportunities.

In 2014, Kevin Carpenter, the city's CFO at the time of issuance, indicated that the city taxpayer could end up being exposed to some thirty-one millions of dollars of property taxes from bond shortfalls in the revenues generated by the parking ramps. Certainly, Carpenter's lack of confidence should have served as a red flag to Minneapolis' leaders. Did you and the City Council review the revenue projections or in any way revisit the decisions that placed the Minneapolis homeowner on the financial hook?

5 - According to the *Star Tribune*, the Park Board officials expected "the cost of operations and maintenance to approach "\$3 million a year." That would be some \$90 million over the life of the lease. Where will that money come from? Further, how does this expenditure not exceed legal limits imposed by state law?

6 - In 2012, the legislature inserted language in a tax bill that amended the city's charter to remove all restrictions as it pertains to financial limits on funding sports facilities. This is an immensely important change in that it totally removed the \$10 million cap imposed by the voters. Is the City tracking the use of its sales tax revenues for both the Vikings stadium and for Target Center? Since 2011 legislation now allows the City to use its local sales tax for community development and affordable housing has the Council asked for an accounting of those funds to determine what if any amount of those funds remain available for critical housing and development needs?

III. Other People's Money

After leaving office, Mayor Rybak declared he was "shocked" by the terms of the Use Agreement and stated that the terms did not reflect the agreement he reached with the team or the MSFA. He called for a re-negotiation of its terms - a call that has gone unheeded by the Mayor and City Council. Governor Dayton was "surprised" by the revelation that Vikings owner Zygi Wilf had serious lawsuits pending against him in New Jersey.

A basic rule of any financial vetting process is the requirement to disclose all contingent financial liabilities as well as any pending legal actions. The bottom line is that the person taking out a car loan received more scrutiny than Wilf who sought hundreds of millions from the public.

As mentioned, the original deal called for the state including Minneapolis to be responsible for financing \$498 million and no more. Wilf was to be responsible for the balance which was to be an approximate \$487 million not including upgrades. Here is an estimate of Mr. Wilf's "contribution":

Grant from NFL	\$50 million
Naming Rights	\$220 million
Seat licenses	\$125 million
Commemorative bricks	\$ 32 million
NFL loan	<u>\$150 million</u>
	\$577 million

It is expected that the loan will be paid off as an ongoing expense against Viking revenues which include ticket sales, concession profits, TV revenue, etc. The other "contributions" by Mr. Wilf are in fact paid for by the public. All of the Vikings "contributions" will be paid for by revenue sources uniquely generated by the stadium. The public shares in none of the revenues – only the costs.

In addition, the most conservative evaluation of the worth of the team is \$1.15 billion with some estimates exceeding \$2 billion. That represents a significant return on a \$600 million investment. This is particularly true when much of the value increase is a result of the stadium built entirely by the public.

At the same time, taxpayers will be responsible for some \$600 million in order to retire the state bonds and then as noted there will be an additional burden on the Minneapolis taxpayer.

At this point, it should be acknowledged that these figures are estimates. Since there has been so much obfuscation and no comprehensive audit to verify actual costs and contributions of the parties involved, estimates are all that is available.

Nonetheless, a simple fact stands out and that is Mr. Wilf has used other people's money and not his own. The public paid for both sides of the deal.

And now we are witnessing the continued expenditures by the City of Minneapolis and the Metropolitan Council to fund a variety of amenities including skyways to benefit the Vikings.

Somehow the Metropolitan Council has decided it is not under the state law governing financial limits and, therefore, free to contribute taxpayer money to the Wilfs without any restrictions. This body is appointed by the Governor and accountable to the Governor but apparently free to disregard his promises.

IV. Broken Promises – Ignored Warnings

When Governor Dayton and legislative leaders pledged to Minnesotans that not “a single dollar of general fund tax revenues” would be used for the stadium the public had a right to rely that declaration without hiring lawyers to search for loopholes. The promise went to the issue of trust.

In spite of that promise, Governor Dayton proceeded to sign legislation that committed the spending of up to \$20 million a year for 30 years in order to pay off the bonded indebtedness. As if this commitment was not enough, he also signed into law a provision entitled “Backup Revenues; Football Stadium Funding.” This allows his Commissioner of Management and Budget to use other revenues in the event the \$20 million annual debt payment is not sufficient. This is all general fund monies.

In late November 2013, one of the authors of this letter, former governor Arne Carlson, wrote a public blog cautioning the Mayor and City Council to go slow noting the complexity of the deal and the fact that the private sector “will always hire the best talent and advance their best deal. They are successful because they know how to make money. This is not the public sector’s strong suit.”

There was also an array of other public warnings issued that should have caused the Governor, Legislature, Mayor and City Council to exhaustively review all aspects of the implementation of the stadium legislation and the Downtown East development:

1. The city’s chief development officials, Jeremy Hanson Willis, publicly declared on November 22, 2013: “It is one of the largest and most complicated development projects that has come before us in many years. There are so many issues still under discussion that need to be resolved.” (*Star Tribune*).
2. Jon Tevlin, columnist for the *Star Tribune*, wrote that the legislative closed-door process made the stadium deal as “transparent as the Berlin Wall.”
3. Former *Star Tribune* columnist, Nick Coleman, observed the Senate-House conference committee and declared, ‘yes we all learned in school, the corrupt days of smoked-filled rooms are gone. But that’s only because smoking is no longer permitted.’”
4. Even the Vice-Chair of the Minneapolis Audit Committee expressed alarm: “Unfortunately, the lack of transparency on critical spending decisions over the past several years has only increased “the lack of trust our citizens have in City Hall.”
5. In August 2013, the owner of the Vikings was ordered to pay \$84.5 million in damages. Of particular interest is the judge’s observation that “I do not believe I have seen one single financial statement that is true and accurate.”

Financial details on this complicated package were released on December 5 and 9. Four days later, the Council approved the entire package.

As we stated at the time the City Council ignored many warning signs and there was a total lack of due diligence in the approval of this project.

V. Minnesota Sports Facility Commission

The Minnesota Sports Facility Authority (MSFA) was presumably established by the state to monitor the Vikings stadium project and manage certain assigned tasks. As you know, the Authority has become an endless source of negative news stories largely focused on a failure to protect the public purse, a lack of

transparency and most recently giving access to MSFA suites without proper oversight as sensational and troubling as the suite issue may be it should not overshadow other concerns that are far more serious and infinitely more expensive to the taxpayer. We would submit the following questions for review and response:

1 – What legal authority does the Minnesota Sports Facility Authority cite relative to its power to grant naming rights of the parking ramps to the Vikings? The city of Minneapolis and its property taxpayers carry the entire debt burden of the ramp and yet the MSFC claims the power to shift revenue that should go to the retirement of debt and instead is given to the Vikings. The Mayor and Council need to protect their constituents and challenge this arbitrary use of authority to defeat the security interests of the Minneapolis taxpayers.

2 - What was the purpose of the arrangement that gave MSFA ownership of the parking ramp without any obligation to pay the debt? Who is protecting the city taxpayer from these shortfalls?

3 – As stated earlier under what authority does the MSFA use revenues (six million dollars and increasing annually) from its contract to promote non-Vikings events to spend even more money on the stadium without any notice or consent to city and state taxpayers that are footing the bill?

Frankly, the current scandal involving the Minnesota Sports Facilities Authority is a predictable outcome of a highly political process that was dependent upon mutual backscratching as opposed to a solid business deal handled in full public view with capable professionals representing the taxpayer. The outcome is that MSFA rewards political loyalty instead of competence and diligence on behalf of the taxpayer.

Summary

Democracies cannot be held together solely by law and the enforcement of law. They require trust to provide the glue that binds people together. When that trust is breached as it was in Vietnam and Watergate there will be political upheaval. No – this is not about war or presidential scandal. But nonetheless the repeated failure of institutions to stand up for those they are sworn to serve does great damage to the confidence we have in those who lead our city and state.

When the Governor made his pledge, the people had a full right to expect that promise to be kept. It was not said in the heat of a campaign nor was it a flip comment at a news conference. Rather it was a serious statement of assurance given by the state's leader to an apprehensive public. It was an issue of trust.

The rest is history; a history largely kept under wraps because it involved both political parties and various levels of government as well as powerful interest groups. But the bottom line is that millions upon millions of dollars flowed to the stadium from "general fund revenues" in the state budget, the Minneapolis city budget, and the budget of the Metropolitan Council.

The public was not only called upon to fund the stadium but also the infrastructure that surrounded the stadium including park land, parking ramps, and skyways. Yet to be fully tallied are all the costs of maintenance. With the state, the Metropolitan Council, and the city of Minneapolis ignoring the spending limits imposed by law, there is no end in sight as to how much taxpayer money will be spent.

To date, no major elected official has even called for this bleeding of public funds to cease.

Government is largely about setting priorities. That is what you do tonight as you adopt your budget. Why is it more important to increase the public subsidies for one very rich individual instead of using those same dollars to providing warm and safe shelters for our thousands of homeless children and

veterans? The extra hundreds of millions poured into Wilf could have met so many other vital needs ranging from properly funding our adjunct faculty in higher education to providing vital dollars to advance a broad array of medical research needs at the University of Minnesota.

What is required now prior to the legislative session is a full-blown public review of the entire stadium – Downtown East package. Members elected to the Council in 2013 did not vote on the stadium and did not vote on the Downtown East project. It is unclear to us whether any of the new Council Members were fully briefed on the costs of this project and the safeguards to limit the City's spending on the stadium and the supporting infrastructure. There are also many new members of the legislature who have not been privy to these issues who deserve a full and public opportunity to express their concerns.

You have the opportunity tonight to do what is right. We urge you to do the following:

- 1) Pass a staff direction that all costs for the stadium, its operation and management, the surrounding parking ramps and park are fully reported and monitored.
- 2) Direct your finance staff to limit the ongoing city subsidy for operations and capital maintenance to the amounts provided for in statute.
- 3) Require that the previous motion for a report back to committee on the re-negotiation of the Use Agreement with the Vikings by requiring the team to pay for the fair market value for the use of the Commons be honored.
- 4) Direct staff to meet with Michelle Kelm Helgen to discuss the City's concerns regarding unilateral actions by the MSFA that have hurt the City's taxpayers;
- 5) Refer to the IGR Committee the issue of City support for legislation creating an enforcement mechanism that will ensure city and state stadium spending caps are honored;
- 6) Pass a staff direction tonight calling for a public hearing on these issues.

It is never too late to do the right thing.

Respectfully submitted,

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