



MINNESOTA SPORTS FACILITIES AUTHORITY
Minutes of August 3, 2017 Special Meeting

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

1. **CALL TO ORDER**

Chair Vekich called the meeting of the Minnesota Sports Facilities Authority (“MSFA” or “Authority”) to order at 8:00 A.M.

2. **ROLL CALL**

Commissioners present: Mike Vekich, Bill McCarthy, Laura Bishop and Barbara Butts Williams.
Commissioner absent: Tony Sertich.

3. **ADOPTION OF AGENDA**

Chair Vekich presented the proposed agenda for the meeting. Commissioner Butts Williams moved approval of the agenda as presented. That motion was seconded by Commissioner Bishop and unanimously adopted.

4. **BUSINESS**

a. **Action Items**

i. **Award Contracts for Women’s Locker Room Build-Out, Hyundai Club Kitchen Equipment Build-out and Video Production Room Cooling.**

Chair Vekich asked Rick Evans, MSFA Executive Director, to review and explain the three construction contracts under consideration by the Board. Mr. Evans reminded the Board that pursuant to the MSFA’s capital projects procurement procedure, all projects costing more than \$250,000 must be approved by the Board. He then explained in detail the specifics of each of the contracts being recommended to the Board. See, Exhibit A.

Commissioner McCarthy asked if there currently is a kitchen in the Hyundai Club, and Mr. Evans responded that there are two (east and west) concession areas. He stated this project will expand the food and

beverage options in the club by adding kitchen equipment to the existing food preparation space within the east concession area.

Commissioner Butts Williams asked whether new capital procurement projects are covered under the MSFA's original construction policies and procedures, and Mr. Evans stated that they are separate since the construction phase has been completed, and the transition to operations has begun. Commissioner Butts Williams then asked if equity hiring goals have been considered and incorporated into the capital improvement projects, and Mr. Evans stated that the MSFA's hiring goals are set forth in all new requests for proposals. He stated that during the construction phase there were aggressive equity goals that were exceeded, and noted that the MSFA is working to meet and exceed those same goals for capital improvement projects.

Commissioner McCarthy moved and Commissioner Bishop seconded the motion to approve the following recommendation, which was unanimously adopted:

Recommended Motion: The MSFA accepts the proposals and awards the contract for the Women's Locker Room Buildout, Hyundai Club Kitchen Equipment Buildout, and Video Production Room Cooling project to LS Black Constructors, Inc. for a total contract value of \$1,297,500. The MSFA authorizes the Chair and Executive Director to enter into a contract with LS Black Constructors, Inc. for those projects.

ii. Approve Stadium Master Project Budget Adjustments

Mr. Evans explained that during construction of U.S. Bank Stadium ("Stadium"), the Minnesota Vikings agreed to initially contribute \$700,000 for team-funded enhancements, and an additional \$750,000 for sponsorship power/data fund project costs. As of August 3, 2017, all of the team-funded enhancements and sponsorship power/data fund costs have been paid and the remaining unspent balances are:

Team-funded enhancements	\$403,556.89
Sponsorship power/data fund	<u>\$474,499.43</u>
Total remaining balance	\$878,056.32

Accordingly, the Vikings have requested that the Master Project Budget be reduced by \$878,056.32 since those funds are no longer needed to complete construction of the Stadium. See, Exhibit B.

Commissioner McCarthy asked if this was part of the Stadium construction budget, and Mr. Evans stated that it was. Mr. Evans then discussed relevant line items included in Table 1 ("Stadium Master Project Budget Summary") of the memorandum. Following further discussion, Commissioner Butts Williams moved and Commissioner McCarthy seconded the motion to approve the following motion, which was unanimously adopted:

Recommended Motion: The MSFA approves a Master Project Budget decrease of \$878,056.32 to the Additional Team Contribution Sources of Funds, with a decrease of \$403,556.89 to the Team Funded

Enhancements and \$474,499.43 to the Sponsorship Power/Data Fund line items within the Other Project Costs Uses of Funds.

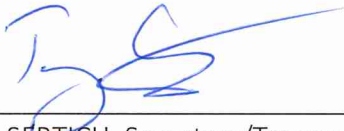
5. ANNOUNCEMENT OF NEXT MEETING

Chair Vekich announced that the next MSFA meeting will be held August 25, 2017 at 9:00 A.M. in the Medtronic Club at U.S. Bank Stadium. He mentioned that the MSFA may move future regularly-scheduled Board meetings to the Medtronic Club.

6. ADJOURNMENT

There being no further business to come before the Board, upon a motion duly made, seconded and unanimously adopted, this special meeting of the Board was adjourned at 8:20 A.M.

Approved and adopted the 25th day of August 2017, by the Minnesota Sports Facilities Authority.



TONY SERTICH, Secretary/Treasurer



RICHARD G. EVANS, Executive Director



August 3, 2017

Exhibit A

MEMORANDUM

TO: MSFA Commissioners

FROM: Rick Evans, Executive Director

SUBJECT: Award contract for Women's Locker Room Buildout, Hyundai Club Kitchen Equipment Buildout and Video Production Room Cooling

Women's Locker Room Buildout

A request for proposals was issued on June 30, 2017 for the buildout of a women's locker room on the east event level near the main field tunnel of U.S. Bank Stadium. U.S. Bank Stadium has two locker rooms, the Minnesota Vikings locker room and an auxiliary locker room. A third locker room is needed for certain events. Currently the area is a shell space that has been used for pre-event staging. A locker room is needed for the Minnesota Vikings football events for their female coaching and training staff. This room would be used as a multi-purpose space, a green room and /or a production room for future other events. Plans for the new space include an office space area and associated bathroom facilities and a large locker room area with an adjoining shower room and bathroom facilities.

Two proposals were received:

- Construction Results
- LS Black Constructors, Inc.

Staff reviewed the proposals and interviewed the proposal respondents. Staff believes that the LS Black Constructors, Inc. proposal meets the project specifications and provides the best value to the MSFA for the Women's Locker Room Buildout for a proposed contract value of \$322,000. It is anticipated that LS Black Constructors, Inc. would complete the project by September 13, 2017.

This project will be funded from the capital reserve account.

Hyundai Club Kitchen Equipment Buildout

A request for proposals was issued on June 22, 2017 for the Hyundai Club Kitchen Equipment Buildout project in U.S. Bank Stadium. The club currently has an east and a west concession area. This project will expand the food and beverage options in the club by adding kitchen equipment to the existing food preparation space within the east concession stand. Certain kitchen equipment that is in the

commissary kitchen will be relocated to this kitchen and new kitchen equipment will be procured and installed. Electrical and plumbing connections are required for the additional kitchen equipment.

One proposal for this project was received and opened on July 13, 2017. LS Black Constructors, Inc. was the only proposal respondent. Staff reviewed the proposal and interviewed LS Black Constructors, Inc.. Staff believes that the LS Black Constructors, Inc. proposal meets the project specifications and provides the best value to the MSFA for the Hyundai Club Kitchen Equipment Buildout for a proposed contract value of \$532,700. It is anticipated that LS Black Constructors, Inc. would complete the project by October 20, 2017.

This project will be funded from the concession capital reserve account.

Video Production Room Cooling

A request for proposal was issued on June 29, 2017 for the Video Production Room Cooling project in U.S.Bank Stadium. The project scope includes adding cooling units to the Video Rack Room and the Video Production space. These areas have a large volume of video equipment that emits heat during use and in order to extend the useful life of the equipment it must be cooled to a designed temperature of 70°F maximum. The temperature in the rack room and the production spaces currently ranges from 80°F to 90°F during events.

One proposal for this project was received and opened on July 13, 2017. LS Black Constructors, Inc. was the only proposal respondent. Staff reviewed the proposal and interviewed LS Black Constructors, Inc. Staff believes that the LS Black Constructors, Inc. proposal meets the project specifications and provides the best value to the MSFA for the Video Production Room Cooling project for a proposed contract value of \$449,000. It is anticipated that LS Black Constructors, Inc. would complete the project by August 25, 2017.

This project will be funded from the capital reserve account.

Recommended Action: The MSFA accepts the proposals and awards the contract for the Women's Locker Room Buildout, Hyundai Club Kitchen Equipment Buildout, and Video Production Room Cooling project to LS Black Constructors, Inc. for a contract value of \$1,303,700. The MSFA authorizes the Chair and Executive Director to enter into a contract with LS Black Constructors, Inc. for these projects.



August 3, 2017

Exhibit B

MEMORANDUM

TO: MSFA Commissioners

FROM: Rick Evans, Executive Director

SUBJECT: Approve Stadium Master Project Budget Adjustments

During construction of U.S. Bank Stadium, the Team agreed to initially contribute \$700,000 for team funded enhancements, and an additional \$750,000 for sponsorship power/data fund project costs. The Master Project Budget line items were increased in accordance with the approved MSFA action at the May 20, 2016 meeting.

As of August 3, 2017, all of the Team funded enhancements and the sponsorship power/data fund costs have been paid and the remaining unspent balances are:

Team funded enhancements	\$403,556.89
Sponsorship power/data fund	<u>\$474,499.43</u>
Total remaining balance	<u>\$878,056.32</u>

The Team has requested that the Master Project Budget be reduced by \$878,056.32 since these funds are no longer needed to complete the Project.

Table 1 includes the Master Project Budget as of October 21, 2016, which is the date of the most recent MSFA approved Project Budget, budget increases/reallocations during the nine-month period from October 21, 2016 to August 3, 2017, the requested budget reduction of \$878,056.32 described above, and the resulting Adjusted Master Project Budget as of August 3, 2017.

Following is historical information about the three budget adjustments reported in the sources of funds:

- 1) Additional Team Contribution was reduced by \$105,335 due to the following: (a) there was a budget increase of \$107,733 as the Team agreed to fund modifications to the seating divider glass rails to improve sight lines and safety for \$102,817, and (b) the Team agreed to fund lighting enhancements to the Gjallahorn Platform for \$4,916, and (c) offset by a budget decrease of \$213,068 due to work that was reassigned to a different contractor. These budget adjustments were in accordance with the approved MSFA action from the October 21, 2016 meeting resulting in a net reduction of \$105,335.
- 2) Verizon Capital Investment was increased by \$52,332.50 as Verizon agreed to fund work related to the Distributed Antenna System (DAS) and the Budget was increased in accordance with the approved MSFA action from the November 20, 2015 meeting.

- 3) Local TV Station License Agreement Proceeds increased by \$105,000 as three license agreements were executed and the Budget was increased in accordance with the approved MSFA action from the July 15, 2016 meeting.

The MSFA Chair, Executive Director and the Team approved the reallocations shown in the Uses of Funds section below.

Table 1
Stadium Master Project Budget Summary

Division	Description	Master Project Budget as of 10/21/16	Budget Increases/ Reallocations	Budget Reduction	Adjusted Budget 8/03/17
SOURCES OF FUNDS					
00-15-005	Earned Interest - Settlement Trust Account	\$193.63			\$193.63
00-25-005	Team Contribution	\$377,000,000.00			\$377,000,000.00
00-25-010	Private Contribution	\$100,000,000.00			\$100,000,000.00
00-25-015	Additional Team Contribution	\$132,541,381.59	(\$105,335.00)	(\$878,056.32)	\$131,557,990.27
00-30-005	State of Minnesota Contribution	\$498,000,000.00			\$498,000,000.00
00-90-005	Aramark Capital Investment	\$3,500,000.00			\$3,500,000.00
00-90-010	SMG Capital Investment	\$2,250,000.00			\$2,250,000.00
00-90-015	Verizon Capital Investment	\$14,524,558.00	\$52,332.50		\$14,576,890.50
00-90-020	NRG Cost Reimbursement	\$232,345.00			\$232,345.00
00-90-025	Commemorative Brick Proceeds	\$1,600,000.00			\$1,600,000.00
00-90-030	Design Team Contribution	\$275,000.00			\$275,000.00
00-90-035	3rd Party Contribution	\$2,750,000.00			\$2,750,000.00
00-90-040	Local TV Station Licensing Proceeds	\$0.00	\$105,000.00		\$105,000.00
	Total Sources of Funds	\$1,132,673,478.22	\$51,997.50	(\$878,056.32)	\$1,131,847,419.40
USES OF FUNDS					
10-00-000	Site Acquisition & Improvements	\$58,386,826.81	\$908,201.30		\$59,295,028.11
20-00-000	Construction Costs	\$909,672,874.73	(\$48,080.00)		\$909,624,794.73
30-00-000	Furnishings, Fixtures & Equip.	\$66,426,125.30	\$854,630.10		\$67,280,755.40
40-00-000	Development Costs	\$86,731,589.91	\$135,932.63		\$86,867,522.54
50-00-000	Financing Costs	\$0.00			\$0.00
60-00-000	Other Project Costs	\$0.00			\$0.00
	TCF Stadium Improvements	\$7,167,785.93	(\$224,742.04)		\$6,943,043.89
	East Event Buildout	\$0.00			\$0.00
	Other Mutually Agreed Cost 1	\$362,810.66	(\$130,609.15)		\$232,201.51
	Other Mutually Agreed Cost 2	\$0.00	\$99,075.00		\$99,075.00
	IPTV Enhancement	\$0.00			\$0.00
	Mediation Settlement	\$0.00			\$0.00
	Team Funded Enhancements	\$47,051.69	\$356,505.20	(\$403,556.89)	\$0.00
	Sponsorship Power/Data Fund	\$474,499.43		(\$474,499.43)	\$0.00
90-00-000	Project Contingency	\$3,403,913.76	(\$1,898,915.54)		\$1,504,998.22
	Total Uses of Funds	\$1,132,673,478.22	\$51,997.50	(\$878,056.32)	\$1,131,847,419.40

Recommended Action: *The MSFA approves a Master Project Budget decrease of \$878,056.32 to the Additional Team Contribution Sources of Funds, and a decrease of \$403,556.89 to the Team Funded Enhancements and \$474,499.43 to the Sponsorship Power/Data Fund line items within the Other Project Costs Uses of Funds.*