



MINNESOTA SPORTS FACILITIES AUTHORITY MEETING AGENDA

February 28, 2020, 8:00 A.M.

U.S. Bank Stadium – Medtronic Club
401 Chicago Ave, Minneapolis, MN 55415

A portion of the meeting will be closed, pursuant to Minnesota Statutes, Section 13D.05, subd. 3(b), to discuss attorney-client privileged matters regarding settlement of design and construction claims.

1. CALL TO ORDER
2. APPROVAL OF PRIOR MEETING MINUTES –January 30, 2020
3. BUSINESS
 - a. **Action Items**
 - i. **Approval of Agreement with Minnesota Vikings regarding Verizon Wireless DAS License Payment**
 - ii. **Approval of Third Amendment to Second Amended and Restated Stadium Use Agreement**
 - iii. **Approval of Amendment to Concession Capital**
 - iv. **Adoption of Annual Board Calendar**
 - b. Reports
 - i. ASM Global Event Update
 - ii. Executive Director Report
4. PUBLIC COMMENTS
5. DISCUSSION
6. ANNOUNCEMENT OF NEXT MEETING – March 19, 2020 8:00 am, Mill City Museum
7. CLOSED SESSION
8. ACTION ITEMS REGARDING MATTERS DISCUSSED DURING CLOSED SESSION
 - a. **Approval of Settlement Agreement**
 - b. **Approval of Contract Revision 110 to Construction Services Agreement with M.A. Mortenson Company**
 - c. **Approval of Agreement between Owner and Architect**
 - d. **Approval of Termination of Project accounts and Amendment of Capital Budget**
 - e. **Approval of Agreement with Minnesota Vikings regarding construction contract**
9. ADJOURNMENT

***Items in bold require action**



MINNESOTA SPORTS FACILITIES AUTHORITY
Meeting Minutes – January 30, 2020 at 3:00 P.M.
U.S. Bank Stadium – Medtronic Club
401 Chicago Ave
Minneapolis, MN 55415

1. CALL TO ORDER

Chair Vekich called the meeting of the Minnesota Sports Facilities Authority (“MSFA” or “Authority”) to order at 3:00 P.M.

2. ROLL CALL

Commissioners present: Chair Michael Vekich, Bill McCarthy, Barbara Butts Williams, and Angela Burns Finney.

Commissioners absent: Tony Sertich

3. APPROVAL OF MEETING MINUTES – December 20, 2019. See, Exhibit A.

4. BUSINESS

a. Action Items

i. Election of Officers

Chair Vekich asked the Board if they had any nominations for the Vice-Chair and the Secretary/Treasurer positions. Commissioner McCarthy nominated Commissioner Butts Williams for the Vice-Chair, and also nominated Commissioner Sertich as the Secretary/Treasurer. All present Commissioners supported his nominations, and the motion was adopted.

b. Report Items

i. ASM Global Stadium Events Update

John Drum, Interim General Manager of ASM, gave a presentation to the MSFA board to update them on current and upcoming events. See, Exhibit B.

ii. Executive Director Report

James Farstad, Executive Director of the MSFA, stated that the MSFA began the 2020 Capital Procurement planning and budgeting. He noted that there would be changes on the upper concourse to the Aramark concession operation. We plan to review our priorities together with ASM Global's requests. facility capital. We will also review the capital project requests, and the Minnesota Vikings designated capital requests. Meetings will begin next week to discuss initial ideas.

Mr. Farstad noted that the final equity report is almost complete and should be ready next month. Mr. Farstad also stated that the MSFA has been working closely with Employee Assistance Firms (Summit Academy, American Indian OIC, HAP, and CLUES) for employment opportunities.

The MSFA has finished the testing of the soccer panels for the field turf conversion, and it went better than expected. Mr. Farstad stated that the baseball outfield conversion is complete, and the baseball season will begin within the next few weeks at U.S. Bank Stadium. The last piece of the field installation will be the end zone and Norseman logo, and installation will begin between February 1-5.

Lastly, Mr. Farstad stated that the MSFA staff has met with Envision Community to help design a human centered design process to help with parking ramp and plaza safety. Together, Envision and the MSFA are developing sustainable strategies and integrated solutions, identifying the root causes of the problems, and developing structured approaches to remedy the safety issues of the parking ramps around U.S. Bank Stadium.

5. **PUBLIC COMMENTS**

1. Jerry Bahls: Mr. Bahls addressed the board and stated that Audubon Minneapolis will be hosting a FLAP (Fatal Light Awareness Program) on April 2, 2020. He noted that FLAP will be giving a presentation about bird safe architecture at 8 P.M. at the Bakken Museum, with a reception to follow. He invited the board members to attend the presentation as well as the gathering that follows.

6. **MOTION TO CLOSE MEETING**

Commissioner Butts Williams moved to close the meeting pursuant to Minnesota Statute section 13D.05, subdivision 3(b) to discuss attorney-client privileged matters regarding potential claims related to a demand filed by M.A. Mortenson Company. Commissioner Burns Finney seconded the motion.

The meeting was closed at 3:16 P.M.

Individuals present at the closed meeting: Chair Michael Vekich, Bill McCarthy, Barbara Butts Williams, Angela Burns Finney, James Farstad, Dean Thompson, Jesse Orman, and Jay Lindgren.

Commissioners absent at the closed meeting: Tony Sertich

7. **MOTION TO OPEN MEETING**

Commissioner McCarthy moved to authorize the Chair and Executive Director to take actions consistent with the discussion during the closed portion of the meeting.

Chair Vekich moved to open the meeting and Commissioner Butts Williams seconded the motion.

The meeting was opened at 4:01 P.M

8. DISCUSSION

Chair Vekich read a statement to the public regarding the current construction mediation. It stated:

“We are currently engaged in confidential discussions that are part of a mediation process with multiple parties involved in the design and construction of U.S. Bank Stadium.

The process does not permit us to disclose any specific elements of the negotiation at this time. The mediation process has been collaborative, and discussions have been positive. We are hopeful to have a final resolution in the coming weeks. Once a final resolution has been determined, we will be able to share the details, and look forward to doing so.

Throughout this process, the Minnesota Sports Facilities Authority will continue to fulfill its responsibility to safeguard the public’s investment in U.S. Bank Stadium”

9. ADJOURNMENT

There being no further business to come before the MSFA, the meeting was adjourned at 4:02 P.M.

Approved and adopted the 28th day of February 2020, by the Minnesota Sports Facilities Authority.

Tony Sertich, Secretary/Treasurer

James Farstad, Executive Director



MEMORANDUM

TO: MSFA Commissioners

FROM: James Farstad, Executive Director

DATE: February 28, 2020

SUBJECT: Agreement with Minnesota Vikings regarding Verizon Wireless DAS License Payment

The Use Agreement between the Authority and the Minnesota Vikings (the “Team”) governs all aspects of the Team’s use of U.S. Bank Stadium. Consistent with the Use Agreement, in November 2015 the Authority (with Team approval) entered into a license agreement with Verizon Wireless regarding the distributive antenna system with the Stadium (the “DAS License Agreement”). The DAS License Agreement requires certain annual license fee payments be made to the Authority through the license term. The Authority and Team wish to clarify that during the term of the DAS License Agreement there will be no payments due and owing to the Team from the Authority or from the Authority to the Team for these license payments. Staff recommends that this agreement on apportionment be provided for in a separate agreement with the Team (rather than a Use Agreement amendment) because this agreement would only cover the current license agreement period, and all other provisions of the Use Agreement remain in place.

Recommended Motion: *The MSFA authorizes the Chair and Executive Director to finalize and execute an agreement with the Minnesota Vikings regarding Verizon Wireless DAS License Payment.*



MEMORANDUM

TO: MSFA Commissioners

FROM: James Farstad, Executive Director

DATE: February 28, 2020

SUBJECT: Third Amendment to Second Amended and Restated Use Agreement

The Use Agreement between the Authority and the Minnesota Vikings (the “Team”) governs all aspects of the Team’s use of U.S. Bank Stadium. Staff and the Team have negotiated two proposed revisions to the Use Agreement regarding the Stadium’s perimeter that would be contained in a Third Amendment:

1. Currently, the Stadium uses a temporary security gating system for the Stadium. The team has requested that the Authority explore a permanent perimeter gating system. The Use Agreement amendment would specify that the Authority will reserve \$1,012,500 of existing funds within the Capital Reserve Budget through June 30, 2022, in order for a schematic design, cost estimate, installation plan, and full funding plan can be developed. If agreement of a full funding plan is not reached by the June 30, 2022, the amount of \$1,012,500 would again become undesignated within the Capital Reserve Budget.
2. The City of Minneapolis currently charges the Authority, during Team events, for certain security and municipal costs outside of the formal Stadium site. The Authority and the Team believe it was never the intent under the original Stadium Act that these costs be charges to the Authority or to the Team. The Authority and the Team have been engaged in continued negotiations with the City to minimize or remove these charges. However, in order to move forward and reduce the burden on the Authority to cover the current charges, the Authority and the Team wish to agree (if further City negotiations are not effective) to equally split these external costs beginning with the 2020-2021 NFL Season; except to the extent one party or the other requests a specific additional level of service, which would then be paid 100 percent by the requesting party.

Recommended Motion: *The MSFA authorizes the Chair and Executive Director to finalize and execute the Third Amendment to Second Amended and Restated Use Agreement.*



February 28, 2020

MEMORANDUM

TO: MSFA Commissioners

FROM: James Farstad and Mary Fox-Stroman

SUBJECT: Approval of Amended 2019 – 2020 Concession Capital Reserve Account Budget

Concession Capital Reserve Account Budget and Plan

The MSFA board approved the 2019-2020 Concession Capital Reserve Account budget at its June 21, 2019 meeting. This budget included total concession capital project expenses of \$705,080.00. Many of these projects have been completed. Recently Aramark recommended and prioritized additional concession capital improvements that should be part of the 2019-2020 concession capital reserve account budget. The additional concession capital reserve project expenses total \$1,293,910. These projects will be funded from the account's reserve balance. Aramark also recommended that these projects be completed by June 30, 2020 so that the requested improvements to the food and beverage, catering, and concession operation would benefit the Minnesota Vikings 2020 football season.

	<u>Budget</u>
Original Concession Capital Reserve Account Expenses Budget	<u>\$705,080.00</u>
New Concession Capital Reserve Account Expenses:	
Equipment	\$573,759.00
Electrical Power	\$ 44,000.00
Digital Signage	\$475,600.00
Construction/installation	\$ 12,000.00
Ansul system	\$ 13,500.00
Smallwares	\$100,126.00
3M Signage	\$ 18,000.00
Cabinets	\$ 6,925.00
Portable Wraps	<u>\$ 50,000.00</u>
Subtotal Concession Capital Reserve Account Expenses	<u>\$1,293,910.00</u>
Total Concession Capital Reserve Account Expenses Budget	<u><u>\$1,998,990.00</u></u>

Additional information is provided in the attached Amended 2019-2020 Concession Capital Reserve Account Budget and Plan.

Recommended Motion: *The Minnesota Sports Facilities Authority approves the attached Amended 2019-2020 Budget and Plan for the Concession Capital Reserve Account.*

MINNESOTA SPORTS FACILITIES AUTHORITY
Year 2019 - 2020 BUDGET
July 1, 2019 to June 30, 2020

	<u>Approved Budget 2019-2020</u>	<u>Increase/ Decrease</u>	<u>Amended Budget 2019-2020</u>
Concession Capital Reserve Account			
Revenues:			
Concession Capital Reserve Payment	\$ 800,000.00	\$ -	\$ 800,000.00
Concession Capital Expenses	<u>\$ 705,080.00</u>	<u>\$ 1,293,910.00</u>	<u>\$ 1,998,990.00</u>
Change in Account Balance	<u>\$ 94,920.00</u>	<u>\$ (1,293,910.00)</u>	<u>\$ (1,198,990.00)</u>
Beginning Concession Capital Reserve Account Balance	\$ 1,710,497.00		\$ 1,710,497.00
Ending Concession Capital Reserve Account Balance	<u><u>\$ 1,805,417.00</u></u>	<u><u>\$ (1,293,910.00)</u></u>	<u><u>\$ 511,507.00</u></u>

**Minnesota Sports Facilities Authority
 Concession Capital Reserve Account
 2019-2020 Concession Capital Reserve Account Plan**

CONCESSION CAPITAL RESERVE ACCOUNT:

<u>Item #</u>	<u>Project Description</u>	<u>Budget</u>
<u>Projects in progress/completed-</u>		
1	DMPs	\$113,142.15
2	Cocktail Dispensing System	\$7,785.84
3	Ansul Service 1st & Fry Scetion 129	\$1,125.00
4	Electrical Add-on's/Modifications	\$37,432.00
5	Flex Stand Video Wall-Equip & Install	\$247,409.00
6	Ventless Fryer	\$17,549.61
7	Digital Signage for North Star Grills & Stone Arch	\$51,365.00
8	CO2 Alarm System	\$8,558.90
9	Portable Power	\$32,014.00
10	Portable Fryer Ansul Set Up	\$1,550.00
11	Sneeze Guards	\$13,775.29
12	Cooking Equipment installation	\$5,101.59
13	Additional Stand Cooking Power	\$10,200.00
14	Cabinets, ventless fryer, pizza over, electric fryer	\$90,654.58
15	Addl DMP's	\$4,359.64
16	Add'l Drink Tap Handles-Cocktail Disp. System	\$577.13
17	Signage Services	\$3,954.38
18	CO2 Meters Electrical Service	\$4,923.00
19	Expansion plate repairs	\$15,000.00
20	Main kitchen ceiling repairs	\$9,275.00
21	Undesignated	\$29,327.89
	Subtotal	<u>\$705,080.00</u>
<u>New projects-</u>		
22	Equipment	\$ 573,759.00
23	Electrical power	\$ 44,000.00
24	Digital signage	\$ 475,600.00
25	Construction/installation	\$ 12,000.00
26	Ansul system	\$ 13,500.00
27	Smallwares	\$ 100,126.00
28	3M Signage	\$ 18,000.00
29	Cabinets	\$ 6,925.00
30	Portable Wraps	\$ 50,000.00
	Subtotal	<u>\$ 1,293,910.00</u>
Total 2019 - 2020 Concession Capital Reserve Account Projects		<u><u>\$1,998,990.00</u></u>



February 28, 2020

MEMORANDUM

TO: MSFA Commissioners

FROM: James Farstad, Executive Director

SUBJECT: Adoption of Annual Board Calendar

The MSFA Chair and Executive Director recommend the following dates for the 2020 monthly board meetings.

Thursday, March 19, 2020 at 8 a.m.
Thursday, April 16, 2020 at 8 a.m.
Thursday, May 21, 2020 at 8 a.m.
Thursday, June 18, 2020 at 8 a.m.
Thursday, July 16, 2020 at 8 a.m.
Thursday, August 20, 2020 at 8 a.m.
Thursday, September 17, 2020 at 8 a.m.
Thursday, October 15, 2020 at 8 a.m.
Thursday, November 19, 2020 at 8 a.m.
Thursday, December 17, 2020 at 8 a.m.

Recommended Motion: The MSFA Board adopts the above 2020 monthly board meeting calendar.



MEMORANDUM

TO: MSFA Commissioners

FROM: James Farstad, Executive Director

DATE: February 28, 2020

SUBJECT: Settlement Agreement

Since opening of U.S. Bank Stadium, there were early issues of wind damage and detaching panels at the Stadium that were fixed, but there remained water penetration issues and concerns with expected longevity of the original exterior enclosure of the Stadium. These issues prompted the Minnesota Sports Facilities Authority, eight companies associated with the design, engineering and construction of the Stadium, and their associated insurance companies to come together through mediation to determine a fair and equitable solution. This resulted in the development of a new, enhanced exterior enclosure design. The other parties to the mediation were M.A. Mortenson, M.G. McGrath, Custom Drywall, Tri-Construction, HKS, Thornton Tomasetti, Larson Engineering, and Studio Five Architects, and their respective insurers.

The mediation was largely an organizing process that was helpful given the number of companies involved in the engineering, design, and construction of the exterior enclosure and the complexity of the issue, but the process was collaborative and focused on problem-solving. The outcome of mediation and the agreement by all parties is to redesign, engineer and construct a new, enhanced exterior enclosure. The exterior panels will look almost identical, but the exterior will be more water resistant and structurally sound. This is a proactive solution to address the MSFA's concerns and ensure the building performs at its best for decades to come.

Previous work to correct initial issues with the original exterior enclosure was completed, but it was agreed that a completely new exterior enclosure would ensure the highest level of building performance over its lifetime. The Settlement Agreement provides funding for \$21,497,449 in repairs to the Stadium's exterior.

Recommended Motion: *The MSFA authorizes the Chair and Executive Director to finalize and execute the Settlement Agreement.*



MEMORANDUM

TO: MSFA Commissioners

FROM: James Farstad, Executive Director

DATE: February 28, 2020

SUBJECT: Contract Revision 110 to Construction Services Agreement with M.A. Mortenson Company

The mediated settlement regarding the exterior of U.S. Bank Stadium will result in funding of \$21,497,449 in repairs to the Stadium. The repairs are subject to commence immediately upon approval and will be provided by the Stadium's primary contractor, Mortenson, and its subcontractors. The schedule currently allows repairs to be completed prior to the 2021 NFL Preseason, with work demobilizing during the 2020 NFL Preseason and Season, and done in a manner that allows other Stadium events to continue throughout the construction period with a minimum of disruption. Contract Revision 110 (and its related documents) includes all terms regarding the project.

Recommended Motion: *The MSFA authorizes the Chair and Executive Director to finalize and execute Contract Revision 110 to Construction Services Agreement with M.A. Mortenson Company and related documents.*



MEMORANDUM

TO: MSFA Commissioners

FROM: James Farstad, Executive Director

DATE: February 28, 2020

SUBJECT: Agreement between Owner and Architect

HKS, Inc. is the architect of record for U.S. Bank Stadium. As part of the exterior repairs scheduled to commence in 2020, HKS will provide Construction Documents for the contractors. HKS will provide these design services on a no-cost basis through a standard agreement between owner and architect (B101).

Recommended Motion: *The MSFA authorizes the Chair and Executive Director to finalize and execute an Agreement between Owner and Architect with HKS, Inc.*



February 28, 2020

MEMORANDUM

TO: MSFA Commissioners

FROM: James Farstad and Mary Fox-Stroman

SUBJECT: Approval of Termination of Project Accounts and Amended 2019 – 2020 Capital Reserve Account Budget

Capital Reserve Account Budget

On June 21, 2019 the MSFA board approved the 2019-2020 Capital Reserve Account budget with a total capital revenue budget of \$3,356,358 and a total capital expense budget of \$3,444,721. This budget now needs to be amended as a result of the mediated settlement regarding the exterior repairs of U.S. Bank Stadium. Funding for the exterior repairs, insurance costs, and other project costs of \$26,959,266.36 will be funded by the settlement agreement, other sources, and project closeout funds for a total of \$26,959,266.36.

	<u>Budget</u>
Original Capital Reserve Account Revenues Budget	\$ 3,356,358.00
New Capital Reserve Account Revenues:	
Settlement agreement funds	\$23,607,449.00
Other sources	\$ 2,187,832.71
Project closeout funds	<u>\$ 1,163,984.65</u>
Subtotal New Capital Reserve Account Revenues	<u>\$26,959,266.36</u>
Total Capital Reserve Account Revenues Budget	<u>\$30,315,624.36</u>
Original Capital Reserve Account Expenses Budget	\$ 3,444,721.00
New Capital Reserve Account Expenses are:	
Exterior repairs	\$21,497,449.00
Insurance costs	\$ 1,516,416.42
Other project costs	<u>\$ 3,945,400.94</u>
Subtotal Capital Reserve Account Expenses	<u>\$26,959,266.36</u>
Total Capital Reserve Account Expenses Budget	<u>\$30,403,987.36</u>

Additional information is provided in the attached Amended 2019-2020 Capital Reserve Account Budget.

In order to transfer the Project closeout funds, it is necessary to follow the process required under the Development Agreement entered into between the MSFA and the Vikings for construction of the Stadium. Under the Development Agreement, the daily management of the Stadium budget was assigned to the SDC Group (made up of MSFA and Vikings representatives).

Simultaneously with the Board's adoption of the recommended motion, the SDC Group will execute a document ("SDC Action") formally terminating the Project accounts consistent with the Development Agreement. Once the Project accounts are terminated (and all funds are within the Capital Reserve Account), the various Project financing documents authorized under the Development Agreement can also be wound up and terminated according to their terms.

Recommended Motion: *The Minnesota Sports Facilities Authority approves (i) the attached Amended 2019-2020 Budget for the Capital Reserve Account and (ii) authorizes the Chair and the Executive Director to confirm and execute the SDC Action on behalf of the Authority, and to finalize and execute all documents necessary to complete and terminate required Project financing documents.*

MINNESOTA SPORTS FACILITIES AUTHORITY
Year 2019 - 2020 BUDGET
July 1, 2019 to June 30, 2020

	Approved Budget 2019-2020	Increase/ Decrease	Amended Budget 2019-2020
Capital Reserve Account			
Revenues:			
Minnesota Vikings Capital Cost Payment	\$ 1,688,263.00	\$ -	\$ 1,688,263.00
State of Minnesota Capital Payment	\$ 1,668,095.00	\$ -	\$ 1,668,095.00
New Capital Revenues:			
Settlement Agreement funds	\$ -	\$ 23,607,449.00	\$ 23,607,449.00
Other Sources	\$ -	\$ 2,187,832.71	\$ 2,187,832.71
Project Closeout funds	\$ -	\$ 1,163,984.65	\$ 1,163,984.65
Total Revenues	<u>\$ 3,356,358.00</u>	<u>\$ 26,959,266.36</u>	<u>\$ 30,315,624.36</u>
Expenses:			
Capital Expenses	\$ 3,444,721.00	\$ -	\$ 3,444,721.00
New Capital Expenses:			
Exterior Repairs	\$ -	\$ 21,497,449.00	\$ 21,497,449.00
Insurance Costs	\$ -	\$ 1,516,416.42	\$ 1,516,416.42
Other Project Costs	\$ -	\$ 3,945,400.94	\$ 3,945,400.94
Total Expenses	<u>\$ 3,444,721.00</u>	<u>\$ 26,959,266.36</u>	<u>\$ 30,403,987.36</u>
Net Income Before Transfers	\$ (88,363.00)	\$ -	\$ (88,363.00)
Transfers:			
Transfer from Operating Account	\$ 4,500,000.00	\$ -	\$ 4,500,000.00
Total Transfers	<u>\$ 4,500,000.00</u>	<u>\$ -</u>	<u>\$ 4,500,000.00</u>
Change in Account Balance	<u>\$ 4,411,637.00</u>	<u>\$ -</u>	<u>\$ 4,411,637.00</u>
Beginning Capital Reserve Account Balance	\$ 2,134,288.00	\$ -	\$ 2,134,288.00
Ending Capital Reserve Account Balance	<u><u>\$ 6,545,925.00</u></u>	<u><u>\$ -</u></u>	<u><u>\$ 6,545,925.00</u></u>



MEMORANDUM

TO: MSFA Commissioners

FROM: James Farstad, Executive Director

DATE: February 28, 2020

SUBJECT: Agreement with Minnesota Vikings regarding construction contract

Throughout the development and construction of U.S. Bank Stadium, the Authority and the Minnesota Vikings (the “Team”) worked collaboratively on the project in accordance with a Development Agreement. This Development Agreement provided, in part, a process Vikings participation in the management of the Stadium project. Staff and the Team would like to utilize a similar process for the Repairs specified in CR 110 (and to designate this process for other certain other repairs as maybe specified in the Authority’s Capital Budget in accordance with the Use Agreement). This process will include:

The MSFA will manage the Repairs as a Capital Enhancement project consistent with the Use Agreement; provided the following conditions are met with respect to the Repairs under the CR 110:

- i. the approved scope of work under CR 110 will not be materially changed except after “consultation with the team,” as such phrase is defined in Section 1.2 of the Use Agreement;
- ii. the Team will be copied on all communications related to the Repairs;
- iii. the Team will be provided reasonable access to inspect work on the Repairs;
- iv. the Team may actively participate in all relevant meetings related to the Repairs; and
- v. Team input will be considered in good faith prior to Authority final determinations under the Use Agreement for Capital Enhancements regarding the Repairs.

Recommended Motion: *The MSFA authorizes the Chair and Executive Director to finalize and execute an agreement with the Minnesota Vikings regarding construction contract.*