



Minnesota Ballpark Authority Board Meeting Minutes – July 11, 2013

Chair Steve Cramer called the board meeting of the Minnesota Ballpark Authority for July 11, 2013 to order at 1:00 p.m. The roll was taken. Commissioners Barb Sykora, Martin Olav Sabo, Joan Campbell and Paul Williams were present.

Commissioner Sykora moved approval of the agenda, seconded by Commissioner Campbell and approved unanimously – 5 YEAS, 0 NAYS.

APPROVED

Commissioner Campbell moved approval of the May 3, 2013 meeting minutes, seconded by Commissioner Sabo and approved unanimously – 5 YEAS, 0 NAYS.

APPROVED

Public Comment – Justin Page an attorney with the Minnesota Disability Law Center was present, representing Mr. Gene Black, also present. Mr. Page stated that Mr. Black has a disability and uses a Segway. While the Twins prohibit the use of Segways at higher capacity events, they do provide access to wheelchairs and scooters to meet the needs of fans attending games. Mr Black prefers to use his Segway and filed a complaint with the U.S. Department of Justice against the Twins organization because Target Field does not allow access for a Segway. The complaint is still pending. Mr. Page requested that the MBA look into allowing Segway use at Target Field. Mr. Black also spoke requesting the MBA and Twins consider the use of Segway's at Target Field. He gave the Board a study written on the safety of a Segway for their consideration.

Chair Report – No report from Chair Cramer

Executive Directors Report – Executive Director Dan Kenney stated that negotiations are on-going with the Twins and the Interchange Project Office regarding a Construction License Agreement to connect the new plaza with the Target Field Promenade. The construction fence is likely to be installed on the Promenade during the week of July 22. Also, preparation for the upcoming Kenney Chesney concert is in full swing. The stage is being set up on the playing field and seating is being added on the playing field.

Audit Committee Report – Brenda Juneau, Finance Coordinator, stated that a 27.6% decrease is being proposed for the 2014 MBA Operating budget. This is due to a decrease in insurance costs and lower legal and professional services. Increases include a small increase in Capital Reserve of 1.5% and small increases in rent from the Twins and the Hennepin County contribution. An additional \$12,000 has been added to small furniture and equipment costs, this is to accommodate for miscellaneous costs associated with ballpark infrastructure.

ACTION ITEM – Resolution 13-MBA-91

Purpose:

To authorize submittal of the proposed 2014 MBA Operating and Capital Improvement Budget to Hennepin County.

Background:

Minnesota Laws 2006, Chapter 257, Section 12, subdivision 11 provides that the County may use certain proceeds from the authorized sales tax revenue to pay for governmental operating costs of the Authority, other than operating and maintaining the Ballpark. And subdivision 1 authorizes Hennepin County to make grants to the Authority for reserves for Ballpark capital improvements. The Grant Agreement between the Minnesota Ballpark Authority and Hennepin County provides details regarding an annual grant for Authority operating costs and annual payments into a reserve fund for Ballpark Capital Improvement Expenses. The Grant Agreement requires the Authority to submit a proposed operating and capital improvement budget to Hennepin County before August of every year.

Attached is the MBA proposed operating budget for 2014. The MBA Audit Committee reviewed the proposed budget on Tuesday, July 2, 2013. The Audit Committee has recommended approval of the proposed budget as attached.

The total proposed General Fund budget represents a 27.6% decrease in expenditures from the 2013 budget. As the Authority moves into 2014 there is significantly less need for legal and consulting services.

Per the Grant Agreement, Hennepin County also agrees to make annual payments for 30 years into a special revenue fund for Ballpark Capital Improvements. The required annual contribution shall be \$1,100,000 in the first year and escalates by an inflation factor thereafter.

The inflation factor is defined in the Ballpark Lease Agreement as an annual CPI increase. This is defined as an increase calculated in the index known as the US Department of Labor Bureau of Labor Statistics, Consumer Price Index, All Urban Consumers, United States City Average, All items. As calculated for the period beginning January 2010 through May 2013, the County capital contribution is proposed to be \$1,182,533.

To remain consistent with previous year budget practices, staff recommends using the CPI increase for the period beginning January 2010 through June 2012. However, the June CPI tables are not available yet. The change is not expected to be significant. Language has been included in the Resolution, allowing for the calculation of CPI through June.

The Ballpark Lease Agreement between the MBA and the Minnesota Twins, LLC Section 3.1 outlines annual Tenant rent of \$900,000, of which \$600,000 is indexed for inflation. As calculated for the period beginning January 2010 through May 2013, the Twin's rent amount is proposed to be \$945,018 for 2014. This too is expected to change slightly, when calculated for the period from January 2010 to June 2013.

Action Requested:

BE IT RESOLVED that the Minnesota Ballpark Authority Board hereby approves the Audit Committee recommendation for a Proposed MBA General Fund Operating Budget of \$850,000, and authorizes the Executive Director to submit the proposed 2014 MBA operating budget, attached as Schedule A, to Hennepin County, requesting a grant of \$850,000 from Hennepin County Ballpark Sales Tax; and

BE IT FURTHER RESOLVED that the Minnesota Ballpark Authority Board hereby approves the Audit Committee recommendation for the Proposed MBA Capital Reserve Fund Budget of \$2,169,000, attached as Schedule B, and authorizes the Executive Director to request an annual capital reserve contribution from Hennepin County Ballpark Sales Tax in the amount up to \$1,184,000, as indexed for inflation, for the period from January 2010 through June 2013, as more clearly defined in the Development Agreement By and Among Hennepin County and Minnesota Ballpark Authority and Minnesota Twins, LLC.

APPROVED

Resolution 13-MBA-92

Purpose:

To authorize the Chair and Executive Director to negotiate a cost reimbursement agreement with the Minnesota Twins for the design and installation of bollards, benches and planters around the perimeter of Target Field.

Background:

In preparation for the 2014 All-Star Game, the Minnesota Twins engaged Oslund and Associates to examine ways to enhance security around the perimeter of Target Field. Over the last six months several design alternatives and cost estimates have been developed in consultation with Mortenson Construction.

An overall plan has now been finalized and the scope of work includes the removal of 25 existing bollards, the installation of more than 40 new bollards, 76 granite benches, 7 granite planters, new security rails at the North Entry, and bollards at the parking lot entrance off of Twins Way. The construction costs are estimated to be approximately \$900,000 and soft costs and contingency add another \$97,000 to the project. The team would like to fund this work without tapping the Ballpark Capital Reserve Fund and has suggested splitting the costs with the MBA. MBA staff has proposed to the Twins that the MBA cap its contribution at \$450,000 and the team take responsibility for the balance of the project costs, including any additional soft costs and overruns.

There is a 12-week lead time on ordering the granite and operable bollards, and the Twins and Mortenson would like to start the project in September in order for the work to be complete before the opening of the Interchange and the start of the 2014 season. The MBA's proposed contribution would be paid from the Capital Project Fund, which has a current balance of approximately \$7.3 million.

Action Requested:

BE IT RESOLVED that the MBA Board authorizes the Chair and Executive Director to negotiate and execute a cost reimbursement agreement with the Minnesota Twins in an amount not to exceed \$450,000 for the design and installation of bollards, benches and planters around the perimeter of Target Field.

APPROVED

DISCUSSION ITEMS

Target Field Operations Update – Matt Hoy, MN Twins, Senior VP Operations – Mr. Hoy stated that game attendance continues to be good this season. The organization has hired a full-time certified painter and a master electrician. Twins management, and Owner, Mr. Pohlad are continually looking for ideas and concepts for improvements to Target Field.

Mr. Hoy said that the Twins are looking forward to the upcoming Kenny Chesney concert and later this month a music festival will be held at Target Field, a much smaller venue of approximately 7, 000 people. The staging will take place along the 3rd base side of the field, and mostly local musicians will be performing.

A large delegation of people will be attending the 2013 All-Star game in New York next week to gather ideas and information for when the Twins will host the All-Star game in 2014. Staff from the Twins, Delaware North, Meet Minneapolis and law enforcement personnel will be attending.

The south parking lot will be resealed and repainted next week.

Interchange Public Art Update – Commissioner Joan Campbell – Commissioner Campbell reported that the Public Art Selection Panel received ten responses to the RFQ for the public art projects at the Interchange Site. On June 24th, the Selection Panel met and selected five artist finalists to receive the RFP for the four public art sites which are the Cisterns, Granite Walls, bench seating area and bike racks. Responses are due by July 24th and the panel will meet on July 26th to interview the finalists and select the artists for each project.

Interchange Project Update – Ed Hunter, Project Manager – Mr. Hunter stated that as of May 31, 2013 the project is 26% complete. To get a better idea of where the construction is at, pictures were shown of the project under construction compared to the drawings of the plans for construction. Activities that are upcoming are completion of bridge deck pours, HERC administration building interior work, completion of the parking ramp, plaza structural pours and rail installation along the LRT bridge.

Financial Report for June 2013 – Brenda Juneau, MBA Finance Coordinator – Ms. Juneau stated that the balance of the Capital Project fund is at approximately \$7.3 million. The General Operating fund has a balance of \$833,000.

There being no further business, Chair Cramer moved to adjourn. The motion was approved unanimously - 5 YEAS, 0 NAYS. The board meeting of the Minnesota Ballpark Authority for July 11, 2013 was adjourned at 1:02 P.M.

Next Meeting: October 3, 2013 Target Field Tour Theatre