



Minnesota Ballpark Authority Meeting Minutes – April 18, 2008

Chair Cramer called the meeting of the Minnesota Ballpark Authority for April 18, 2008 to order at 1:05 PM. The roll was taken and all Commissioners were present. Kathleen Lamb, Legal Counsel, was also present.

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

APPROVED

Commissioner Campbell moved approval of the March 21, 2008 work session minutes, seconded by Commissioner Vekich and approved unanimously – 5 YEAS, 0 NAYS.

APPROVED

PUBLIC COMMENT

- None

CHAIR REPORT

- Chair Cramer had no report.

EXECUTIVE DIRECTOR REPORT

Executive Director Kenney reported the following:

- The amendment to the Development Agreement and the Construction Management Agreement are being finalized, consistent with the MBA Board’s budget approval in February. Changes that were made to the budget cost categories will be brought to the next MBA Board meeting for approval.
- The second 2010 Partners meeting took place on April 8th. Mr. Kenney and Chuck Ballentine from Hennepin County will be a part of a sub-committee formed to talk about potential district boundaries, identity and enhancements.
- The State Auditor’s office has completed their field work for the MBA audit. We anticipate the final report will be submitted within 60 days.

ACTION ITEMS

08-MBA-05 Resolution: To authorize the creation of a Ballpark District Enhancements and Public Art Incentive fund; and authorize the use of up to \$1 million from the Authority’s interest earnings on construction bond proceeds for this purpose.

Background:

In February, the MBA Board adopted Resolution 08-03, which approved a revised Ballpark Infrastructure budget of \$105 million. The revised budget included approximately \$17 million for increased on-site costs due to an expanded scope of work, poor soils, complex utility relocations, and increased costs of the 6th Street bridge/plaza. As a result, project funds that were originally allocated for off-site enhancements beyond the ballpark site footprint were eliminated.

On March 21, the MBA Board held a Work Session to review projects being undertaken by others in the vicinity of the ballpark, including the ABC Ramps Working Group's efforts to improve the functionality of the parking garages, the work of the City of Minneapolis to extend the Cedar Lake Bike Trail and reconstruct a portion of 3rd Avenue North, and Hennepin County's plans to upgrade the exterior of the HERC waste-to-energy facility.

The Board also discussed potential opportunities for investment, if resources were available, for off-site enhancements near the ballpark (the "District Enhancements") in advance of Opening Day, 2010. The following priorities were identified:

- Extension of the pedestrian bridge along 6th Street from 2nd Avenue to 1st Avenue North
- Streetscape and way finding enhancements along 5th, 6th, and 7th Streets from 2nd Avenue North to Hennepin Avenue
- Public Art/Ballpark District Gateways

In addition, there may be opportunities to partner with other agencies and private parties to pool resources to enhance the look and feel of projects that are already in the planning stages, to produce an image and unified identity for the new neighborhood that will be created adjacent to the ballpark.

The Ballpark District Enhancements and Public Art Incentive Fund will allow the MBA to work with other government agencies, private developers, and other interested parties to encourage the coordinated development of amenities that will serve both the long-term interests of the ballpark and this emerging area of the City.

Action Requested:

BE IT RESOLVED that the Minnesota Ballpark Authority authorizes the creation of a Ballpark District Enhancements and Public Art Incentive fund; and

BE IT FURTHER RESOLVED that the MBA authorizes contributing up to \$1 million from the Authority's interest earnings on bond proceeds for this purpose; and

BE IT FURTHER RESOLVED that the MBA convene a group consisting of City, County, and other public agency representatives, along with representatives of the Minnesota Twins, the Downtown Council, the Warehouse District, and the North Loop, to seek additional funding partners and identify areas of common interest for future public realm improvements; and

BE IT FURTHER RESOLVED to the extent possible, the MBA's investment in District Enhancements may be leveraged or matched by other public or private sources; and

BE IT FURTHER RESOLVED that these expenditures will be approved and authorized by MBA Board action and will be tracked in the MBA's Monthly Construction Report.

DISCUSSION:

Commissioner Sykora offered the following amendments:

Action Requested:

BE IT RESOLVED that the Minnesota Ballpark Authority authorizes the creation of a Ballpark District Enhancements and Public Art Incentive fund; and

BE IT FURTHER RESOLVED that the MBA authorizes ~~contributing up~~ the allocation of up to \$1 million from the Authority's interest earnings on bond proceeds for this purpose; and

BE IT FURTHER RESOLVED that the MBA convene a group consisting of City, County, and other public agency representatives, along with representatives of the Minnesota Twins, the Downtown Council, the Warehouse District, and the North Loop, to seek additional funding partners and identify areas of common interest for future public realm improvements; and

BE IT FURTHER RESOLVED that the staff be directed, after consultation with the parties noted above, to make a recommendation or recommendations to the Board for its consideration; and

BE IT FURTHER RESOLVED to the extent possible, the MBA's investment in District Enhancements may be leveraged or matched by other public or private sources; and

BE IT FURTHER RESOLVED that any expenditures from the ~~fund created~~ Ballpark District Enhancements and Public Art Incentive Fund will be subject to the approval and authorization of the Board's action, and will be tracked in the MBA's monthly construction report.

Commissioner Wade seconded the amendment. *The motion was approved unanimously – 5 YEAS, 0 NAYS*

APPROVED

Commissioner Wade asked if there were other groups contributing to district enhancements funds. Chair Cramer asked Beth Grosen to speak to the City of Minneapolis's investments to the ballpark district.

Beth Grosen, Principle Project Coordinator for the City of Minneapolis, stated that the City of Minneapolis has been pleased to work over the past two years with the MBA, Hennepin County and other public partners on this ballpark project. To enhance the district around the ballpark, the City has lead efforts with MnDOT and FHWA to improve the ABC ramps and to identify and tap resources to fund over \$14 million in ramp improvements. Design work on all of these ramp improvements is proceeding this year and will be funded and completed before 2010. Ms. Grosen distributed a map that notes several projects in the ballpark district that are underway. In referring to the map she noted that 3rd Avenue from 5th Street to Washington Avenue is a priority for the City and they are communicating with property owners there and considering options for street improvements. Chair Cramer noted that there have been conversations with HERC plant management about the possibility of creating a gateway at the far end of the HERC plant by Olson Memorial Parkway.

Commissioner Vekich moved the resolution. It was seconded by Commissioner Campbell.
The motion was approved unanimously –5 YEAS, 0 NAYS

APPROVED

08-MBA-06 Resolution: To confirm the audit of the State of Minnesota for the Minnesota Ballpark Authority from inception of the organization to December 31, 2007, and to authorize payment to the State of Minnesota for costs to perform the audit.

Background:

The State of Minnesota reserves the right to audit the financial statements of government agencies and is in the process of conducting an audit of the MBA from the inception of the organization through December 31, 2007. The audit is being conducted in accordance with auditing standards generally accepted in the United States; the standards for financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the legal provisions of the *Minnesota Legal Compliance Audit Guide for Local Government*. The objective of the audit is the expression of opinions as to whether the MBA financial statements are fairly represented, in all material respects, in conformity with accounting principles generally accepted in the United States.

Fees for the audit are based on standard hourly rates plus travel and any out of pocket expenses.

Action Requested:

BE IT RESOLVED that the MBA confirms the audit conducted by the State of Minnesota and authorizes payment to the State at their standard hourly rates.

Commissioner Vekich moved the resolution. It was seconded by Commissioner Campbell.
The motion was approved unanimously – 5 YEAS, 0 NAYS

APPROVED

DISCUSSION ITEMS

A. Formation of MBA Committees

Chair Cramer said that there has been discussion with Commissioners about sub-dividing some of the functions and responsibilities of the MBA. Commissioner Vekich has suggested an audit committee to oversee MBA. He has also suggested an investment committee since the MBA will have dollars available to spend and invest. Commissioners agreed to organize the audit committee now and organize the investment committee at a future meeting.

Chair Cramer made a motion to formally establish a three person Audit Committee, with Commissioner Vekich serving as Chair, and Commissioners Wade and Campbell serving as members. Commissioner Vekich moved the motion and Commissioner Sykora seconded the motion.

The motion was approved unanimously – 5 YEAS, 0 NAYS.

APPROVED

Commissioner Sykora said that more exposure with the public will be essential as we get closer to opening the ballpark so that the public has a good understanding of the role of the MBA.

Commissioner Wade said the MBA Powerpoint presentation that staff has prepared for Commissioner speaking engagements will be a great tool in presenting to the public throughout the State.

B. Report on Agreed Upon Procedures – Russell Fleming, Virchow Krause

Mr. Fleming reported on Virchow Krause’s latest scope of services for the MBA. He reviewed their report covering pay requisitions 11 – 14. Commissioner Vekich asked if Mortenson and the Project Team had cooperated with Virchow Krause as they conducted their work. Mr. Fleming said that they received outstanding cooperation. Commissioner Vekich asked that future reports include that information. Mr. Fleming distributed a second handout to the Board showing flow of payments for the pay requisition process. Agreed upon procedures are in place regarding payroll process and Virchow Krause would like to expand the scope of dollars spent in general site services and self-performed concrete work. On a quarterly basis they will meet with Colleen Livermore and Mr. Kenney to select the five scopes of services for that particular quarter. Commissioner Vekich asked if there were any compliance issues we should be reviewed. Mr. Fleming said that the processes that the project has in place certainly appeared to be consistent with internal controls that the State Auditor would suggest.

C. Construction and Planning Update – Dan Mehls, Mortenson Construction

Dan Mehls reported that with improved weather construction productivity has increased. There are 250 workers on the jobsite and over 50 people in the office trailers coordinating the work. Mr. Mehl’s said that bid package #7 will be done early May which consists of interior finishes, millwork, rail, carpet paint, ceilings, paint, systems technologies, scoreboards, and video replay portions of the building. Mortenson is in the process of reaching out to vendors who do that work. Mr. Mehl’s noted that food service design is trailing behind the rest of the design.

Mortenson is wrapping up deep foundation work and are 96% complete on piles. They continue to pour concrete and on the main concourse they are wrapping around home late and over the top of the BNSF tracks. Framing of the promenade deck can now be seen over the top of the BNSF tracks. Multiple pours were made over the Club level and Mortenson is a month away from the first suite level pouring. Most of the framing is finished for the pedestrian bridge and by the end of May Mortenson will be finishing building the bridge deck. Structural steel and precast wall panels will up in late June. By the end of July precast wall panels will be installed with the stone inlaid and there will be a mock up of the split stone on display. Mr. Mehls said that the project remains on schedule.

Workforce Participation – Mr. Mehls reported that the SWMBE project goal of 30% is currently being exceeded at 31%. Workforce participation goals are 25% minority and 5% female. The project levels through February were 15% minority and 6% female. Minority participation is increasing, but has not yet reached goal levels. In response to this, Mortenson has met with major subcontractors and had stressed the importance of these goals and hiring practices. They have also sent letters and had conversations with sub-contractor owners. Mortenson is also working on these goals internally and is currently at 30%, exceeding the 25% goal. Mr. Mehl’s said that onsite currently there are four contractors that can have the largest impact, Ames, CECO, E & J, and Mortenson.

Sub-Contractor	SWMBE	Currently	Cumulative (Goal)
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	Participation end of 2007		25%)
Ames	6.3%	7.8%	11%
CECO	9.4%	28%	21%
E & J	10.75%	21%	18%
Mortenson	18%	29.4%	22%

Mortenson will be modifying their report to look back three months to see the trends.

Mr. Mehls said that Commissioner's Wade and Vekich toured Summit Academy earlier today and had the opportunity to see what great work they are doing. The education process at Summit has resulted in character improvement with individuals in the program. They are seeing people with criminal backgrounds graduate and emerge as adults ready to earn a good living.

Mr. Mehls reported that a 60 day team safety milestone was reached without a recordable incident.

Mr. Mehls said that Mortenson will be putting together a LEED Certification package during the next few months. Chair Cramer said that he heard that the new Washington Nationals ballpark has achieved LEED silver level certification. Mr. Mehl's said that typically it takes one to two years after opening to achieve LEED Certification so Mortenson will be visiting the Nationals ballpark soon to find out what strategies worked for them in achieving silver level LEED certification. Commissioner Sykora inquired as to the criteria that the Washington Nationals met to obtain LEED Certification. Mr. Mehls said that some of the examples were lighting efficiency of equipment, chillers, day-lighting, dimmers, motion detectors, and selecting a brown field site. Commissioner Vekich requested that the MBA Board be briefed on this more extensively at the next meeting since LEED Certification is something that the MBA is investing in. He asked that we set up benchmarks and a plan for how to measure them.

Ed Hunter reported to the infrastructure activities. He said that the Promenade and transfer girders are extending over the BNSF right-of-way and segments of the Northstar rail-track bed will soon begin to be constructed. Mr. Hunter said that by the end of the summer, much of the infrastructure improvements will be complete. Mr. Hunter said that there is an outstanding claim from a subcontractor related to soil disposal from the site.

Commission Vekich asked whether there were any pending issues that the board should be made aware of. Mr. Mehls said that there has been an escalation in the cost of steel. There is a current projection that by the end of May steel will increase as much as \$110 per ton. There is 4800 tons of steel work that has been awarded and orders are being placed now. The steel is expected to be on the site by the end of June.

Mr. Hunter gave an OCIP update on the first quarterly for 2008. He noted a document in the packets showing breakdowns by program coverage and enrollments to date. There is more money from the sub-contractors deductions than anticipated against the cost exposure and the losses against the project are less than previously anticipated. Mr. Hunter said that the OCIP program is in good shape and through Mortenson's efforts we can expect that to continue. Chair Cramer asked what could change this projection. Mr. Hunter replied that steel erection is a very dangerous process and introduces an element of risk to a crowded site. Mortenson takes this seriously and continues to focus on safety issues at the site.

E. MBA Financial Report – Colleen Livermore, Ballpark Finance Coordinator

Ms. Livermore said that the payments shown in the report includes requisitions paid through the end of March. Also the \$17 million included in the capital project column includes the reversal effects of annual audit adjustments which include accruals of costs from last year. These adjustments also affected interest income, where interest received in January related to December earnings and was therefore posted back to 2007 revenue. These are normally only year end adjustments. The General Operating Fund reported as month-to-date, year-to-date or actual-versus-budget sheet are running on target and spending approximately \$155,000 a month in operating expenses. No revenues will put reported into operating funds until next grant of County sales tax money which will happen in June.

The project received a deposit of \$120 million in April and should appear on May financial statements. Also Hennepin County has indicated that the rest of bond proceeds will be coming at the end of June.

In regards to the audit, the State Auditors staff spent a week of field work at our office. A report from their office will be submitted in May. Ms. Livermore requested a brief oral summary from them and nothing out of the ordinary was highlighted. She said we could anticipate some comment about segregation of duties since we have a small office. The final report from the Auditor might take more time because it is a first year audit.

Mr. Kenney reported that the MBA will tour the new Washington National's ballpark, Oriole Park at Camden Yards and the new Mets ballpark under construction during the week of May 20th. Chair Cramer asked staff to organize a tour of our site in May as well.

Next Meeting:

- May 16, 2008

There being no further business, Commissioner Wade moved to adjourn. Commissioner Sykora seconded the motion. The motion was approved unanimously -5 YEAS, 0 NAYS. The meeting of the Minnesota Ballpark Authority for April 18, 2008 was adjourned at 2:25 P.M.