



Minnesota Ballpark Authority Meeting Minutes – May 15, 2009

Chair Steve Cramer called the meeting of the Minnesota Ballpark Authority for May 15, 2009 to order at 1:00 PM. The roll was taken. All Commissioners were present. Kathleen Lamb, Legal Counsel, was also present.

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

APPROVED

Commissioner Campbell moved approval of the April 17th, 2009, meeting minutes, seconded by Commissioner Barb Sykora and approved unanimously – 5 YEAS, 0 NAYS.

APPROVED

CHAIR REPORT

Chair Steve Cramer reported the following:

- Chair Cramer recently met with staff from the City of Minneapolis to discuss priorities for enhanced district improvements around the ballpark.

EXECUTIVE DIRECTOR REPORT

Executive Director Dan Kenney reported the following:

- Mr. Kenney and Ed Hunter met with Covanta and Hennepin County staff to discuss Hennepin County's plans for \$2 million for improvements around the HERC facility and on 7th Street.
- The City has started the process of developing a larger way-finding package beyond the ballpark footprint, and Mr. Kenney is serving on the Technical Advisory Committee.
- Mr. Kenney and Ed Hunter conducted a site-tour of the Ballpark for 40 people attending the American Planning Association Conference. Mr. Kenney also participated in a panel discussion at the conference and the Ballpark project received very favorable comments from the conference attendees. Other recent positive peer reviews were received from Mike Duckett, Executive Director of Miller Park District and Steve Ethier, Executive Director of the Minneapolis Convention Center. Mr. Ethier also previously worked for

the Brewers and Washington Nationals. Both were impressed with the design of the ballpark and the quality of construction to date.

UPDATE FROM THE TWINS – Dave St. Peter, President

Mr. St. Peter reported that the ballpark project is on time and on budget. This is a testament to the continued collaborative approach on this project with the MBA, Twins, Populous (HOK), and Mortenson. This reality would also not be possible without the continued support, commitment and investment from the Pohlad family. The Pohlad family has now committed and fully funded an incremental investment of \$55 million dollars aimed at insuring the long term success of this project. This investment has been earmarked for a variety of uses, but largely has been focused on enhancements to the overall fan experience and ballpark design and architecture. These additional commitments from the owners bring the Twin's total ballpark contribution to \$185 million.

ACTION ITEMS:

09-MBA-31: To acknowledge receipt of certain Team Ballpark and Public Infrastructure funding contributions in respect of Team obligations under the Development Agreement.

To approve increases in the project budget for Public Infrastructure and the Ballpark in conformance with previously-authorized contractual undertakings and expenditures and authorize the Chair and Executive Director to take appropriate further action with respect to those project budget changes.

Background:

Team Ballpark and Public Infrastructure Funding Commitments

Under the terms of the 2006 Ballpark legislation the Team's original funding commitment was to provide \$130,000,000 for Ballpark construction costs and to pay for any Ballpark enhancements or Ballpark cost overruns. The public's commitment was to provide \$260 million for Ballpark construction costs and \$90 million for Public Infrastructure costs. While the legislation did not require it, the Team subsequently made additional funding commitments to the Ballpark and the Public Infrastructure.

Under the Development Agreement, dated as of April 26, 2007 (the "Original Development Agreement"), by and among the Authority, Hennepin County and Minnesota Twins, LLC (the "Team"), as amended by Amendment No. 1 to Development Agreement, dated as of April 21, 2008 (the "Development Agreement Amendment;" the Original Development Agreement as amended by the Development Agreement Amendment, the "Development Agreement") the Team committed to fund: (i) \$130 million of Ballpark costs consisting of the \$45 million Team Initial Payment and the Team Final Payment in the amount of \$85,000,000, (ii) the Team Ballpark Enhancement Contribution in the amount of \$22,529,185, and (iii) the Team Additional Funds for non-land infrastructure expenses in the amount of \$15,000,000.

As of April of 2008, these actions increased the Public Infrastructure budget from \$90 million to \$105 million and the Ballpark budget from \$390 million to \$412,529,185.

Since the adoption of the Development Agreement Amendment an additional \$5.525 million has been added to the Public Infrastructure Budget from public funding sources: The Minnesota Department of Transportation funded the \$3.375 million elevated walkway over 7th Street; the MBA authorized spending \$1 million for LEED efforts and \$1 million for District Enhancements; and the Northstar Project funded a \$150,000 art installation in the Vertical Circulation Building. As a result of these investments, the total Public Infrastructure budget was increased to \$110,525,000.

The Development Agreement Amendment required the Team, at the time specified therein, to submit to the Authority a progress report on the provision of Ballpark furniture, fixtures and equipment (FF&E). In the progress report provided to the Authority earlier this year, the Team committed to providing an additional \$6,000,000 for Ballpark FF&E. The Team also committed, as of March 31, 2009, to paying for additional Ballpark enhancements at a cost of \$6,962,509.

These most recent Team funding commitments for Ballpark costs, totaling \$12,962,509, will increase the Team's contribution for the Ballpark to \$165,491,694, and will increase the Ballpark budget from \$412,529,185 to \$425,491,694.

Plaza Enhancements

By Resolution 09-MBA-25 adopted February 20, 2009, the Authority authorized a plaza enhancement letter agreement with Minnesota Twins, LLC and Twins Ballpark, LLC for construction and funding of enhancements ("Plaza Enhancements") to the Plaza/Bridge/Connector.

The letter agreement, dated April 20, 2009 ("Letter Agreement"), provides for a plaza enhancements budget in the amount of approximately \$11.8 million, of which approximately \$9.0 million constitutes plaza enhancements to be funded by additional contributions of the Team and Target Corporation. This Public Infrastructure contribution from the Team and Target Corporation is in addition to the \$15 million non-land infrastructure contribution the Team committed to in the Development Agreement.

These most recent private funding commitments of \$9 million for Public Infrastructure will increase the Public Infrastructure budget from \$110,525,000 to \$119,525,000.

In March and April, 2009, the Team provided funds in the aggregate amount of \$139,991,694 in respect of the Team Final Payment, the Team Additional Funds, and the funding obligations for the additional Ballpark FF&E, Ballpark Enhancements, and the Plaza Enhancements, which funds were received by the Trustee under the Construction Funds Trust Agreement ("CFTA") and deposited to the credit of the appropriate accounts under the CFTA. The Team has now funded its \$165,491,694 commitment for Ballpark costs, and its \$19.5 million commitment for Public Infrastructure costs. On May 1, Target Corporation provided \$4.5 million for its share of the plaza enhancements, which was received by the Trustee under the CFTA and deposited to the appropriate account under the CFTA, in accordance with the terms of the Letter Agreement.

Action Requested:

BE IT RESOLVED, that the Team and Target Corporation contributions to the project are hereby acknowledged.

BE IT FURTHER RESOLVED, that an increase in the Public Infrastructure project budget for the Plaza Enhancements in the amount of \$9.0 million shall be and hereby is approved.

BE IT FURTHER RESOLVED, that an increase in the Ballpark project budget in the amount of \$12,962,509 shall be and hereby is approved.

BE IT FURTHER RESOLVED, that the Chair and Executive Director shall be and hereby are authorized and directed to take such actions as the Chair and Executive Director in their reasonable discretion shall determine, upon the advice of counsel, so that the Public Infrastructure project budget increase relating to the Plaza Enhancements and the Ballpark project budget increase relating to FF&E and other Ballpark enhancements may be appropriately reflected with respect to applicable provisions of the Development Agreement (including Exhibit O thereto); provided, that the execution of any agreement or amendment by the Chair and Executive Director shall be conclusive evidence of their determination as to the final form thereof and of the satisfaction of the Authority regarding the foregoing.

Commissioner Vekich moved to amend the resolution by adding the following:

"BE IT FURTHER RESOLVED, that the Chair and the Executive Director shall report to the Authority regarding the status of the foregoing matters, upon their execution of agreements or amendments or their taking of other significant actions in connection with such matters."

The motion was seconded by Commissioner Sykora and approved unanimously – 5 YEAS, 0 NAYS.

Commissioner Vekich moved approval of the amended resolution seconded by Commissioner Campbell and approved unanimously – 5 YEAS, 0 NAYS.

APPROVED

DISCUSSION ITEMS:

- A. **Construction and Planning Update – Ed Hunter, MBA Project Manager**
Demolition of the bridge parapet along 7th is complete. Populous and the City are reviewing the lighting plan for uniformity. Ramp A elevated walkway columns are being built and installation will occur on June 15th during which time 7th Street and 3rd Avenue will be closed. The plaza extension is continuing at a rapid pace as deck structure for the walkway is being set from 1st Avenue towards 2nd. The Plaza stairs to the skyway will be complete once the opening to the skyway is made. Northstar received their Certificate of Occupancy from Mortenson four months ahead of schedule.
- B. **Construction and Planning Update – Dan Mehls, Mortenson Construction**
Mr. Mehls reported that the project is on schedule. Critical activities ahead are completion of exterior and interior spaces before the winter months. The substantial completion date is March 3, 2010. The structural steel will be completed June 5th with a luncheon being planned that day. Enclosure is on schedule to finish end of June including stone wall panels and brick. All nine topiaries have been installed on the plaza. Construction of the roof deck bar on top of the Twins Administration Building has begun. The playing field is being graded in preparation for sod installation in August. The sod

will be harvested August 15th in Colorado and installed within 36 hours in Minnesota. Presently there are 800 workers on-site.

- C. **Community Participation Program – Lynn Littlejohn, Mortenson Construction**
The project is exceeding the 30% SWMBE goal at 32%. Mortenson has procured approximately \$307 million dollars of work with \$98 million committed to SWMBE firms. Workforce minority participation has reached the goal of 25% and 6% female. In the Community Workforce Program, 57 individuals have been hired to date. Mortenson has hired an intern from Hopkins High School to work on the project for the summer months.

- D. **2009 MBA Staff Work Plan – Susie Helget, Administrative Manager**
Ms. Helget reported that mid year all goals listed on the 2009 MBA Staff Work Plan are on schedule. Highlighting a few of the items on the work plan, Ms. Helget noted that positive feedback has been received from the MBA web-site since the addition of the ballpark video tour. The 2009 Greater Minnesota Tour started in Rochester in March and the next tour is scheduled for June 19th in Moorhead. Plans continue for the MBA office move to the new ballpark in 2010 and potential transition from some County operations are being considered and will be reported on in future months.

- E. **MBA Financial Report – Brenda Juneau, MBA Finance Coordinator**
Ms. Juneau presented the MBA financial reports through April 30, 2009, for the General Fund and Capital Projects Fund. The Operating Fund has realized the Minnesota Twins \$185 million contribution. The project with the amended resolution shows the construction side completed at 63%. The General Operating Fund continues to show expenditures higher than revenues but will be on target by the end of the year.

Next meeting: June 19 – Moorhead, Minnesota

There being no further business, Chair Cramer moved to adjourn. The motion was approved unanimously - 5 YEAS, 0 NAYS. The meeting of the Minnesota Ballpark Authority for May 15, 2009, was adjourned at 2:00 P.M.