



Special Minnesota Ballpark Authority Meeting Minutes – June 25, 2010

Chair Steve Cramer called the special meeting of the Minnesota Ballpark Authority for June 25, 2010 to order at 1:00 p.m. The roll was taken. Commissioners Barb Sykora, John Wade and Joan Campbell were present. Commissioner Mike Vekich was absent. Kathleen Lamb, Legal Counsel, was also present.

Commissioner Wade moved approval of the agenda, seconded by Commissioner Campbell and approved unanimously – 4 YEAS, 0 NAYS.

APPROVED

Commissioner Campbell moved approval of the May 21, 2010 meeting minutes, seconded by Commissioner Wade and approved unanimously – 4 YEAS, 0 NAYS.

APPROVED

CHAIR REPORT

Chair Steve Cramer reported the following:

- Chair Cramer said that he is in preliminary and informal discussions with Hennepin County regarding future development opportunities around the ballpark.

EXECUTIVE DIRECTOR REPORT

Executive Director Dan Kenney reported the following:

- On June 11, 2010, Commissioner Mike Vekich accepted the MEDA “Community Partner of the Year” award on behalf of the MBA. This is not given every year and is quite an honor for the Authority. The Minneapolis Commission on Civil Rights issued their final report on Community Participation to the MBA. The report is included in the meeting materials. The hearing with the Examiner of Titles regarding the ballpark property is Tuesday, July 29th at 10:30. It is a significant milestone for the ballpark project.

ACTION ITEMS

6-25-10 Proposed Resolution 10-MBA-53

Purpose:

To acknowledge and thank Carol Dean for her work as Administrative Assistant to the Minnesota Ballpark Authority and to wish her well in her new position at the Hennepin County Interchange Project.

Background:

WHEREAS, Carol Dean began her work with the Minnesota Ballpark Authority in November of 2006, bringing to the Authority high-level administrative experience in transportation and construction projects, including four years working on the Hiawatha Light Rail Construction Project; and

WHEREAS, Ms. Dean quickly proved herself to be a self-starter by developing and maintaining a detailed file system to manage the reports, construction files, contracts and all other paperwork for the ballpark project in her first quarter of work with the Authority; and

WHEREAS, Ms. Dean's high-level proficiency in software applications, accounting, coordination and staffing board meetings, and overall willingness to help others has been a great asset to the Authority; and

WHEREAS, on June 1, 2010, Ms. Dean completed her service to the Authority and became the Administrative Assistant to the Hennepin County Interchange Project;

Action Requested:

THEREFORE BE IT RESOLVED, that the Minnesota Ballpark Authority hereby expresses its appreciation to Carol Dean for her dedicated service, strong work ethic, and faithful spirit; and

BE IT FURTHER RESOLVED, that the MBA sends its best wishes to Ms. Dean for great success at the Interchange Project.

06-25-10 Proposed Resolution 10-MBA-54

Purpose:

To extend the term of the Professional Services Agreement with Red Hawk Consulting, Inc.

Background:

On December 15, 2006, the Authority approved Resolution 06-MBA-26R1, which authorized the Chair and Executive Director to negotiate and enter into an agreement with Red Hawk Consulting, Inc. The contract commenced on March 1, 2007. The Scope of Services set forth in that agreement included several responsibilities, including on-site project management oversight for the ballpark, development of capital and maintenance programs, interjurisdictional planning and other tasks as requested by the Authority.

The termination date for the agreement is August 31, 2010. Staff expects that services will be needed past the current termination date and desires to obtain assistance from Red Hawk Consulting, Inc. on an as-needed basis, for tasks such as the on-site physical audit of the ballpark site in 2011, as well as other tasks as directed by the Executive Director. All other terms of the agreement, including hourly rates, will remain the same.

The Executive Director recommends that the term of the agreement with Red Hawk Consulting, Inc. be extended to December 31, 2011.

Action Requested:

BE IT RESOLVED that the Chair and Executive Director are authorized to extend the term of the agreement with Red Hawk Consulting, Inc. to December 31, 2011.

6-25-10 Proposed Resolution 10-MBA-55

Purpose:

To authorize supplemental appropriations and fund transfers to amend the 2009 budget.

Background:

The Minnesota Ballpark Authority (MBA) General Fund was established to support operating costs of the Ballpark Authority. These operating costs are supported by sales tax revenue held in Hennepin County Ballpark Sales Tax Revenue Fund. Before the end of each fiscal period the Ballpark Authority submits a request to the County for grant revenue, to cover estimated costs through the end of the period.

Staff has reviewed the status of final 2009 expenditures relative to the approved 2009 General Fund budget of 2,573,660. Overall MBA General Fund expenditures exceeded revenue by \$97,409.

The primary cost drivers in 2009 were the need for additional URS surveying services to support the ballpark land title registration, land title fees, and artist stipends that were paid as part of the Public Art selection process that was led by the MBA for the 5th Street murals and the sculpture installation in the Vertical Circulation Building. While there were savings in several other line items of the 2009 budget to cover some of these additional expenses, there were not enough resources to cover all the costs.

Under the terms of the Ballpark Development Agreement, land title fees and land surveying costs associated with the ballpark land title registration are outside the scope of the ballpark infrastructure budget, thus these expenses must be covered as an operating cost of the Minnesota Ballpark Authority.

In the case of the artist stipend payments, staff recommends that these costs be covered with a transfer of \$24,000 from the Capital Project Fund Infrastructure interest earnings. In April 2008, the MBA Board adopted Resolution 08-05, which authorized the creation of a Ballpark District Enhancements and Public Art Incentive fund and in July of 2008 the Board adopted Resolution 08-09, which established the Public Art Steering Committee and authorized spending \$200,000 on public art projects. The Committee selected 6 finalists to submit proposals for review and each artist received a \$4,000 stipend. The Board's \$200,000 authorization funded the murals on 5th Street and staff recommends the stipends also be paid out Project Fund Infrastructure interest earnings. Funds are available for purpose and an additional Board authorization of \$24,000 would allow for a transfer from this fund.

It is staff's recommendation to cover remainder of the need for additional 2009 operating resources with dollars from the General Fund balance. The 2010 grant reimbursement request will be increased by \$76,000 to cover the estimated need in the General Fund. Schedule 1 shows detail of the expenditure categories that exceeded the authorized expenditure level and the supplemental appropriation required.

Action Requested:

BE IT RESOLVED, that the 2009 budget be amended, as attached in Schedule 2, through supplemental appropriations and fund transfers as identified in Schedule 1, and that the Finance Coordinator be authorized to transfer funds as directed.

06-25-10 Proposed Resolution 10-MBA-56

Purpose:

To revise the Public Infrastructure budget to reflect the Team's obligation for, and payment of costs for plaza enhancements ("Plaza Enhancements"), as contemplated in the letter agreement ("Letter Agreement") dated April 20, 2009.

Background:

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 additional plaza enhancements and structure. The Letter Agreement, dated April 20, 2009, contemplated that these infrastructure Plaza Enhancements would be made in an amount of approximately \$11.8 million, of which approximately \$2.8 million would be derived from credits for base finishes in the existing infrastructure budget, while an additional \$9 million would be paid through additional contributions of the Team and Target Corporation.

On May 15, 2009, the Authority adopted Resolution 09-MBA-31, by which the Public Infrastructure budget was increased by \$9 million, from \$110,525,000 to \$119,525,000, to reflect the Team's obligation and commitment to pay for the Plaza Enhancements.

During the last year of construction, pursuant to the Letter Agreement, the construction management staff comprised of Team, MBA, and Mortenson personnel, have diligently tracked Enhanced Plaza costs to be the sole and exclusive obligation of the Team. By virtue of allocation adjustments within the Mortenson contract, all costs associated with the Plaza Enhancements were identified as "Ballpark" (or Team) costs, thus denoting that no MBA Public Infrastructure monies would be used for payment. In that manner, change orders to the Mortenson contract were also processed for the Plaza Enhancements with 100% "Ballpark" (or Team) allocations. Having been executed as such, and subsequently processed for payment as such, the Team has now paid, and continues to pay directly for these infrastructure improvements, without use of funding from the Public Infrastructure budget. With these payments and the closeout of the Mortenson contract, the Team will have fulfilled its obligation under the Letter Agreement; while the Public Infrastructure budget remains artificially inflated with \$9 million in funds already spent directly by the Team.

A budget amendment authorization will reduce the Infrastructure Budget from \$119,525,000, to \$110,525,000, and increase the Ballpark Budget from \$435,491,694 to \$444,491,694. This amendment will not change the total budget of \$555,016,694, or the previously approved contributions to the project.

Action Requested:

BE IT RESOLVED, that the Project Budget be hereby amended, decreasing the Public Infrastructure budget by \$9 million, and increasing the Ballpark budget by \$9 million, to reflect direct payment by the Team for all Plaza Enhancements in accordance with the Letter Agreement, shall be and hereby is approved.

06/25/10 Proposed Resolution 10-MBA-57

Purpose:

To authorize the Chair and Executive Director to enter into Amendment No. 3 to Professional Services Agreement BP072207 with **URS Corporation**, Fifth Street Towers, 100 South Fifth Street, Suite 1500, Minneapolis, MN 55402 ("URS"), for ongoing services associated with site surveying, preparation of legal exhibits, preparation of property legal descriptions, and preparation of easement and other property documents.

Background:

On January 1, 2007, after due diligence and consideration, Hennepin County entered into a consultant services agreement with URS for the services described above, in an estimated contract amount of \$389,370, to be billed on a time and materials basis. In November of 2007 that initial contract budget was exhausted.

In November of 2007, Minnesota Ballpark Authority (“MBA”) staff recommended that the Hennepin County contract be closed, and a new professional services agreement be entered into between URS and the MBA, using the same billing rates set forth in the Hennepin County contract, on a time and materials basis. Subsequently, via authorization given in MBA Resolution 07-MBA-29, the Chair and Executive Director executed MBA Contract BP072207 for this work (the “Agreement”), in an amount Not-To-Exceed \$500,000.

In 2009, the MBA Board approved two amendments to the URS Agreement. The first amendment became necessary as the MBA needed additional surveys and preparation of exhibits associated with added project scope, including the Ramp “A” elevated walkway, the revised plaza extension, preparation of street vacation documents, and as-built documentation for City-owned utilities. As a result of the foregoing, the Board gave authorization via MBA Resolution 09-MBA-28, for the Chair and Executive Director to execute Amendment No. 1 to the Agreement, in an amount Not-To-Exceed \$241,000, to be billed on a time and materials basis.

In August of 2009, the MBA Board authorized the second amendment to the URS Agreement, as efforts to create exhibits, legal descriptions, and depictions necessary for the execution of the Northstar Operations and Maintenance Agreement had depleted the previously authorized budget. With the execution of the Northstar O&M agreement, MBA staff believed it prudent to continue to retain URS for their expertise and assistance to finalize and record the necessary easements, property descriptions, title registrations, and agreements. Subsequently, the Board authorized the commitment of an additional \$300,000 towards the URS Agreement, for a total contractual Not-To-Exceed amount of \$1,041,000.

Under the terms of the Ballpark Development Agreement, the MBA is responsible for completing site acquisition and title registration efforts for the ballpark, including curing title defects that could encumber the site. Land surveying costs associated with the title registration are outside the scope of the ballpark infrastructure budget, and these expenses must be covered as an operating cost of the MBA.

MBA staff, legal counsel, and URS are working diligently and cooperatively with adjoining property owners to address comments, questions, and concerns on the ballpark title registration process. In many instances, this has required the production of new exhibits and as-built depictions, resulting in the MBA expending additional URS time and resources to resolve issues as they arise. While these activities have caused the previously authorized URS budget to be depleted, the remaining property issues and list of final surveying tasks has been reduced significantly over the last few months. Most importantly, the ballpark title registration process is on track.

To ensure the completion of the work, it is the recommendation of MBA staff to authorize Amendment No. 3 to the URS Agreement, to increase the cost by \$200,000, for a Total Not-To-Exceed Agreement amount of \$1,241,000. All billing rates and procedures pursuant to the Agreement still apply. Costs for this work will be covered within the approved 2010 MBA Operating Budget.

Action Requested:

BE IT RESOLVED that the Chair and Executive Director are authorized to enter into Amendment No. 3 to MBA Contract BP072207 with URS Corporation, for services described above, in an amount not to exceed \$200,000, for a new Total Not-To-Exceed Agreement amount of \$1,241,000.

06-25-10 Proposed Resolution 10-MBA-58

Purpose:

To adjust the 2010 MBA Board meeting schedule and establish quarterly Board meetings beginning in August of 2010 and thereafter.

Background:

The Minnesota Open Meeting Law anticipates the public bodies will set regular meetings. In August of 2006, the Authority passed a resolution establishing regular monthly board meetings on the 3rd Friday of each month until further resolution.

The Authority will now be holding its regular meeting on a quarterly basis, instead of monthly.

Action Requested:

BE IT RESOLVED that beginning August 20th, 2010, the Authority will hold its regular meetings quarterly on the 3rd Friday of the second month of each quarter, beginning at 1:00 p.m. at Target Field. Staff is directed to post the new schedule on the website and to post notification by such other means as staff determines necessary and appropriate.

DISCUSSION ITEMS

- A. Ballpark Project Status – Ed Hunter, Project Manager**
Mr. Ed Hunter informed the Board that the construction project is in the final stages of closeout and that Mortensen Construction is owed one more payment.
- B. Target Field – Matt Hoy, Vice President, Twins Ballpark Operations**
Mr. Hoy reported that there have been a few operational issues to deal with since Opening Day but they have been addressed and overall operations are going well. The public tour program is up and running and numbers are exceeding what was expected.
- Chair Cramer invited Mr. Hoy to give regular ballpark updates at each Board meeting going forward. Mr. Hoy said that he would be happy to provide ongoing updates to the MBA Board.
- C. MBA Financial Report – Brenda Juneau, MBA Finance Coordinator**
Ms. Juneau presented the MBA financial reports for the period ending May 31, 2010, for the General and Capital Projects Fund. A deficit in the operating fund balance is typical for May. A request for grant funds from Hennepin County will correct this in June. The Capital Project Fund has a \$16 million fund balance; this includes \$5.5 million uncommitted interest earnings and \$10 million committed to construction. The operating fund budget to actual is \$392 thousand under budget at this time.

Next meeting: August 20, 2010 Target Field Tour Theatre

There being no further business, Chair Cramer moved to adjourn. The motion was approved unanimously - 4 YEAS, 0 NAYS. The special meeting of the Minnesota Ballpark Authority for June 25, 2010, was adjourned at 1:30 P.M.