



Minnesota Ballpark Authority Meeting Minutes – August 21, 2009

Chair Steve Cramer called the meeting of the Minnesota Ballpark Authority for August 21st, 2009 to order at 1:00 p.m. The roll was taken. Commissioner Joan Campbell was absent. Commissioners Mike Vekich, Barb Sykora, John Wade, Chair Steve Cramer and Kathleen Lamb, Legal Counsel, were present.

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

APPROVED

Commissioner Sykora moved approval of the July 17, 2009, meeting minutes, seconded by Commissioner Wade and approved unanimously – 4 YEAS, 0 NAYS.

APPROVED

CHAIR REPORT

Chair Steve Cramer reported the following:

- Next month the MBA Board will conduct Executive Director Dan Kenney's annual performance review.

EXECUTIVE DIRECTOR REPORT

Executive Director Kenney reported the following:

- As the project moves from construction to operation, Jenifer Loritz from the City of Minneapolis Public Works Department is heading the Event Management Committee which will coordinate planning for controlling traffic and event signal timing and the management of large crowds coming into the western edge of downtown for Twins games. Executive Director Kenney attends these meetings on behalf of the MBA.
- Mr. Kenney is also serving on the Technical Advisory Committee whose charge is to develop a way-finding package beyond the ballpark footprint.
- Mr. Kenney and Ed Hunter are making progress coordinating various approvals with other public agencies for streetscape improvements outside the ballpark.

MBA Audit Committee Report: Commissioner Vekich reported that the MBA Audit Committee met on August 11th to review and discuss the MBA 2010 operating budget. Hennepin County requires the MBA submit permanent budget for the upcoming year in August of each year. There was discussion of some of the categories and how they fit in relationship to MBA's 2010 role. Commissioner Vekich recommended that the MBA approve the submission of the budget to the Hennepin County Board.

ACTION ITEMS:

09-MBA-36: To authorize the Executive Director to submit the proposed 2010 MBA operating budget to Hennepin County.

Background:

The Grant Agreement between the Minnesota Ballpark Authority and Hennepin County requires that by August of each calendar year, the Authority shall submit a proposed budget to the County for the Authority's Operating Costs and a request that the County make a grant for a designated amount of such costs. Unless waived by the County, the Authority's requests shall recur annually up through the year prior to the expiration of the initial term of the Use Agreement.

BE IT RESOLVED that the Minnesota Ballpark Authority authorizes the Executive Director to submit the proposed 2010 MBA operating budget in the amount of \$2,408,000.00 to Hennepin County.

Commissioner Mike Vekich moved approval, seconded by Commissioner Wade and approved unanimously – 4 YEAS, 0 NAYS.

APPROVED

09-MBA-37: To authorize the Chair and Executive Director to complete negotiations and execute a Second Amendment to Maintenance Agreement (the "Second Amendment"), further amending the existing Maintenance Agreement, as amended by the First Amendment to Maintenance Agreement (the "First Amendment" and collectively, the "Agreement"), by and among the Authority, the Minnesota Department of Transportation ("Mn/DOT"), and the Minnesota Twins, LLC (the "Team"), for the purpose of designing, constructing, and maintaining an artwork, commonly referred to as the wind veil (the "Wind Veil"), an additional enhancement to the pedestrian plaza known as the "Plaza/Bridge/Connector" adjacent to the Minnesota Twins Ballpark (the "Ballpark").

Background:

The 2006 legislation creating the Minnesota Ballpark Authority (the "Authority") authorized the Authority to acquire property rights related to the Ballpark. In the furtherance of the construction of the Ballpark, the Authority secured from Mn/DOT the right to construct, maintain, and operate public infrastructure and Ballpark-related improvements over portions of the I-394 and I-94 rights-of-way. The public infrastructure and related improvements include, but are not limited to, the Plaza/Bridge/Connector, a service road, and other related facilities (such as lighting, mechanical ventilation, and traffic management systems).

Maintenance Agreement

The Authority and the Team have entered into agreements, including the Agreement, allocating the responsibility for the maintenance and repair of the public infrastructure and related improvements to be constructed on the Mn/DOT rights-of-way pursuant to which it will be primarily responsible to Mn/DOT for those maintenance obligations assumed under the Agreement and other agreements with the Authority. Pursuant to the Second Amendment, the Team will be solely responsible for all obligations and responsibilities associated with the Wind Veil.

Plaza Enhancements and Funding Commitments

By Resolution 09-MBA-25 adopted February 20, 2009, the Authority authorized a plaza enhancement letter agreement with the Team and Twins Ballpark, LLC for construction and funding of enhancements to the Plaza/Bridge/Connector (“Plaza Enhancements”). The letter agreement, dated April 20, 2009 (the “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 from the Team and Target Corporation (“Target”). The Wind Veil is one of the Plaza Enhancements being funded by the Team and Target.

In March and April, 2009, the Team provided funds to fulfill its funding obligations for the Plaza Enhancements in accordance with the terms of the Letter Agreement. On May 1, Target provided its share of the funds for the Plaza Enhancements in accordance with the terms of the Letter Agreement.

Action Requested:

BE IT RESOLVED, that the Authority authorizes the Chair and Executive Director to complete negotiations and execute the Second Amendment with Mn/DOT and the Team substantially in the Authority form on file with the Authority on the date hereof, with such necessary and appropriate variations, omissions and insertions as are not materially inconsistent therewith, as the Chair and Executive Director in their discretion shall determine, provided that the execution thereof by the Chair and Executive Director shall be conclusive evidence of such determination; and authorizes the Executive Director or his designee to take all such actions as are necessary to fulfill the Authority’s rights and obligations thereunder.

Commissioner Vekich moved approval, seconded by Commissioner Wade and approved unanimously – 4 YEAS, 0 NAYS.

APPROVED

09-MBA-38: To authorize adjustments to expenditures for infrastructure and streetscape improvements in the vicinity of the ballpark property; and to authorize the execution of a use permit for the bike and pedestrian improvements on 3rd Avenue from 7th Street to 12th Street.

Background:

At the April 17, 2009 Board Meeting, Minnesota Ballpark Authority (MBA) staff provided recommendations to the Board regarding additional project improvement opportunities in the areas surrounding and immediately adjacent to the ballpark. Subsequently, Resolution No. 09-

MBA-30 was adopted, authorizing MBA staff to proceed with certain identified and prioritized projects, utilizing an estimated \$2,000,000 in remaining infrastructure contingency. After receiving a Met Council grant to assist with the Authority's proposed bike and pedestrian improvement project along 3rd Avenue, staff returned to the Board at the June 2009 meeting and provided additional recommendations in Resolution No. 09-MBA-33. These recommendations included: (1) Increasing the NTE amount for the 7th Street improvements to expand the sidewalk along the ballpark; (2) Adding glass commemorative panels along one side of the plaza wedge planter, which will document the history of Minnesota's pro and semi-pro baseball stadiums over the past century; and (3) Adding \$100,000 for Improvements to 2nd Avenue between 5th Street and 7th Street. The resolution was adopted and these projects are moving forward and are on schedule to be in place before April of 2010.

Since the Board took action in June, the MBA has been working with the Ballpark project team, the City of Minneapolis, Hennepin County and the Minnesota Department of Transportation on developing concepts for improvements to 2nd Avenue. Staff has also been working to fulfill various documentation requirements related to receiving the Met Council grant for the 3rd Avenue improvements from 7th Street to 12th Street. These additional efforts, along with requested Board actions, are summarized as follows:

1. The attached photographs of 2nd Avenue in front of Target Center demonstrate how this area dominates the view from both the ballpark's pedestrian plaza and as commuters enter downtown from Interstate 394 at 6th Street. We examined adding additional lighting without making any changes to the existing sidewalk and we determined it was necessary to make a more significant investment to improve the present conditions. In the new plan we are proposing to add a retaining wall along the 394 side to expand the sidewalk out to the skyway support column line. We would also add a new ballpark style fence, pedestrian lighting and bike racks to extend the look and feel of the ballpark plaza across the 394 corridor, just as we did with the plaza extension to 1st Avenue North. MnDOT has agreed to allow the project to utilize its right-of-way to expand the 2nd Avenue sidewalk and the City of Minneapolis has agreed that the additional pedestrian lights will be added to the City's power grid and the City will be responsible for maintaining this expanded pedestrian area. The total cost for the 2nd Avenue project will not exceed \$350,000, and we have funds available within the Project's Infrastructure Contingency and the MBA's District Enhancement Fund for this purpose.
2. As part of the grant funding requirements for the 3rd Avenue improvements from 7th Street to 12th Street, MnDOT requires a 'use permit' whenever proposed improvements encroach on property owned by other parties or other public entities. Some of the bike and pedestrian improvements we have proposed along 3rd Avenue will be constructed on MBA property along the ballpark's south parking lot. Staff is requesting authorization for the Chair and Executive Director to sign the required use permit, so that the bid documents for these planned improvements can be released.

Action Requested:

BE IT RESOLVED that the Minnesota Ballpark Authority Board authorizes the expenditure of funds from a combination of the Infrastructure Contingency Fund, and the Ballpark District Enhancements and Public Art Incentive Fund, for 2nd Avenue North improvements between 5th Street and 7th Street in an amount Not To Exceed \$350,000 including contingency.

BE IT FURTHER RESOLVED that the Minnesota Ballpark Authority Board authorizes the Chair and Executive Director to execute a use permit for the bike and pedestrian improvements on 3rd Avenue from 7th Street to 12th Street.

Commissioner Vekich moved approval, seconded by Commissioner Sykora and approved unanimously – 4 YEAS, 0 NAYS.

APPROVED

09-MBA-39: To authorize the Chair and Executive Director of the Minnesota Ballpark Authority (the “Authority”) to complete negotiations and enter into final easement agreements (the “Easement Agreements”) with the City of Minneapolis (the “City”) to set forth the parties’ respective rights and responsibilities for the design, construction, operation, maintenance, repair and reconstruction of the Cedar Lake Trail (the Trail”) within the Ballpark property owned by the Authority (the “Authority Property”).

To authorize the acceptance of funds from the City for the initial payment to the Authority for the Authority Property needed for the Trail, and to negotiate and determine the final price to be paid by the City to the Authority based upon the fair market value of the Authority Property needed for the Trail.

To authorize the Chair and Executive Director to execute an interim agreement with the City pending the negotiation and execution of the final Easement Agreements and the negotiation of the final price for the Authority Property needed for the Trail.

Background:

For several years, the City has planned to construct Phase III of the Trail (the “City Project”) from the current terminus point of the Trail at Royalston Avenue North through the northwesterly portion of what is now the Authority Property lying immediately adjacent to the BNSF railway right of way, and continuing from its intersection with the 5th Street North Bridge on the northeasterly boundary of the Authority Property to Washington Avenue North.

On December 21, 2007, the Authority Board of Commissioners adopted Resolution No. 07-MBA-07-31R1, which accepted and approved the Ballpark Implementation Committee’s recommendations on the Ballpark’s site plan and design. Item 9 of the recommendations approved the alignment of the Trail through the Authority Property, running along the south parking lot and beneath the Ballpark’s promenade between home plate and left field.

The City has acquired federal funds to finance the acquisition of property rights from the Authority and to construct the City Project. The federal funding process requires the City to conduct a formal appraisal to determine the fair market value of the property interest to be granted by the Authority to the City.

In June 2009, the City sent the Authority a letter stating that the City appraisal for the Authority Property had been delayed, and that the City was at risk of not meeting its contractual obligation to provide the Northstar commuter rail project with temporary access via the trail to the Northstar platform and to Metropolitan Council’s (“Met Council”) sewer interceptor for emergency, repair and maintenance vehicles. As a result, the City requested the Authority's assistance to provide an early right-of-entry to the Authority Property through the Trail alignment so the City's obligation to the Northstar project could be met.

On June 19, 2009, the Authority Board of Commissioners adopted Resolution No. 09-MBA-34, which authorized the Authority to enter into a temporary agreement with the City to fulfill the City's obligations to Northstar and Met Council (the "Right of Entry Agreement"), and to negotiate an agreement with the City to grant the City rights for the design, construction, operation, maintenance, repair and replacement of the Trail within the Authority Property. The Right of Entry Agreement was executed by the Authority and the City on July 29, 2009.

The City delivered its final appraisal for the Authority Property on August 6, 2009, and the appraisal estimated the value of the proposed easement for the Trail at \$317,500. The Authority engaged an independent appraiser to review the City's offer. The Authority's review appraiser stated that the conclusions in the City appraisal were not sufficiently supported and were not considered reasonable. The City is aware of this development, and in the attached letter dated August 19, 2009, from Don Elwood, the Director of Transportation Planning and Engineering with the Department of Public Works, the City is requesting to make a payment to the Authority in the amount of \$317,500, with the expectation that the Authority will grant an interim easement to the City by September 1, 2009, to keep the City project on schedule, and that the parties continue to negotiate over the next 60-90 days to complete the final Easement Agreements and reach a settlement on the final price for the Authority Property for the Trail.

Action requested:

BE IT RESOLVED, that the Authority Board authorizes the Chair and Executive Director to complete negotiations and enter into final Easement Agreements with the City to set forth the parties' respective rights and responsibilities for the design, construction, operation, maintenance, repair and reconstruction of the Trail within the Authority Property; the execution of such Easement Agreements by the Chair and Executive Director shall be conclusive evidence of their determination as to the final form thereof.

BE IT FURTHER RESOLVED, that the Authority Board authorizes the Chair and Executive Director to accept payment in the amount of \$317,500 from the City as an initial payment for the Authority Property needed for the Trail, and to negotiate and determine the final price to be paid by the City to the Authority based upon the fair market value of the Authority Property needed for the Trail.

BE IT FURTHER RESOLVED, that the Authority Board authorizes the Chair and Executive Director to enter into an interim agreement with the City pending negotiation and execution of the Easement Agreements and negotiation of a final price; the execution of such interim agreement by the Chair and Executive Director shall be conclusive evidence of their determination as to the final form thereof.

BE IT FURTHER RESOLVED, that the Authority Board authorizes the Chair and Executive Director or his designee to take all such further actions and enter into such other agreements as are reasonably necessary to carry out the foregoing.

Commissioner Vekich moved approval, seconded by Commissioner Sykora and approved unanimously – 4 YEAS, 0 NAYS.

APPROVED

DISCUSSION ITEMS:

A. Report on Agreed Upon Procedures – Russ Fleming, Baker Tilly (formerly Virchow Krause)

Mr. Fleming said that Baker Tilly reviewed five pay requisitions, numbers 29 through 33, and looked at 86 items against the pay requisitions, all items greater than a half-million dollars and 36 items less than a half-million. They identified one variance relating to an equipment rental rate that was not on the approved rate schedule. Mortenson and the Twins are resolving the matter. All supporting documentation was appropriate and properly documented and reconciled to the pay requisitions as well as the G-703 reconciliation document of costs associated with the ballpark. Mortenson is in full compliance with respect to their administrative fee. Change Orders 14 - 28 have been reviewed and are properly reconciled to the cost schedule.

B. October 2009 Work Session – At the August 11th Audit Committee meeting, the Committee discussed the importance of making sure the 2010 MBA operating budget aligns with the MBA's strategies and objectives. The Committee recommended a work session for the MBA Board to discuss this in greater detail. Chair Cramer thought it would be helpful to go back to the Lease and Playing Agreements and review items that will be a critical part of the MBA's asset management role in the future. He said that the Board should also review past discussions of the MBA mission statement which include being an active participant with others to try to ensure that the environment around the ballpark develops in a positive way. Chair Cramer also suggested a discussion at the work session on how interest earnings are devoted and how they factor into a long term financial strategy for the MBA and the MBA's long term investment approach. He also suggested a staff update on the upcoming office move to the new ballpark and discussion around the MBA mission statement which talks about the MBA role in the development of the area around the ballpark and the overall role of the MBA going forward. Commissioner Vekich suggested a work session prior to the October MBA Board meeting to discuss these items.

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

Mr. Mehls reported that the project is on schedule. There are three construction phases; pre-construction/design, construction and post-construction/close-out/occupancy phase. Pre-construction/design has been completed and work procured. On construction phase the structure and enclosure is complete, interiors are progressing with dry-wall contract over 85% complete. The entire perimeter which includes the plaza, the sidewalks on the 7th street side, the skyway connecting the A ramp to the ballpark, the promenade, and south parking lot are on scheduled to be completed November 1st. All exterior doors and gates will be secure. The field seats and rails on the bowl are 50% complete. The field sod will be delivered from 30 refrigerated trucks on Monday, August 24th. A media event will take place when the first section of sod is laid that evening. The drainage system was tested successfully with last week's rainfall which drained within 15 minutes. Mortenson reports 1.6 million work hours to date and 650 workers are currently working on the site. Billings on the project are at 82%.

D. 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 \$99 million committed to SWMBE firms. Workforce minority participation has exceeded goals of 26% and 6% female. In the Community Workforce Program, 59 individuals have been hired to date. It is anticipated to reach 61 by the end of the project. They are conducting surveys with some

CWP employers of their experiences and best practices and will report feedback next month.

E. Construction and Planning Update – Ed Hunter, MBA Project Manager

Mr. Hunter has been working on completing projects in this last construction season surrounding the area of the ballpark, i.e. the sidewalk along 2nd avenue north, design and review of contemplated landscaping, sidewalk and lighting improvements west of the ballpark on 7th Street. Installation of the first mural is underway on 5th street panels. Artwork in the core building has had some challenges. The roof system has to be redesigned in the Vertical Circulation Building to support the weight of the public art structure being designed by Al Price. Northstar has committed to pay for these added structural enhancements. The structural final design and review of the wind veil is underway. Populous is designing the ‘triangle’ on the south side of Target and hope to finish before opening day. Mr. Hunter and Susie Helget are working with the County, Twins and Qwest to get phone and computer systems set up in the new MBA offices in the ballpark. Northstar trains are undergoing equipment tests. Live wire LRT train movements have been tested on 5th street as well. Northstar must be revenue ready by October 1st.

F. MBA Financial Report – Brenda Juneau, MBA Finance Coordinator

Ms. Juneau presented the MBA financial reports through July, 2009, for the General Fund and Capital Projects Fund. The Capital Project Fund shows a remaining fund balance of just over \$120,000,000, which is 76% complete. The General Operating Fund is under budget by \$300,000, due mostly to annual payments that will be paid at year-end.

Next meeting: September 18, 2009

There being no further business, Chair Cramer moved to adjourn. The motion was approved unanimously - 4 YEAS, 0 NAYS. The meeting of the Minnesota Ballpark Authority for August 21, 2009, was adjourned at 1:50 P.M.