



Minnesota Ballpark Authority Board Meeting Minutes – July 9, 2019

Chair Margaret Anderson Kelliher called the board meeting of the Minnesota Ballpark Authority for July 9, 2019 to order at 9:00 a.m. The roll was taken. Commissioners David Ybarra, James R. Campbell, Joan Campbell and Paul Williams were present.

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

APPROVED

Commissioner James R. Campbell moved approval of the April 11, 2019 meeting minutes seconded by Commissioner Ybarra and approved unanimously – 5 YEAS, 0 NAYS.

APPROVED

Chair's Report – No report

Executive Director's Report – Executive Director Dan Kenney reported that he met with Hennepin County staff and other local business owners to discuss overnight security issues at Target Field Station and in the parking facility. He noted that beginning in August, the Green Line will shut down overnight to allow for maintenance of the Line and vehicles and to address overnight security issues on the train.

Charity Suite Use Update – Administrative Manager Susie Helget reported that the application process for charity suite use opened on January 28. The goal was to issue 60 suite dates and to date there will be 64 groups using the suite this season with 22 of them being organizations who have not used the suite before. Ms. Helget has received positive feedback from the groups who have used the suite so far this season.

Audit Committee Report – Commissioner Joan Campbell stated that the Audit Committee met on June 28th and have recommended that the board pass a resolution for the 2020 MBA Operating and Capital Reserve Budget in the amount of \$700,000 be sent to Hennepin County.

ACTION ITEMS

07-09-19 Proposed Budget Resolution 19-MBA-153

Purpose:

To authorize submittal of the proposed 2020 MBA Operating and Capital Reserve Budget to Hennepin County.

Background:

Minnesota Laws 2006, Chapter 257, Section 12, subdivision 11 provides that Hennepin 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 MBA and Hennepin County have entered into a grant agreement that provides details regarding the annual grant for Authority operating costs along with 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. A final budget is adopted by the MBA Board in October.

Attached is the MBA proposed operating budget for 2020. The MBA Audit Committee reviewed the proposed budget on Friday, June 28, 2019 and has recommended approval.

The total proposed General Fund budget for 2020 represents a 0% increase in expenditures from the 2019 budget.

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, Unites States City Average, All items. As estimated for the period beginning January 2010 through June 2019, the County capital contribution is proposed to be \$1,304,266.

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 annually. As estimated for the period beginning January 2010 through June 2019 the Twin’s rent amount is proposed to be \$1,011,418 for 2020.

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 \$700,000, and authorizes the Executive Director to submit the proposed 2020 MBA operating budget, attached as Schedule A, to Hennepin County, requesting a grant of \$700,000 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 \$2,467,000, attached as Schedule B.

APPROVED

7-09-19 Proposed Resolution 19-MBA-154

Purpose:

To authorize, empower, approve and direct (i) the transfer and conveyance of a portion of the Cedar Lake Trail parcels owned by the Minnesota Ballpark Authority (the “MBA”) and of any property accruing to the MBA following the completion of the vacation of Holden Street to the Hennepin County Regional Rail Authority (the“HCRR”) and (ii) the Chair or Vice Chair and the Executive Director to negotiate and enter into agreements, amendments, deeds and other documents related to such transfer and conveyance, to allow

the HCRRA to enter into an agreement with BNSF Railway Company (“BNSF”) for vehicular access for maintenance purposes over such parcels and property.

Background:

The MBA adopted Resolution 19-MBA-150 (“Resolution 150”) whereby the MBA authorized the Chair or Vice Chair and Executive Director to negotiate and enter into amendments to the Operations and Maintenance Agreement, dated September 8, 2009, as amended (the “O&M Agreement”) by and among the MBA, the Metropolitan Council (the “Met Council”), Twins Ballpark LLC (the “Tenant”), and Minnesota Twins LLC (the “Twins” and, together with the Tenant, collectively referred to as the “Team”); and the Construction License and Maintenance Agreement, dated May 23, 2007 (the “CLMA”) by and between the MBA and BNSF. Since the adoption of Resolution 150, it has been determined that, in lieu of amending the CLMA, the MBA should transfer and convey a portion of the Cedar Lake Trail parcels owned by the MBA and a portion of to-be-vacated Holden Street to the HCRRA. This will allow the granting of the necessary easements requested by BNSF pursuant to an Access Easement Agreement by and among the Met Council, HCRRA, BNSF and the City of Minneapolis (the “City”). The MBA, Met Council and Team still intend to amend the O&M Agreement generally in the manner set out in Resolution 150.

The MBA Executive Director and legal counsel have been involved in negotiations with the Met Council, the Team, the City and BNSF in order to facilitate BNSF’s request to use a portion of the Cedar Lake Trail currently owned by the MBA and any property accruing to the MBA following the completion of the vacation of Holden Street for vehicular access for maintenance purposes. Of paramount importance, the MBA goal has been to ensure that the terms of the transaction provide the MBA with an appropriate level of protection and that the MBA and the Team retain the existing rights to use such portion of the Cedar Lake Trail and to-be-vacated Holden Street.

Such transfer and conveyance would include the reservations of rights by the MBA and the granting by the HCRRA of easements and other rights to the MBA, as necessary to preserve and continue the rights of the Authority and its lessees, successors and assigns, including without limitation, the Team during the term of the Ballpark Lease, to use such property for the efficient construction, maintenance, repair, reconstruction, operation and servicing of Target Field (such efficient construction, maintenance, repair, reconstruction, operation and servicing of Target Field are hereinafter referred to as “Servicing of the Ballpark”). The provisions in the reservations and easements regarding Servicing of the Ballpark would be consistent with the provisions set forth in that certain Cedar Lake Trail Easement Agreement dated January 25, 2010, as amended.

Action Requested:

BE IT RESOLVED that the Minnesota Ballpark Authority authorizes, empowers, approves and directs: (i) the transfer and conveyance of a portion of the Cedar Lake Trail parcels owned by the Minnesota Ballpark Authority and of any property accruing to the Minnesota Ballpark Authority following the completion of the vacation of Holden Street to the Hennepin County Regional Rail Authority; and (ii) the Chair or Vice Chair and Executive Director to negotiate and enter into agreements, amendments, deeds and other documents related to such transfer and conveyance, including taking any steps necessary to continue and ensure (a) that the transferred and conveyed property is not Team exclusive lease area under the Minnesota Ballpark Authority’s leases with the Team and (b) that such leases permit the granting of the rights to BNSF in the Access Easement Agreement, with such necessary and appropriate variations, omissions and insertions as the Chair or Vice Chair and Executive Director in their discretion shall determine, provided that the accepting thereof by the Chair or Vice Chair and Executive Director shall be conclusive evidence of such determination. The transfer and conveyance shall preserve and continue the rights of the Authority and its lessees, successors and assigns, including without limitation, the Team during the term of the Ballpark Lease, to use such property for Servicing of the Ballpark.

APPROVED

DISCUSSION ITEMS

Target Field Operations Update – Matt Hoy, Senior VP, Operations, Minnesota Twins. Mr. Hoy reported that game attendance was down in April and May due to cold weather but now because of the success of the team and better weather, attendance is high with a good number of sell out games. New measures have been implemented at the gates to speed up entry into the ballpark and provide greater security. Adjusted software on the metal detectors have eliminated the need to place your phone and pocket items in a tray and a new, single compartment bag policy have gone into effect. There are now lockers available at Gate 6 for people who need to store an item that is not allowed into the ballpark. Eventually there will be a charge of \$10 to use the lockers.

The Gate 34 Experience is has been very popular this season. There is a market area that has three stalls for food vendors and three for merchandise. The turf area with games is well used during the games. The new batter's eye wall has been a great addition to the ballpark with positive feedback from players and fans.

Target Field will host a football game on August 31st between North Dakota State and Butler University. Approximately 30,000 tickets have been sold.

Delaware North continues to work to get staffing numbers up during games. 60 new employees have recently been added from Delaware North hiring fairs.

Downtown Minneapolis security issues continue to be a concern of the Twins and have had meeting with Mayor Frey, City Council Members and the Police Chief about getting more police assigned downtown and around the ballpark.

Financial Report – Brenda Juneau, MBA Finance Coordinator. Ms. Juneau reported on the June 30 report that we are half way through the year and expenditures are up approximately 20% from last year because of contractual services. No other changes were noted.

There being no further business, Chair Anderson Kelliher moved to adjourn. The motion was approved unanimously 5 YEAS, 0 NAYS. The board meeting of the Minnesota Ballpark Authority for July 9, 2019 was adjourned at 9:42 a.m.

Next Meeting: October 10, 2019