



Minnesota Ballpark Authority Board Meeting Minutes – January 9, 2020

Chair Margaret Anderson Kelliher called the board meeting of the Minnesota Ballpark Authority for January 9, 2020 to order at 9:03 a.m. The roll was taken. Commissioners David Ybarra, Joan Campbell and Paul Williams were present. Commissioner James R. Campbell was absent.

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

APPROVED

Commissioner Joan Campbell moved approval of the October 11, 2019 meeting minutes seconded by Commissioner Ybarra and approved unanimously – 4 YEAS, 0 NAYS.

APPROVED

Chair’s Report – Chair Margaret Anderson Kelliher noted that there would be a closed session at the end of the meeting for the performance evaluation of Executive Director Dan Kenney. Following the closed session, the meeting will reconvene, and a summary of the evaluation will be provided as well as a resolution regarding the conclusions.

Executive Director’s Report – Executive Director Dan Kenney reported that title issues related to the Cedar Lake Trail have been resolved. In addition, the MBA continues to work with the Hennepin County Regional Rail Authority to document the parcel transfers, which will provide BNSF the maintenance access to the railway tracks. The Hines development across the 5th Street bridge is moving forward. MBA and Twins staff have met with Hines representatives to review and discuss construction plans and will continue to do so throughout the design and construction process.

ACTION ITEMS

01-09-2020 Proposed Resolution 20-MBA-159

Purpose:

To delegate final plan approvals and to authorize the Chair and Executive Director of the Minnesota Ballpark Authority (“MBA”) to negotiate and grant approval on behalf of the MBA of plans for the proposed North Loop Green Phase 3 project.

Background:

Hines North Loop Green LLC (“Hines”) proposes to continue phase 3 of the North Loop Green Planned Unit Development (“North Loop Green Phase 3”) on a 3.4 acre site located at 405 and 408 4th Avenue

North, and 328 and 330 4th Street North in the rail yards area, in the North Loop neighborhood of Minneapolis. North Loop Green Phase 3 is located across from Target Field and Target Field Station (attached map: Exhibit A) and will consist of a 35-story residential building with 450 dwelling units, a 14 story, 339,000 square foot office building, 21,400 square feet of retail space and enclosed parking. The residential and office building will be linked together by a skyway on the 14th floor. Hines anticipates commencing construction in July, 2020, and completing construction in early 2023.

On December 12, 2007, the MBA entered into an agreement entitled “Agreement for Fifth Street North Access Easement Rights, Easements, and Utility Improvements”, with Land Partners II, LLP, Minikahda Ministorage IV, LLLP, and the Minnesota Twins, LLC (the “Twins”) (the “Agreement for Fifth Street Access”). Hines Northstar Crossings Limited Partnership, as a holder of an interest in the property owned by Land Partners and Minikahda, consented to the Agreement for Fifth Street Access. Hines and its affiliates subsequently acquired property from Land Partners.

The Agreement for Fifth Street Access grants access and easement rights to and among the parties, with respect to the original construction of the ballpark, as well as for final development of adjacent properties. It also gives the MBA and the Twins certain rights with respect to the development and construction of pedestrian and vehicle connections to the 5th Street Bridge that cross over the air space of a portion of MBA-owned property (the “MBA Access Rights Parcel”) (Exhibit B, attached). The MBA Access Rights Parcel is adjacent to the ballpark service road. The service road to the ballpark is critical to ballpark operations.

Specifically, the Agreement for Fifth Street Access requires that before any construction activities, Hines shall prepare and submit to the MBA plans that include but are not limited to:

1. The location and nature of the proposed improvements and primary construction activities;
2. Anticipated commencement and completion dates;
3. The nature and extent of the improvements proposed to be made in the MBA Access Rights Parcel (the “Access Rights Improvements”);
4. The nature, extent, and timing of any and all reasonably foreseeable interferences with the MBA’s, or the Twins’ during the term of the Ballpark Lease, use of the MBA property that might result from Hines’ use of the Access Rights Parcel, including projections of traffic generated by Hines’ use of the Hines property; and
5. A site plan, showing a topographic survey, and the location of all Access Rights Improvements in relation to MBA property and any improvements within the abandoned 5th Street right-of-way, all as certified by a licensed surveyor.

Upon review of the plans and any additional information it deems reasonably necessary for its review, the MBA shall not unreasonably withhold approval of the Access Rights Improvements, so long as the Access Rights Improvements are consistent with the terms of the Agreement for Fifth Street Access, and will not impair the rights of the MBA and the Twins to use the MBA property for the efficient construction and operation of the ballpark, as set forth more fully in the Agreement for Fifth Street Access.

Staff has meet with representatives from Hines and the Twins to discuss the proposed plans to date, and intends to meet with them again as the project and the plans continue to be developed. Staff requests that the MBA delegate the authority to the Chair and Executive Director to negotiate and give final approval to the plans and Access Rights Improvements, as more fully set forth in the Agreement for Fifth Street Access.

Action Requested:

BE IT RESOLVED by the Minnesota Ballpark Authority, that the Chair and Executive Director are authorized to consider, negotiate and give final approvals to the plans and Access Rights Improvements, as presented by Hines North Loop Green LLC with respect to its North Loop Green Phase 3 project as contemplated and as specifically set forth in the Agreement for Fifth Street Access.

BE IT FURTHER RESOLVED, that the Chair and Executive Director may enter into any agreements or documents necessary or convenient to effectuate the intent of this delegation and resolution.

APPROVED

01-09-2020 Proposed Resolution 20-MBA-160

Purpose:

To authorize, empower, approve and direct the Chair and the Executive Director of the Minnesota Ballpark Authority (the “MBA”) to negotiate and enter into amendments to the Ballpark Lease Agreement, Parking Lease Agreement, Memorandum of Lease and Memorandum of Parking Lot Lease, and any other related documents.

Background:

The MBA adopted Resolution 07-MBA-07-06R1 (“Resolution 06R1”) whereby the MBA authorized the Chair and Executive Director to negotiate and enter into, among other documents, the Ballpark Lease Agreement, dated as of April 26, 2007 (the “Ballpark Lease”), with Twins Ballpark, LLC (the “Tenant”), a wholly owned subsidiary of Minnesota Twins, LLC (the “Twins” and collectively with the Tenant, the “Team”). The Ballpark Lease was memorialized in the real property records by a Memorandum of Lease dated May 7, 2007 (the “Memorandum of Ballpark Lease”). Pursuant to the requirements of the Ballpark Lease, the MBA and the Tenant entered into a Parking Lease Agreement, dated as of September 30, 2007 (the “Parking Lease” and collectively with the Ballpark Lease, the “Leases”). The Parking Lease was memorialized in the real property records by a Memorandum of Parking Lot Lease dated June 12, 2008 (the “Memorandum of Parking Lease” and collectively with the Memorandum of Ballpark Lease, the “Memoranda”). Capitalized terms used but not defined herein have the meanings ascribed to those terms in the Ballpark Lease.

Since the adoption of Resolution 06R1, the property subject to the Ballpark Lease and the Parking Lease, along with other adjacent property, has been surveyed and subdivided horizontally and vertically, as shown on Registered Land Survey No. 1809, Hennepin County, Minnesota (the “VRLS”). Also, over 25 agreements have been entered into to obtain necessary appurtenant rights and provide for the operation of the Ballpark and adjacent areas. These include, for example, agreements with:

1. BNSF Railway Company for construction, maintenance and easements related to the Ballpark;
2. the State of Minnesota, Department of Transportation(MNDOT) for the plaza, service road, 7th Street walkway and other Ballpark improvements;
3. the Team, Land Partners II, LLLP and Minikahda Ministorage IV, LLLP (and successors in title) for the service road, 5th Street bridge and utility easements;
4. the Metropolitan Council for the Northstar line and transit building, utilities and the Southwest Light Rail Transit Project;
5. the City of Minneapolis for the Cedar Lake Trail, Basset Creek tunnel, public utilities and pedestrian bridge; and

6. Hennepin County for 7th and 10th Streets, the Ballpark chiller, promenade and other improvements, and Target Field Station.

The Parties desire to amend the Leases to: (i) amend and more specifically define which areas of the Development Site comprise the Ballpark, Appurtenant Area, Premises (as defined in the Parking Lease) and other areas subject to the provisions of the Leases; (ii) place the Leases against the corresponding tracts within the VRLS; (iii) amend and more specifically define the Appurtenant Property Rights; (iv) provide for the potential transfer of a portion of the Premises to the Ballpark Lease; and (v) provide for the existence and treatment of minor encroachments that may exist or occur within the Ballpark and Appurtenant Area.

Since the adoption of Resolution 06R1, the MBA and the Team have also entered into several letter agreements, including a Letter Agreement dated April 20, 2009 (the "Letter Agreement") to memorialize their agreement with respect to, among other things, completion of enhancements to the plaza, including a fan recognition wall, and construction of the plaza extension and pedestrian bridge to 1st Avenue. Pursuant to the Letter Agreement, the MBA and the Team agreed that the Letter Agreement would be superseded by an amendment to the Ballpark Lease. The Parties also desire to amend the Leases to incorporate the applicable provisions of the Letter Agreement.

Upon entering into the amendments, the Memoranda will also need to be amended and filed with the Hennepin County Registrar of Titles. The Memoranda provide public notice of the amendments in the property records. The Leases will not be recorded.

Action Requested:

BE IT RESOLVED by the Minnesota Ballpark Authority, that the Chair and Executive Director are authorized to consider, negotiate and enter into amendments to the Leases and Memoranda, with such necessary and appropriate variations, omissions and insertions as the Chair and Executive Director in their discretion shall determine, provided that the accepting thereof by the Chair and Executive Director shall be conclusive evidence of such determination.

BE IT FURTHER RESOLVED, that the Chair and Executive Director may enter into any agreements or documents necessary or convenient to effectuate the intent of this resolution.

APPROVED

DISCUSSION ITEMS

Target Field Operations Update – Matt Hoy, Senior VP, Operations, Minnesota Twins. Mr. Hoy reported that 10 year leases on suites have expired and as part of the renewal process are being remodeled. The team is replacing and upgrading of the ballpark WiFi system and it should be operational by Opening Day in April. The Sunbright televisions outside of the suites are being replaced and over the next three years all of the televisions in the ballpark will be replaced. Many areas of the ballpark are being remodeled to meet the need for more administrative staff and coaching staff office space. The Tom Kelly conference room and the Kirby Puckett conference room are being remodeled for additional office space and a seating area outside of the suites will be converted into a closed meeting space. The team clubhouse is expanding as well creating a larger meeting room, more work space, additional closets and seating areas. The Gate 34 Experience is adding more concessions and adding tables and chairs to the grass area. On January 1, 2021, Target Field will host the NHL Winter Classic. Under NHL rules, all areas of the building, including concessions and bathrooms, must be completely functional. On December 18, 2020, the NHL will begin set up for the Winter Classic. There is one concert scheduled for August 11, 2020, Green Day/Fall Out Boy and Weezer. The golf event at Target Field in November was a success and is expected to happen again after the 2020 playing season.

Financial Report – Brenda Juneau, MBA Finance Coordinator. Ms. Juneau reported on the financial report through November 2019. The Twins rent payment was received in December as was Hennepin County’s annual contribution. The General Fund should come in under budget this year.

Meeting adjourned at 9:30 a.m. for Closed Session - Performance Evaluation of Executive Director, Dan Kenney.

Reconvened meeting at 9:45 a.m. – Summary of Conclusions of Evaluation and Resolution.

01-09-2020 Proposed Resolution 20-MBA-161

Purpose:

To authorize the Chair to execute an amendment to the employment agreement with the Executive Director of the Authority.

Background:

On August 18, 2006, the Minnesota Ballpark Authority entered into an employment agreement with Dan Kenney, Executive Director of the Authority. Among other terms and conditions, the agreement states that each year of the Executive Director’s employment, the Authority shall review and may adjust the Executive Director’s base salary in its sole discretion. This resolution authorizes the Chair to enter into an amendment to that agreement.

Action Requested:

BE IT RESOLVED that the Minnesota Ballpark Authority authorizes the Chair to enter into an amendment to the Employment Agreement with the Executive Director with the following terms:

1. Base Salary: Increase the annual base salary to an annual base salary of \$177,027.75, effective January 1, 2020.
2. Employment term: Extend the term of employment through August 21, 2021.
3. All other terms and conditions of the employment agreement to remain the same.

APPROVED

There being no further business, Chair Anderson Kelliher moved to adjourn. The motion was approved unanimously 4 YEAS, 0 NAYS. The board meeting of the Minnesota Ballpark Authority for January 9, 2020 was adjourned at 9:51 a.m.

Next Meeting: April 9, 2020