



### Minnesota Ballpark Authority Board Meeting Minutes – July 16, 2020

Following the March 13, 2020 Declaration of Peacetime Emergency by Governor Walz, the Minnesota Ballpark Authority (MBA) held a board meeting on Thursday, July 16, 2020 at 8:30 a.m. remotely via Zoom Meetings, according to Minnesota Statutes, Section 13D.021. MBA Chair Margaret Anderson Kelliher had concluded that an in-person meeting and the regular meeting location for the MBA was not practical or prudent because of the health pandemic declared under the Emergency Order and according to current guidance from the Minnesota Department of Health and the CDC. The public was able to monitor the meeting through an on-line link or phone number.

Chair Margaret Anderson Kelliher called the board meeting of the Minnesota Ballpark Authority for July 16, 2020 to order at 8:39 a.m. The roll was taken. Commissioners David Ybarra, Joan Campbell, Paul Williams and James R. Campbell 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 Joan Campbell moved approval of the April 27, 2020 meeting minutes seconded by Commissioner Paul Williams and approved unanimously – 5 YEAS, 0 NAYS

**APPROVED**

**Chair's Report** – Chair Margaret Anderson Kelliher deferred to Executive Director Dan Kenney to give his report.

**Executive Director's Report** – Executive Director Dan Kenney reported that he recently attended a NuLoop Steering Committee meeting with developers, property managers and the Downtown Council regarding the reopening of the North Loop to the public. As part of the meeting, Cedar Street Development presented its proposed \$140 million conversion of the Duffy Paper buildings into a new housing development near the ballpark. Because of the pandemic, things are moving slowly now, but developers are very hopeful for better days ahead. Executive Director Kenney and the Twins continue to work with Hines on the North Loop Green project to draft a Cooperation Construction Agreement. This agreement is important to the ballpark as the project is next to our service road that is vital to ballpark operations and maintenance. There is a meeting scheduled for next week to continue discussions on the agreement.

**Audit Committee Report** - Commissioner Joan Campbell stated that the Audit Committee met on June 29<sup>th</sup>. All members were present. The committee recommended that the MBA board pass a resolution for the 2021 MBA Operating and Capital Reserve Budget in the amount of \$673,000, this is a 3.9% decrease from this year's budget, and be sent to Hennepin County for consideration by the Board of Commissioners.

Commissioner Campbell also stated that MBA finance coordinator, Brenda Juneau, is in contact with the State Auditor's office and the MBA State Audit will likely begin sometime in August.

**ACTION ITEMS**

**07-16-20 Proposed Budget Resolution 20-MBA-163**

**Purpose:**

To authorize submittal of the proposed 2021 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 2021. The MBA Audit Committee reviewed the proposed budget on Monday, June 29, 2020 and has recommended approval.

The total proposed General Fund budget for 2021 represents a 3.9% decrease in expenditures from the 2020 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 2020, the County capital contribution is proposed to be \$1,309,723.

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 2020 the Twin's rent amount is proposed to be \$1,014,394 for 2021.

**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 \$673,000, and authorizes the Executive Director to submit the proposed 2021 MBA operating budget, attached as Schedule A, to Hennepin County, requesting a grant of \$673,000 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 \$2,474,000, attached as Schedule B.

**SCHEDULE A**  
**2021 PROPOSED OPERATING BUDGET**  
**GENERAL FUND**

The General Fund provides for day-to-day operations of the MBA.

**Budget Summary - Fund 82:**

	2019 Actual	2020 Budget	2021 Proposed Budget
Beginning Fund Balance	\$ 1,068,782	\$ 1,111,956	\$ 1,111,956
<b>Revenues:</b>			
<i>County Grant</i>	690,000	700,000	673,000
<i>Local Grant</i>	598		
<i>Interest Revenue</i>	25,111	-	-
<i>Other</i>	149	-	-
<b>Total Revenue</b>	<b>\$ 715,858</b>	<b>\$ 700,000</b>	<b>\$ 673,000</b>
<b>Expenditures:</b>			
<i>Personal Services</i>	429,321	450,000	465,400
<i>Commodities</i>	1,048	1,300	1,300
<i>Contracted Services</i>	187,959	193,300	165,000
<i>Other</i>	54,356	55,400	41,300
<b>Total Expenses</b>	<b>\$ 672,684</b>	<b>\$ 700,000</b>	<b>\$ 673,000</b>
Ending Fund Balance	\$ 1,111,956	\$ 1,111,956	\$ 1,111,956

**SCHEDULE B**  
**2021 PROPOSED BUDGET**  
**BALLPARK CAPITAL RESERVE FUND**

A Special Revenue Fund accounts for the proceeds of specific revenue sources that are restricted to expenditures for specified purposes. The Ballpark Capital Reserve Fund is a Special Revenue Fund established as required in the Ballpark Lease Agreement By and Between the Minnesota Ballpark Authority and Twins Ballpark, LLC. Revenue sources for this fund include rent from Twins Ballpark, LLC, capital contributions from Hennepin County and interest earned on investments. Expenditures from the fund are restricted to capital improvements of the ballpark. At this time, there are no specific capital projects projected to be financed from this fund for 2021.

**Budget Summary - Fund 83:**

	2019 Actual	2020 Budget	2021 Proposed Budget
Beginning Fund Balance	\$ 13,031,816	\$ 15,710,966	\$ 18,177,966
<b>Revenues:</b>			
<i>Annual Rent</i>	997,750	1,012,000	1,014,000
<i>Hennepin County Contribution</i>	1,279,209	1,305,000	1,310,000
<i>Investment earnings</i>	402,191	150,000	150,000
<b>Total Revenue</b>	<b>\$ 2,679,150</b>	<b>\$ 2,467,000</b>	<b>\$ 2,474,000</b>
<b>Expenditures:</b>			
<i>Capital Outlay - Ballpark Improvements</i>	-	-	-
<i>Future Capital Projects</i>	-	2,467,000	2,474,000
<b>Total Expenses</b>	<b>\$ -</b>	<b>\$ 2,467,000</b>	<b>\$ 2,474,000</b>
Ending Fund Balance	\$ 15,710,966	\$ 18,177,966	\$ 20,651,966

**APPROVED**

**7-16-20 Proposed Resolution 20-MBA-164**

**Purpose:**

To authorize the expenditure of Minnesota Ballpark Authority funding from the Ballpark Capital Projects Fund in support of a mural project in the vicinity of the future SWLRT Royalston station and the Minneapolis Farmers Market; to authorize MBA staff to finalize the scope, design and cost details with NuLoop Partners and the Minneapolis Downtown Council; and to authorize the Chair and Executive Director to enter into any necessary agreements to achieve these improvements.

**Background:**

In April 2008, the Minnesota Ballpark Authority adopted Resolution 08-MBA-05R1, which created the Ballpark District Enhancements and Public Art Incentive fund.

The fund was set up to allow the MBA to work with other government agencies, private developers, and other interested parties to encourage the coordinated development of amenities that would serve both the long-term interests of the ballpark and this emerging area of the City. Priorities for this fund include public art, streetscape and way-finding enhancements.

Over the past several years, the Minnesota Ballpark Authority has worked with the Minnesota Twins, Target Corporation, Hennepin County, the Minnesota Department of Transportation, the City of Minneapolis, and other partners to complete several public realm improvement projects around both Target Field and Target Field Station.

This year NuLoop Partners is seeking to make some physical improvements around the future Royalston station, in advance of the completion of the SWLRT rail project.

Jackson Schwartz of Hennepin Made has been working in coordination with Dan Collison, NuLoop's Executive Director, on a plan to add murals to existing building facades. Mr. Collison is also the Director of Downtown Partnerships for the Minneapolis Downtown Council, which serves as the fiscal agent for NuLoop Partners. The plan is to commission North Minneapolis non-profit JXTA Arts to create four murals and the proposed budget is \$30,000.

Consistent with the MBA's previous efforts, there is an opportunity to enhance the pedestrian environment near the ballpark and to create broader community connections. MBA staff is requesting authorization to work with NuLoop Partners and the Minneapolis Downtown Council to enter into a cost participation agreement in an amount not-to-exceed \$7500 to support the mural project.

**Action Requested:**

**BE IT RESOLVED** that the Minnesota Ballpark Authority authorizes the expenditure of funds from the Ballpark Capital Projects Fund in an amount not-to-exceed \$7,500, in support of the mural project being led by NuLoop Partners, in coordination with the Minneapolis Downtown Council.

**BE IT FURTHER RESOLVED** that MBA staff is authorized to finalize the scope, design and cost details with NuLoop Partners, and the Chair and Executive Director are authorized to enter into any necessary agreements with the Minneapolis Downtown Council to achieve these improvements.

**APPROVED**

**DISCUSSION ITEMS**

**Target Field Operations Update – Matt Hoy, Senior VP, Operations, Minnesota Twins.** Mr. Hoy reported that most Twins employees are still working from home. The goal is maintaining the safety of the players and workers during these unprecedented times. Because of the recent unrest happening in downtown Minneapolis, the Pro Shop was emptied and closed for several weeks. The store reopened on July 10<sup>th</sup>. The 60<sup>th</sup> season of Twins baseball started on July 3<sup>rd</sup> with the team attending workouts. July 15<sup>th</sup> was the first live streamed game between the inter squad teams. The team is tested for COVID every other day along with those traveling with the team. CHS Field in St. Paul is where the minor league players are practicing. The service level and the main concourse from home plate to Gates 29 and 34 are now set up for players and staff to workout. The Champions Club has been converted into a food service area for the players. Dugout seating areas have been expanded for the players and the bullpen by Section 131 has been made larger for seating. The Twins first exhibition game this season will be in Chicago against the Cubs on Wednesday, July 22<sup>nd</sup>. The home opener will be at Target Field on July 28<sup>th</sup> against the St. Louis Cardinals. Major League Baseball has stated that no fans will be allowed into any ballpark for at least two more weeks with a possibility of fans coming in on August 14<sup>th</sup> with safety precautions. Recent work around the ballpark includes the repair and repainting of interior walls of all concessions and food areas. The ceiling over the Grey Goose Island bar has been cleaned and re-installed. There are several new sponsors this year at Target Field, including the Jack Daniels Food Market in the Gate 34 Marketplace area

and Slumberland has outfitted the grass area with outdoor furniture. Delta has taken over Catch with an airplane interior theme. When fans are allowed back into Target Field, masks will be required as per the order of Mayor Frey. This will be included on the Code of Conduct rules and fans will be required to check a disclaimer box when purchasing tickets.

**Financial Report – Brenda Juneau, MBA Finance Coordinator.** Ms. Juneau reported on the Financial Report through June 30, 2020. The Fund balance is \$25 million, interest rates are down as it has been a very challenging time for investments.

*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 16, 2020 was adjourned at 9:21 a.m.*

**Next Meeting: October 8, 2020**