



Minnesota Ballpark Authority Meeting Minutes – July 18, 2008

Chair Cramer called the meeting of the Minnesota Ballpark Authority for July 18, 2008, to order at 1:00 PM. The roll was taken. All members were present with the exception of Commissioner Sykora. Kathleen Lamb, Legal Counsel, was also present.

Commissioner John Wade moved to approve the agenda, seconded by Commissioner Joan Campbell and approved unanimously – 4 YEAS, 0 NAYS.

APPROVED

Commissioner Campbell moved approval of the June 20, 2008, meeting minutes, seconded by Commissioner Mike Vekich and approved unanimously – 4 YEAS, 0 NAYS.

APPROVED

PUBLIC COMMENT

- None

CHAIR REPORT

Chair Cramer reported the following:

- Jerry Bell will attend the August MBA Board meeting to give an update on the ballpark project from the Twins perspective.
- The idea of taking a few scheduled MBA Board meetings to Greater Minnesota was discussed at last month's board meeting. Commissioner Wade said that we could consider coordinating it with the Twins spring caravan. He said that this tour would give residents of Greater Minnesota a chance to attend an MBA Board meeting and ask questions on the Ballpark status.

EXECUTIVE DIRECTOR REPORT

Executive Director Dan Kenney reported the following:

- Installation of the limestone walls has begun on the outside of the Ballpark.
- The MBA quarterly e-newsletter will go out at the end of July.
- The first meeting of the MBA Audit Committee will be August 5th and the exit interview with the State Auditor's office will occur at that time.
- Commissioners have been updating the public on the MBA's role in the ballpark project with speaking engagements throughout the State. Commissioner Sykora presented in Wayzata, Commissioner Vekich in Anoka, and Commissioner Wade in Mankato.

Commissioner Wade is scheduled for a speaking engagement in Owatonna in early August and Commissioner Vekich will present in Hibbing in October.

ACTION ITEMS

08-MBA-09 Resolution: To approve the process for developing public art projects in locations around the Ballpark, Northstar Station and HERC plant.

Background:

In April 2008, the MBA Board adopted Resolution 08-05, which authorized the creation of a Ballpark District Enhancements and Public Art Incentive fund. Priorities for this fund were:

- Extension of the pedestrian bridge along 6th Street from 2nd Avenue to 1st Avenue North
- Streetscape and wayfinding enhancements along 5th, 6th, and 7th Streets from 2nd Avenue North to Hennepin Avenue
- Public Art/Ballpark District Gateways

This 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 will serve both the long-term interests of the ballpark and this emerging area of the City.

In June, a group of representatives from the MBA, Hennepin County, Northstar Project and Minnesota Twins met to discuss potential public art projects in the areas surrounding the Ballpark, Northstar Station and HERC plant. The group talked about potential locations for public art, timelines for implementation and the development of a planning/oversight committee to work collectively on implementation of the various public art projects. Following the meeting, a draft process was put together to implement the development of public art projects at various locations near the Ballpark, Northstar Station and HERC plant. Locations for public art that were identified at the meeting are:

- Ballpark Site, 5th Street Panels
- Northstar Commuter Rail, Vertical Circulation Building
- HERC Plant, Gateway
- Intersection of 3rd Avenue & 12th Street

Action Requested:

BE IT RESOLVED that the Minnesota Ballpark Authority approves the process for developing public art projects in various locations around the Ballpark, Northstar Station and HERC plant; and

BE IT FURTHER RESOLVED that the MBA authorizes contributing up to \$200,000 from the Authority's designated District Enhancements and Public Art Incentive Fund for public art projects; and

BE IT FURTHER RESOLVED that Commissioner Barb Sykora serve as the MBA representative on the project Steering Committee that will assist in the development of RFP's, select the artists/artist teams, and identify strategies for community input; and

BE IT FURTHER RESOLVED that the MBA directs staff to investigate the feasibility of utilizing up to \$200,000 from the Ballpark Infrastructure contingency budget for public art projects after major Infrastructure bid packages are closed out.

Discussion: Mr. Kenney stated that the MBA passed a resolution last April allocating up to a \$1 million for district enhancements and public art. Since then MBA staff have met with representatives from Northstar, Hennepin County and the HERC facility to discuss putting together one public art process. This process includes one incentive fund to for public art projects near the Ballpark and surrounding area. The resolution requests allocating \$200,000 of the \$1 million already identified by the MBA for public art and appoints Commissioner Sykora as the MBA steering committee representative. The resolution also directs staff to explore the concept of an additional \$200,000 from infrastructure contingency budget once the bid packages are closed out.

Commissioner Vekich moved the amendment. It was seconded by Commissioner Campbell. Chair Cramer requested that a representative be appointed from the Near North Community to this public art steering committee. *The motion was approved unanimously – 4 YEAS, 0 NAYS*

APPROVED

08-MBA-10 Resolution: To approve continued services from Virchow Krause for the purpose of performing agreed upon procedures of ballpark project activities on a quarterly basis. This resolution authorizes the Executive Director to approve these quarterly procedures to be performed and payment for these services.

Background:

Virchow Krause was one of three audit firms that interviewed in the fall of 2006 with the project team to set-up the ballpark project accounts. Deloitte and McGladrey were the other firms that were interviewed and Deloitte was selected to do that initial work on behalf of the project.

The MBA is authorized by law to contract for services to carry out its functions and in September, 2006, approved the engagement of McGrann Shea Law Firm to provide legal services for the MBA. The agreement with McGrann Shea provides that the Firm may subcontract for services, provided that no single expense greater than \$500.00 shall be reimbursable unless the Firm received the written authorization of the MBA for such expense prior to incurring it.

In February 2007, by resolution 07-MBA-03, the MBA authorized McGrann Shea to engage Virchow Krause to provide technical expertise and professional services on such terms and conditions which would be mutually agreeable in an amount not to exceed \$10,000 and would terminate on or before December 31, 2007.

In June of 2007, by resolution 07-MBA-16, the not to exceed amount of the Virchow Krause contract was amended to \$25,000.

In September of 2007, by resolution 07-MBA-22, the Minnesota Ballpark Authority authorized the Executive Director and Commissioner Vekich to engage in contract negotiations with Virchow Krause to conduct an annual audit of the ballpark project and should negotiations prove successful, to authorize the Chair and Executive Director to execute a contract for these services. Because the Office of the State Auditor determined to perform the MBA's audit, it was decided

that Virchow Krause's efforts should be directed towards investigation and review of specifically identified contract areas, to vary quarterly.

Virchow Krause provided significant assistance as the MBA negotiated the Lease and Use Agreements for the ballpark. They also provided services related to the Construction Trust and Disbursing Agreement. Given the firm's understanding of this public-private partnership and the construction industry in general, it is the opinion of staff that they are well qualified for this work.

Action Requested:

BE IT RESOLVED that the Minnesota Ballpark Authority authorizes Virchow Krause to perform agreed upon procedures of ballpark project activities on a quarterly basis and to report to the board the results and findings of such procedures; and

BE IT FURTHER RESOLVED that the Executive Director is authorized to approve these quarterly procedures and payment for these procedures.

Discussion: Mr. Kenney reported that when the MBA initially approved the engagement of Virchow Krause, it was anticipated that the firm's scope of services would include an annual audit. Since that resolution was passed it was determined that the State Auditor's office would conduct the annual audit and the MBA has utilized Virchow Krause to provide a quarterly report on agreed upon procedures quarterly procedures.

Commissioner Campbell moved the amendment. It was seconded by Commissioner Vekich.
The motion was approved unanimously – 4 YEAS, 0 NAYS

APPROVED

DISCUSSION ITEMS

A. Construction and Planning Update – Ed Hunter, MBA Project Manager and Dan Mehls, Mortenson Construction

Mr. Hunter reported that the ballpark's new sanitary sewer system is in operation. Work continues toward completion of the waterline loop around the ballpark which will occur next month. Work draws closer to the completion of major utilities including the storm water cistern in the south parking lot that will handle the runoff there. Sometime later in the year, the cistern that will handle the runoff from the ballpark structure will be complete.

On July 25th, the Northstar track right-of-way from Seventh Street South to Royalston Avenue and underneath the promenade will be turned over to Northstar for them to begin final installation of their tracks beneath the ballpark. Because of flooding in Iowa, BNSF closed the construction window which affected Mortenson's concrete pours and prevented a timely completion of turnover of that area to Northstar.

Earlier this week, a meeting was held with project partners to discuss the current status of design and potential timing to consider the construction of the extension to the pedestrian plaza. The ability to fund this project is predicated in large part on the status of the project contingency fund when some of the infrastructure elements are completed but the design is ongoing and expected to be complete by September 1st.

The project is in the final stages of getting approval for funding for the walkway connection between the A Ramp and the ballpark over Seventh Street. There are two more approval meetings scheduled. In the meantime, design has been authorized to proceed and should be complete by the end of October.

Mr. Mehls said that bid submittals for bid pack 7 came in under budget. The next step is to interview contractors to make sure that there are not gaps in their bids or things that were left out. This summer Mortenson will award contracts for the south lot cistern, first layer of asphalt on the south parking lot, metal panels, roofing under the canopy, and drywall packages. This fall, Mortenson will award surface finish contracts which include paint, floor tile, carpet and ceilings.

Mr. Mehls said that over 60% of the concrete has now been poured (32,500 cubic yards out of 52,000). As Mr. Hunter mentioned, because of flooding in Iowa, BNSF had to reroute more trains through the site, which took away windows to do transfer girders across tracks. This has brought challenges and some extra costs but Mortenson is working through restructuring the workload of the project. Steel structure is going up and the Metropolitan Club is beginning to take shape. The structural steel in the retail space is in place and the next steel to show up will be the canopy steel and the outfield steel so by this fall the shape of the outfield will be begin to become very visible. The stone panels from Vetter Stone in Mankato are being installed as scheduled and can be seen from the 7th Street Bridge. Progress within the building includes three escalators, deck hanging, masonry walls, and completion of the shaft to the freight elevator.

Mr. Mehls said that the numbers continue to increase with the Community Participation program. The Small, Women, Minority, Business Enterprise (SWMBE) goals are 30% and the project is at 31%. Forty five SWMBE firms are involved in the project to date. All awarded firms from Bid Package No. 7 have met with Mortenson and will meet or exceed business goals. The project continues to trend up towards the goal of 25% for minorities which should be achieved during second quarter of 2009. Workforce diversity minority participation was at 28% and the cumulative total for the project improved from 18% to 20%. Female participation is at 7% and the goal is 5% so that goal has been exceeded. There are about 450 workers on the job site right now and Mortenson anticipates having over 800 at peak construction. There are currently twelve placements from Summit Academy on the site, four from Construction Careers Coalition, two from Merrick and two from St. Paul College.

Commissioner Vekich thanked Mr. Mehls for adding the additional data within the community participation report he had requested previously linking the dollars reported to the specific contracts. He asked if it was possible to convert the hours listed on the utilization summary into dollars. Dan replied that he will check into that and report back at the next meeting.

Dan reported that LEED certification strategies and evaluating the costs continue to be studied. It is an ongoing process and will not know if the project is LEED certified until after completion.

B. MBA Financial Report – Brenda Juneau, Ballpark Finance Coordinator

Susie Helget introduced Brenda Juneau to the Board. Brenda presented the proposed operating budget for 2009 noting that the total budget for 2009 will be slightly lower than the 2008 budget. Mr. Kenney noted that the 2009 budget does in many ways mirror the 2008 budget. General Consulting will continue to hold a healthy amount of funds in the event that we need to reach out for expert advice on a specific issue. Ms. Helget agreed that in many categories the dollar amounts will remain the same as in 2008. She said that it is anticipated that staffing and office needs will continue as they have been. Commissioner Vekich asked if the grant from Hennepin

County of \$1.5 million will be put in actual expenditures. Ms. Juneau said that was correct. Commissioner Vekich then noted the difference in 2008 under the budgeted to actual for expenditures in Management, Finance and Advisory Fees, and Consultant Legal fees and said that he assumed that this was related to the timing of billing but we do expect to use those funds. Mr. Kenney said yes, that some of the budgeted amounts had not been billed yet but would be paid out by the end of the year. The substantial amount of that was from the Hennepin County Project office and those costs have not gone through yet. Mr. Vekich stated the General Consulting Budget for 2009 shows an amount of \$495,000 and suggested changing that to \$500,000. Commissioner Vekich noted funds in the insurance budget that have not yet been spent. He asked when we were billed for those. Ms. Helget noted that we were billed for insurance at the end of the year. Chair Cramer said he assumes that the budget will change significantly when we transfer the office to the new ballpark in 2010. Mr. Kenney confirmed that the budget will shrink once this occurs. Chair Cramer asked if there would be additional costs for new furniture and equipment in the new offices. Ms. Helget said that the current MBA office furniture will also be used in the new offices at the ballpark. Commissioner Campbell suggested adding \$1,000 to the mileage and parking budget. Commissioner Wade inquired about the increased budget for 2009 in the Rental of Buildings. Mr. Kenney said the landlord discovered through their audit that they were only charging monthly rent and not operational costs. The higher dollar amount for next year incorporates the operational costs into this section.

Ms. Juneau reported on the MBA financials for June. The first transfer of sales tax revenue in the amount of \$1.049 million for this year was made into the General Operating Fund. The final installment for the bond proceeds of \$75 million was deposited into the Capital Projects fund. The balance sheet showed designated funds for LEED and Infrastructure. Chair Cramer requested that the aggregate and investment earnings figure normally rolled into cash investments on the balance sheet be broken out. Ms. Juneau said she would do that.

Next Meeting:

- August 15, 2008

There being no further business, Commissioner Wade moved to adjourn. Commissioner Campbell seconded the motion. The motion was approved unanimously -4 YEAS, 0 NAYS. The meeting of the Minnesota Ballpark Authority for July 18, 2008 was adjourned at 1:54 P.M.