



### Minnesota Ballpark Authority Board Meeting Minutes – October 6, 2016

Chair Margaret Anderson Kelliher called the board meeting of the Minnesota Ballpark Authority for October 6, 2016 to order at 1:00 p.m. The roll was taken. Commissioners Joan Campbell, Paul Williams, David Ybarra and Barb Sykora were present.

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

**APPROVED**

Commissioner Campbell moved approval of the July 7, 2016 meeting minutes seconded by Commissioner Ybarra and approved unanimously – 5 YEAS, 0 NAYS.

**APPROVED**

**Chair's Report** – Chair Margaret Anderson-Kelliher stated that the Executive Director's annual review will be done at the January 2017 MBA board meeting. Chair Anderson-Kelliher noted that she attended a Pre-Season game at US Bank stadium. She said it was a pleasant experience and she was impressed with their ticketing system which was easy to use and seems to work very well. With upcoming major events coming, like the Super Bowl, Chair Anderson-Kelliher said that the MBA, along with the Twins and Vikings, should work together to make sure these events run smoothly.

**Executive Director's Report** – Executive Director Dan Kenney reported that the 7<sup>th</sup> Street re-alignment is nearly complete and the Target Center renovations of the new entrances on 6<sup>th</sup> and 1<sup>st</sup> Street, and the loading dock areas have started. Executive Director Kenney, the Twins, Populous and Delaware North traveled to San Diego in September to tour Petco Park. It was a valuable experience to see how San Diego utilizes the area around the ballpark on game days and this information will be used in consideration of future enhancements at Target Field.

**Audit Committee Report** – Commissioner Joan Campbell reported that the Audit Committee met on August 31, 2016 for an Audit Exit meeting with the State Auditor's office. The auditors reported no issues or major findings, everything went well and the MBA Annual Financial Report was adopted and approved for publication by the Audit Committee. Next year's audit for 2016 is scheduled to begin in June and could be finished as early as July of 2017.

**ACTION ITEMS**

**Commendation 16-MBA-121**

WHEREAS, Barb Sykora was appointed by the Hennepin County Board in 2006 to serve on the Minnesota Ballpark Authority Board of Commissioners; and

WHEREAS, Commissioner Sykora brought experience from the public sector to the MBA having previously served in the Minnesota House of Representatives for six terms; and

WHEREAS, during her time in public office, Commissioner Sykora worked to secure approval of the legislation authorizing the Minnesota Ballpark Authority, Hennepin County and the Minnesota Twins to work together to get a ballpark built in downtown Minneapolis; and

WHEREAS, during the design and construction of Target Field, Commissioner Sykora was committed to ensuring that the ballpark would be built on time and on budget, that it would be the best possible ballpark and one that would last for generations to come; and

WHEREAS, Commissioner Sykora’s many contributions have included serving as the Board’s Secretary, and serving as chair of the Public Art Committee, which commissioned three murals along 5<sup>th</sup> Street and the Northstar sculpture in the commuter rail vertical circulation building; and

WHEREAS, in her ten years of service to the MBA, Commissioner Sykora has been committed to the mission of the MBA to be transparent and accountable to the citizens of Minnesota, and the vision of creating an urban district around Target Field that is economically vibrant, environmentally sustainable and welcoming to those who live, work in and visit the area; and

WHEREAS, the ballpark project finished ahead of schedule, achieving LEED Silver Certification, and opened to rave reviews including being named the #1 Sports Stadium Experience in North America in 2010 by *ESPN The Magazine* and the Best Ballpark of 2010 by *Ballpark Digest*;

NOW THEREFORE BE IT RESOLVED, that the Minnesota Ballpark Authority hereby expresses its most sincere appreciation to Commissioner Sykora for her dedicated service in overseeing the design, construction and operation of Target Field as a member of the Minnesota Ballpark Authority Board of Commissioners from 2006 to 2016; and

BE IT FURTHER RESOLVED, that Commissioner Sykora’s contributions and commitment to development of the Ballpark and the North Loop Neighborhood will be greatly missed.

**APPROVED**

**Resolution 16-MBA-122**

**Purpose:**

To adopt a final 2017 MBA operating budget and Special Revenue Fund budget for the Minnesota Ballpark Authority.

**Background:**

The MBA Board reviewed the proposed 2017 operating budget of \$725,000 at their July 7<sup>th</sup> meeting. The Board then authorized the Executive Director to submit the proposed 2017 MBA budget to Hennepin County for approval, as called for in the Grant Agreement between the Minnesota Ballpark Authority and Hennepin County. The Hennepin County Board of Commissioners reviewed the proposed budget at their September 8, 2016 board meeting and are scheduled to adopt a final budget in December, 2016.

The MBA is requesting a grant from Hennepin County Sales Tax in the amount of \$725,000, to fund the General Fund in 2017. No changes or amendments to the proposed General Fund budget are being submitted at this time. The General Fund budget for 2017 is shown in Schedule A, as attached.

Per the Lease Agreement between the Minnesota Ballpark Authority and Twins Ballpark, LLC, a capital reserve fund was established, upon completion of the ballpark, to account for future ballpark improvements. Annual contributions to the Twins Ballpark Capital Reserve Fund include rent from Twins Ballpark, LLC and a capital contribution from Hennepin County. Contributions from the County are provided in the amount of \$1,100,000, indexed for inflation. The annual requested capital contribution from Hennepin County for 2017 is \$1,223,617, and annual rent from the Twins, indexed for inflation, is calculated at \$967,427. A proposed Twins Ballpark Capital Reserve Fund budget of \$2,242,000 is hereby recommended, and is shown in Schedule B attached.

**Action Requested:**

**BE IT RESOLVED** that the Minnesota Ballpark Authority Board hereby adopts a final 2017 General Fund budget of \$725,000, as incorporated herein and attached as Schedule A, pending final approval by the Hennepin County Board on December 13, 2016; and

**BE IT FURTHER RESOLVED** that the Minnesota Ballpark Authority Board hereby adopts a 2017 Special Revenue Fund budget of \$2,242,000, for the Ballpark Capital Reserve Fund, as incorporated herein and attached as Schedule B.

SCHEDULE A  
**2017 OPERATING BUDGET**  
**GENERAL FUND**

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

**Budget Summary - Fund 82:**

	2015 Actual	2016 Budget	2017 Budget
Beginning Fund Balance	\$ 1,096,572	\$ 1,066,703	\$ 1,066,703
Revenues:			
<i>County Grant</i>	600,000	790,000	725,000
<i>Interest Revenue</i>	7,201	-	-
<b>Total Revenue</b>	<b>\$ 607,201</b>	<b>\$ 790,000</b>	<b>\$ 725,000</b>
Expenditures:			
<i>Personal Services</i>	387,820	414,200	430,350
<i>Commodities</i>	9,641	17,500	6,900
<i>Contracted Services</i>	171,663	270,800	214,250
<i>Other</i>	67,946	87,500	73,500
<b>Total Expenses</b>	<b>\$ 637,070</b>	<b>\$ 790,000</b>	<b>\$ 725,000</b>
Ending Fund Balance	\$ 1,066,703	\$ 1,066,703	\$ 1,066,703

SCHEDULE B  
**2017 BUDGET**  
**TWINS 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 Twins 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 2017.

**Budget Summary - Fund 83:**

	2015 Actual	2016 Budget	2017 Budget
Beginning Fund Balance	\$ 10,532,155	\$ 12,783,674	\$ 14,991,674
Revenues:			
<i>Annual Rent</i>	959,965	960,000	968,000
<i>Hennepin County Contribution</i>	1,209,936	1,210,000	1,224,000
<i>Investment earnings</i>	81,618	38,000	50,000
<b>Total Revenue</b>	<b>\$ 2,251,519</b>	<b>\$ 2,208,000</b>	<b>\$ 2,242,000</b>
Expenditures:			
<i>Future Capital Projects</i>	-	2,208,000	2,242,000
<b>Total Expenses</b>	<b>\$ -</b>	<b>\$ 2,208,000</b>	<b>\$ 2,242,000</b>
Ending Fund Balance	\$ 12,783,674	\$ 14,991,674	\$ 17,233,674

**APPROVED**

**Resolution 16-MBA-123**

**Purpose:**

To set the 2017 Minnesota Ballpark Authority board meeting schedule.

**Background:**

The Minnesota Open Meeting Law anticipates that public bodies will set regular meetings. In August of 2006, the Authority passed a resolution establishing regular monthly board meetings. In June of 2010, upon completion of ballpark construction and the opening of Target Field, the MBA changed their meeting schedule from monthly to quarterly meetings.

**Action Requested:**

**BE IT RESOLVED** that the Minnesota Ballpark Authority 2017 quarterly board meetings will be held on Thursday, January 12th, Thursday, April 13th, Thursday, July 13th, and Thursday, October 5th. All meetings will begin at 1:00 p.m. at Target Field. Staff is directed to post the new schedule on the website and to post notification by such other means as they determine necessary and appropriate.

**APPROVED**

**Resolution 16-MBA-124**

**Purpose:**

To authorize the expenditure of funds from the Ballpark Capital Reserve Fund for new LED lighting at Target Field; to authorize MBA staff to finalize the scope, design and cost details with the Minnesota Twins; and to authorize the Chair and Executive Director to negotiate and enter into any necessary agreements to achieve these improvements.

**Background:**

Since Target Field opened in 2010 LED technology has advanced and is now considered the preferred system for field lighting. LED systems improve lighting quality, are much more energy efficient, require less maintenance, and reduce glare and neighborhood spill-over impacts. To date, MLB facilities in Seattle, New York (Yankees), San Diego, Arlington, and Houston have been converted to LED systems. In addition, Target Field's field lighting system has reached the end of its useful life, as replacement lights are no longer available. Over the last six months the Minnesota Twins have been exploring converting Target Field's existing system to high-efficiency LED lighting. The new light system would include a 20-year warranty. As part of this project the team is also exploring changing the existing canopy lighting to a programmable LED system in advance of the 2017 season. The Minnesota Twins would like to move forward on this project and the team is requesting reimbursement from the Ballpark Capital Reserve Fund.

The Ballpark Capital Reserve Fund was established in 2007, as part of the Ballpark Lease Agreement between the Minnesota Ballpark Authority and the Minnesota Twins. Annual contributions from Hennepin County and the Twin began in 2010, and the Capital Reserve Fund balance will be approximately \$15 million after the 2016 payments are received in November. The use of these funds is restricted to payment for CapEx Work, which is defined in the Lease as:

- (a) all capital modifications, replacements or additions to the Ballpark that (i) taken as a whole, can be demonstrated to be reasonably necessary, directly or indirectly, for the Team to maintain its relative financial position within MLB with regard to revenues from the Ballpark; or (ii) are reasonably necessary to keep the Ballpark in first-class condition or to prevent the facilities and amenities of the Ballpark from becoming materially outdated or obsolete in comparison to other MLB ballparks constructed between 2002 and 2010; provided, however, that work described in this subparagraph (a) performed during the first two (2) years of the Term shall not be CapEx Work; and
- (b) all work, the cost of which may properly be capitalized under GAAP, that is reasonably required to be performed in and about the Ballpark to repair, restore or replace any elements of the Ballpark necessitated by any damage, destruction, ordinary wear and tear or obsolescence.

The definition in the Lease goes on to specifically reference number of ballpark systems eligible for CapEx funding, and it includes the replacement or upgrades of major components to the field lighting.

This is the first request the MBA has received from the team to use Capital Reserve Funding. From 2010 through 2016 the Minnesota Twins elected to fund \$18.9 million in Ballpark CapEx projects. Since its inception the MBA has sought to be a leader in sustainable design and operations and a good neighbor. MBA staff is requesting authorization to work with the Minnesota Twins to enter into a cost reimbursement agreement in an amount not-to-exceed \$1.625 million to add LED lighting at Target Field.

**Action Requested:**

**BE IT RESOLVED** that the Minnesota Ballpark Authority authorizes the expenditure of funds from the Ballpark Capital Reserve Fund in an amount not-to-exceed \$1.625 million for the installation of new LED lighting at Target Field; and

**BE IT FURTHER RESOLVED** that MBA staff is authorized to finalize the scope, design and cost details with the Minnesota Twins, and the Chair and Executive Director are authorized to negotiate and enter into any necessary agreements to achieve these improvements and that staff be authorized to distribute funds as directed.

**APPROVED**

**Resolution 16-MBA-124**

**Purpose:**

To authorize the expenditure of funds from the Ballpark Capital Reserve Fund for new LED lighting at Target Field; to authorize MBA staff to finalize the scope, design and cost details with the Minnesota Twins; and to authorize the Chair and Executive Director to negotiate and enter into any necessary agreements to achieve these improvements.

**Background:**

Since Target Field opened in 2010 LED technology has advanced and is now considered the preferred system for field lighting. LED systems improve lighting quality, are much more energy efficient, require less maintenance, and reduce glare and neighborhood spill-over impacts. To date, MLB facilities in Seattle, New York (Yankees), San Diego, Arlington, and Houston have been converted to LED systems. In addition, Target Field's field lighting system has reached the end of its useful life, as replacement lights are no longer available. Over the last six months the Minnesota Twins have been exploring converting Target Field's existing system to high-efficiency LED lighting. The new light system would include a 20-year warranty. As part of this project the team is also exploring changing the existing canopy lighting to a programmable LED system in advance of the 2017 season. The Minnesota Twins would like to move forward on this project and the team is requesting reimbursement from the Ballpark Capital Reserve Fund.

The Ballpark Capital Reserve Fund was established in 2007, as part of the Ballpark Lease Agreement between the Minnesota Ballpark Authority and the Minnesota Twins. Annual contributions from Hennepin County and the Twin began in 2010, and the Capital Reserve Fund balance will be approximately \$15 million after the 2016 payments are received in November. The use of these funds is restricted to payment for CapEx Work, which is defined in the Lease as:

- (a) all capital modifications, replacements or additions to the Ballpark that (i) taken as a whole, can be demonstrated to be reasonably necessary, directly or indirectly, for the Team to maintain its relative financial position within MLB with regard to revenues from the Ballpark; or (ii) are reasonably necessary to keep the Ballpark in first-class condition or to prevent the facilities and amenities of the Ballpark from becoming materially outdated or obsolete in

comparison to other MLB ballparks constructed between 2002 and 2010; provided, however, that work described in this subparagraph (a) performed during the first two (2) years of the Term shall not be CapEx Work; and

- (b) all work, the cost of which may properly be capitalized under GAAP, that is reasonably required to be performed in and about the Ballpark to repair, restore or replace any elements of the Ballpark necessitated by any damage, destruction, ordinary wear and tear or obsolescence.

The definition in the Lease goes on to specifically reference number of ballpark systems eligible for CapEx funding, and it includes the replacement or upgrades of major components to the field lighting.

This is the first request the MBA has received from the team to use Capital Reserve Funding. From 2010 through 2016 the Minnesota Twins elected to fund \$18.9 million in Ballpark CapEx projects. Since its inception the MBA has sought to be a leader in sustainable design and operations and a good neighbor. MBA staff is requesting authorization to work with the Minnesota Twins to enter into a cost reimbursement agreement in an amount not-to-exceed \$1.625 million to add LED lighting at Target Field.

**Action Requested:**

**BE IT RESOLVED** that the Minnesota Ballpark Authority authorizes the expenditure of funds from the Ballpark Capital Reserve Fund in an amount not-to-exceed \$1.625 million for the installation of new LED lighting at Target Field; and

**BE IT FURTHER RESOLVED** that MBA staff is authorized to finalize the scope, design and cost details with the Minnesota Twins, and the Chair and Executive Director are authorized to negotiate and enter into any necessary agreements to achieve these improvements and that staff be authorized to distribute funds as directed.

**APPROVED**

**Resolution 16-MBA-125**

**Purpose:**

To approve ballpark alterations funded by the Minnesota Twins to add new office space for team staff on the suite level near the west escalators, and the preliminary Concept Design for Relocation of the MBA Office; and to authorize the Chair and Executive Director to Negotiate and Execute an Agreement with respect to the MBA Office Relocation.

**Background:**

Over the course of the 2016 season, team officials have met with Minnesota Ballpark Authority staff to discuss the long term Master Plan for Target Field. An area of high interest for the team is potential enhancements to the main concourse, club level and suite level near Gate 29 and Gate 34. While no specific plan is ready to be presented at this time, the team recognizes the scope of these potential changes will take more than one off-season to complete. At this time the team is proposing to add one office and several workstations on the suite level near the west escalators for Twins personnel and relocating the MBA office area into the space currently occupied by Suites 49, 50, and 51.

Populous is designing both of these capital projects and Mortenson will be managing the construction. The team has committed to funding these projects internally and will not seek any financial participation from the MBA through the CapEx account. Pursuant to Article 8, Section 8.10 (a) of the Ballpark Lease Agreement, by and between Minnesota Ballpark Authority and Twins Ballpark, LLC, dated April 26, 2007 (the "Ballpark Lease"), the Twins are requesting approval to proceed with these ballpark alterations, which are scheduled to be completed in advance of Opening Day 2017.

The Ballpark Lease Agreement also provides the terms and conditions of the MBA office and suite in accordance with the Ballpark Final Design, and of the use and occupancy of the MBA office and suite. This Board action authorizes the Chair and Executive Director to finalize details with respect to the new MBA office space.

**Action Requested:**

**BE IT RESOLVED** that the Minnesota Ballpark Authority approves the plan to add new office space for Twins staff on the suite level near the west escalators; and

**BE IT FURTHER RESOLVED** that the Minnesota Ballpark Authority approves the preliminary concept design of the relocation of the MBA office as set forth in Exhibit A (attached); and

**BE IT FURTHER RESOLVED** that the MBA authorizes the Chair and Executive Director to negotiate and execute an agreement with the Team with respect to the proposed re-location, subject to satisfactory resolution of terms and conditions, including but not limited to the provision of storage, access to the MBA office in general, public access for MBA meetings, Board meeting space, and other items typically desired or necessary to maintain the MBA office, consistent with the Ballpark Lease.

**APPROVED**

**DISCUSSION ITEMS**

**Target Field Operations Update** – Matt Hoy, Minnesota Twins Senior V.P. of Operations. Mr. Hoy reported that the new additions to the ballpark this past season, “Minnie & Paul’s” and “Catch” were very well received by fans along with the new food items from Red Cow and Pizza Luce. The remodel of Suite 34 as a prototype of future renovations to the suites is complete. Discussions with Delaware North for a new agreement are in the final stages. The Twins are considering for the future the digital ticketing units that Chair Anderson Kelliher mentioned at US Bank Stadium in her Chair’s report. Some of the foam seats in the bowl outside the Champions Club are being replaced due to wear. The Legend’s Club seats will eventually be replaced as well. The plastic seats in the ballpark are in good shape so not being considered at this point for replacement. The concession staffing issues improved during the second half of the season. The annual report from Populous was very encouraging and stated that after seven years Target Field is in excellent repair and good condition. From a mechanical standpoint Target Field is rated very good to excellent. Gary Glawe, Ballpark Operations, Senior Director of Facilities, reported that the winterization process will begin Thursday, October 13. Mr Glawe also noted we have LEED certification on original new construction, the operation and maintenance certification has a 5 year period to recertify, however another option has been made available called a LEED Dynamic Plaque, the new system is an active plaque that gives monthly updates on five elements for LEED certification. This system would allow for greater accountability as it would be on-going and not based on a five year re-certification.

**Financial Report** – Brenda Juneau, MBA Finance Coordinator. Ms. Juneau reported that the Financial Report is through August and that the General Operating Fund is where it typically is for this time of year. Year End Expenditures should be just under \$700,000. A 2016 Year End Report will be available at the January 2017 MBA Board meeting. Most of the expenses come at the end of the year, usually November and December and will be noted in that year-end report. Money from the Capital Project Fund was spent September 1 so it is not in the August report.

*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 October 6, 2016 was adjourned at 2:14 P.M.*

**Next Meeting: January 12, 2017 at Target Field Tour Theatre**