



MEMORANDUM

TO: MSFA Commissioners
FROM: Ted Mondale
SUBJECT: Project Budget Amendment
DATE: August 22, 2014

Approve Capital Budget Increase:

On December 13, 2013 the Minnesota Sports Facilities Authority (MSFA) approved a capital budget of \$975,000,000 to allow for the expenditure of funds for project costs related to the new Minnesota Multi-Purpose Stadium Project. Then on April 18 2014, the Authority approved an Increase to the Master Project Budget (MPB) of \$1,232,221.00. On June 20, 2014, the Authority approved another increase to the MPB of \$1,310,722.00 for a revised project budget of \$977,542,943.00. Both of these increases were funded entirely by the Minnesota Vikings and paid for the following enhancements to the Project:

Description	Amount
Increased Video Board Size	\$ 599,613.00
Add Video Walls at Clubs	\$ 632,608.00
Add Escalators	\$ 1,071,662.00
Design Costs for Added TV's	\$ 239,060.00
TOTAL	\$ 2,542,943.00

To date, the Team Financed Contingency identified within paragraph 8.1(a)(iii) of the Development Agreement has not been included within the Master Project Budget as it was originally created as a backstop and was only to be utilized if required. The capital budgets presented to date and approved by the MSFA have not included the Team Financed Contingency.



The original and current Source of Funds for the Project are as follows: -

SOURCE OF FUNDS						
Division	Description	MPB 11/22/2013	4/18/2014 Adjustment	6/20/2014 Adjustment	Current Approved MPB	Notes
00	Team Contribution	\$477,000,000.00			\$477,000,000.00	Does not include Team Financed Contingency of \$26,447,957
00	Additional Team Contribution	\$ -	\$1,232,221.00	\$1,310,722.00	\$ 2,542,943.00	Does not include Team Financed Contingency of \$26,447,957
00	State of Minnesota Grant Agreement	\$498,000,000.00			\$498,000,000.00	
	PROJECT TOTAL	\$975,000,000.00	\$1,232,221.00	\$1,310,722.00	\$977,542,943.00	

The original and current Use of Funds for the Project are as follows: -

USE OF FUNDS						
Division	Description	MPB 11/22/2013	4/18/2014 Adjustment	6/20/2014 Adjustment	Current Approved MPB	Notes
10	Site Acquisition & Improvements	\$ 50,556,389.00			\$ 50,556,389.00	
20	Construction Costs	\$762,941,876.00	\$1,232,221.00	\$1,071,662.00	\$765,245,759.00	
30	Furnishings, Fixtures & Equipment	\$ 57,600,000.00			\$ 57,600,000.00	
40	Development Costs	\$ 82,119,692.00		\$ 239,060.00	\$ 82,358,752.00	
50	Financing Costs	\$ -			\$ -	
60	Other Project Costs	\$ 16,230,000.00			\$ 16,230,000.00	
90	Project Contingency	\$ 5,552,043.00			\$ 5,552,043.00	Does not include Team Financed Contingency of \$26,447,957
	PROJECT TOTAL	\$975,000,000.00	\$1,232,221.00	\$1,310,722.00	\$977,542,943.00	

On May 2, 2014, HKS Architects issued the Final Construction Documents for the Project. Mortenson Construction and HKS have spent considerable time and effort to evaluate these documents and compare them against the assumptions within the Construction Services Agreement between the MSFA and Mortenson dated November 22, 2013.

For many reasons including market escalation, changes in scope and modified assumptions, the projected cost of the Final Construction Documents exceeded the costs included within the Construction Services Agreement. In an effort to reduce costs, the MSFA staff, the Minnesota Vikings, Mortenson Construction and HKS have worked effectively to successfully reduce and/or eliminate unnecessary cost items and reduce the overall cost exposure. Rather than eliminate scope items from the project that would affect the fan experience or the multi-use nature of the Project, the Minnesota Vikings have agreed to commit additional funding to allow the project to maintain key design features and move forward collaboratively. Additionally, the Minnesota



Vikings have agreed to fund some Add Alternates outlined within both the Development Agreement and the Construction Services Agreement.

As a result of this collaborative effort, the Minnesota Vikings have agreed to fund an additional \$19,659,100 above their previous commitment of \$2,542,943 to avoid scope cuts. The MSFA Staff and the Minnesota Vikings also believe it is appropriate at this time to reflect the \$26,447,957 Team Financed Contingency within the Master Project Budget as those dollar will be needed to complete the Project. Therefore, the total Additional Team Contribution will now be \$48,650,000.

With those adjustments, the Current and Proposed Source of Funds for the Project are as follows:

SOURCE OF FUNDS				
Division	Description	Current Approved MPB	Proposed MPB 8/22/2014	Notes
00	Team Contribution	\$477,000,000.00	\$ 477,000,000.00	
00	Additional Team Contribution	\$ 2,542,943.00	\$ 48,650,000.00	Includes Team Financed Contingency
00	State of Minnesota Grant Agreement	\$498,000,000.00	\$ 498,000,000.00	
	PROJECT TOTAL	\$977,542,943.00	\$ 1,023,650,000.00	

The current and proposed Use of Funds for the Project are as follows: -

USE OF FUNDS				
Division	Description	Current Approved MPB	Proposed MPB 8/22/2014	Notes
10	Site Acquisition & Improvements	\$ 50,556,389.00	\$ 50,751,953.40	
20	Construction Costs	\$765,245,759.00	\$ 803,065,818.69	
30	Furnishings, Fixtures & Equipment	\$ 57,600,000.00	\$ 54,350,000.00	
40	Development Costs	\$ 82,358,752.00	\$ 86,215,419.03	
50	Financing Costs	\$ -	\$ -	
60	Other Project Costs	\$ 16,230,000.00	\$ 7,997,454.66	
90	Project Contingency	\$ 5,552,043.00	\$ 21,269,354.22	Includes balance of Team Financed Contingency
	PROJECT TOTAL	\$977,542,943.00	\$ 1,023,650,000.00	

Recommendation: *The Authority approve an increase of \$46,107,057.00 to the project capital budget, thereby increasing the total project budget from \$977,542,943.00 to \$1,023,650,000.00.*



The Authority authorizes the Chair and CEO/Executive Director to reallocate budget amounts as necessary and to execute any required amendments to the Amended and Restated Development Agreement regarding corresponding revisions to Exhibit F-2.