

## Target Center Implementation Committee

Thursday, January 17, 2013  
Minneapolis City Hall, Room 319  
Minneapolis, MN 55415  
4:00 - 6:00 p.m.

### Meeting Minutes

**Members Present:** Chair Jerry Bell, City Council President Barbara Johnson, Council Member Elizabeth Glidden, Council Member John Quincy, Council Member Don Samuels, Tim Baylor, Steve Benson, Pat Denzer, Kevin Dooley, Kelly Doran, David Evelo, Archie Givens, Joanne Kaufman, Fred Krohn, Dan McConnell, Andrew Parker, and Karen Rosar.

**Members Absent:** Council Member Lisa Goodman, Council Member Meg Tuthill, Devon George and Brian Woolsey.

**Consultants/Guests Present:** Steve Mattson, Tom Reller, Julie Esch, Kelly Mansell, Sandy Sweetser, Nick Koch, Scott Elofson, Ted Johnson, Dan Kenney, Jackie Cherryhomes, and Kim Williamson.

**City Staff:** Jeremy Hanson Willis, Kevin Carpenter, Jeff Johnson, Velma Korbel, and Michael McHugh.

**Welcome and Introductions** - The meeting was called to order at 4:10 p.m. by Chair Jerry Bell who welcomed those present to the meeting.

#### General Updates

**Update on renovation scope and financing** - The City continues active conversations with AEG, the Timberwolves, and Lifetime Fitness on the scope and financing of the renovation. While a deal has not yet been completed, they are making progress. The project timeline will be adjusted from the date of agreement, and the Committee will need to meet longer than the projected 5-6 months to assist in selecting an architect and builder. The project budget is still estimated at about \$100 million.

**Update on Executive Committee** - At the November 27, 2012 meeting Jeremy Hanson Willis asked for volunteers from the Committee to serve on an Executive Committee, which has since been appointed. Members of the Executive Committee are: Jerry Bell, Tim Baylor, Pat Denzer, Kevin Dooley, Archie Givens, Brian Wolsey, Mayor Rybak, Council President Johnson, Council Member Glidden, and Council Member Goodman. No schedule has yet been set for Executive Committee meetings.

**Revisit of DRAFT Design Principles** - Information about the Committee and its work can now be found online: [www.minneapolismn.gov/targetcenterrenovation](http://www.minneapolismn.gov/targetcenterrenovation). There is also a document in the meeting packet: *2020 Partners Statement in Support of Target Center Improvements*, which can also be found online: <http://the2020partners.com/portfolio/reports>.

Committee Member and North Loop resident Karen Rosar encouraged everyone to use the 2020 Partners website. Chair Bell affirmed that the organization was helpful during design and construction of Target Field; that project had a good connection with the community and neighborhood. He urged the Committee to look at streetscapes, not just Target Center, and to not be constrained by dollars.

Committee Member Kelly Doran suggested that Block E has loading docks, parking, and space opportunities. He wondered if it would be possible to branch out beyond Target Center into Block E, incorporating and using that space. Chair Bell said it was within the scope of the Committee, and suggested going beyond Target Center. The Committee should look at how much can be accomplished now, and what can be accomplished later with capital improvements funding.

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### Minority Contracting and Hiring Goals

Velma Korbel, Director of Civil Rights, said this renovation project generates public interest and spends public money. The City has set goals for workforce participation: 32% minority and 6% women, with a small business goal of 20% (11% women, 9% minority). These goals are attainable because the City is involved in outreach, and has relationships with training institutions. The prevailing wage schedule is set by the Department of Labor. If Target Center stays on schedule, the workforce will be available since the bulk of that work will be completed before Vikings stadium construction begins.

Hanson Willis said that meeting minority contracting and hiring goals allows the City to spend money in accordance with its values while benefitting local businesses - building people, not just buildings.

### Target Center Economics

Steve Mattson, AEG, reported on where Target Center fits in the industry for non-MBA ticketed events. According to *Pollstar*, the leading international publication for the concert industry, Target Center came in at #51 of the Top 200 venues in the world for ticket sales in 2012 (Xcel is #82). Target Center has led Xcel in 8 of the last 12 years. For other facilities in the Entertainment and Warehouse Districts, the rankings in 2012 are: Theaters - Orpheum #16, State #87; Clubs - First Avenue #5, Cabooze #40, and 7<sup>th</sup> Street Entry #84.

This information has been disseminated to agents, managers, and entertainers. Target Center is competing with entities that do not have a current tenant, with more dates available to book. When queried about how far Target Center will move up the list with renovations, Steve said that the goal is to maintain our place on this list. With renovation we can get 20 more years out of the building, which is a real rarity. Without renovation it becomes obsolete. Following renovation, there will likely be a honeymoon period, with new shows, and more recurring shows (longer runs).

Ted Johnson, Timberwolves/Lynx, talked about the economic impact of Target Center. The building hosts 200 events a year, one-third of which are professional basketball. It receives a million visitors per year, half of them for Timberwolves games. Regarding visitors, 70% are not from Minneapolis; 30% of Timberwolves ticketholders are non-metro, and 15% are from out-of-state.

In its 20 years history, Target Center has paid \$145-155 million in taxes, largely to the State of Minnesota. Sales tax revenues from Target Center and surrounding establishments are \$10-15 million. Target Center has provided 1,000 jobs, with an economic impact of \$130 million. Target Center improvements will help the Timberwolves/Lynx organization: by adding amenities and clubs they can increase ticket prices; signage revenues; more sold out games.

Kevin Carpenter, the City's Chief Financial Officer, said that underneath this lies a complicated set of arrangements; each dollar gets split different ways. There are three components to operating: (1) \$15 million general obligation bonds to acquire Target Center will retire in 2015; (2) Operating - \$1-1.5 million is paid to AEG to operate Target Center. Renovation will make it more efficient, taking less money to operate; (3) Maintenance Capital Upkeep - \$2.4-4 million per year (Entertainment Tax \$1-1.5 million, parking revenue \$3-3.5 million, other general fund resources). The city will use local taxes (sales, liquor, economic development activities) to fund its share of the obligation. Target Center's tax payments will equal their share of the cost.

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### Public Realm Improvements

Setting the building itself aside, Jeremy Hanson Willis asked Committee members to express their views on needed improvements to the streetscape or public realm.

Karen Rosar: Target Plaza leading to Target Field should be extended to First Avenue. Improve the pathway to Target Field from the LRT station.

Jerry Bell: Lower (but do not close off) Sixth Street; construct a walkway over the top of it. Agreed with Karen Rosar about Target Plaza.

Steve Benson: Bicycle approaches from Nicollet Mall, Seven Street, or coming from Cedar Trail not very welcoming. Lee's Liquor Lounge approach is grim; also coming up by light rail station. There are no bike lanes on Seventh Street; it's hard to get there from Nicollet Mall, Hennepin, First Avenue - lots of cars turning, starting, and stopping.

Tim Baylor: What is a world class facility? Would like to look at other facilities - first, second class facilities. Not sure what world class means.

Joanne Kaufman: The side and back of Target Center are scary. Target Center is not inviting.

Andrew Parker: Retaining a strong urban design professional is critical to take a look at the project and education the Committee members. He is intrigued by acquisition of Block E. From Nicollet Mall to Target Center, change the entire downtown.

Council Member Samuels: Target Center roof is green space but it's not accessible to the public. Change the roof amenity to make it a park space; connect with street more.

Council President Barb Johnson: More people spending money downtown means more tax revenues.

Pat Denzer: Look at the area like a campus, and develop a plan even for 10, 15 or 20 years.

Chair Bell added that while the main task is to take care of the fundamentals and improve the building, the Committee should develop a vision for improving the surrounding neighborhood as well; \$100 million won't be enough to do that but it should be addressed.

Karen Rosar suggested that enlisting the help of 2020 Partners would be a good place to start. Council President Barb Johnson added that there are images out there that could be included in a presentation, without having to hire a professional.

### Next Steps

Get images from other locations and locally to present to the Committee at its February meeting. Finalize details around financing. Solicit and receive the Committee's guidance in hiring an architect and builder.

**Adjourn - 5:40 p.m.**

*Next meeting: 4:00-6:00, Thursday, February 21, City Hall Room 319*