

1.1 A bill for an act
 1.2 relating to higher education; providing a process for state support of a football
 1.3 stadium at the University of Minnesota; appropriating money; amending
 1.4 Minnesota Statutes 2004, sections 297A.71, by adding a subdivision; 340A.404,
 1.5 subdivision 4a; proposing coding for new law in Minnesota Statutes, chapter 473.

1.6 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MINNESOTA:

1.7 Section 1. DEFINITIONS.

1.8 Subdivision 1. Applicability. The definitions in this section apply to sections 2 to 7.

1.9 Subd. 2. Commissioner. "Commissioner" means the commissioner of finance.

1.10 Subd. 3. Stadium. "Stadium" means an athletic stadium suitable for intercollegiate
 1.11 National Collegiate Athletic Association (NCAA) Division I football games and related
 1.12 infrastructure improvements constructed on the University of Minnesota's east bank
 1.13 campus in the city of Minneapolis.

1.14 Subd. 4. Board. "Board" means the Board of Regents of the University of
 1.15 Minnesota.

1.16 Subd. 5. Commission. "Commission" means the Metropolitan Sports Facilities
 1.17 Commission.

1.18 Sec. 2. ACTIVITIES; CONTRACTS.

1.19 The legislature recognizes that the board has all powers necessary or convenient for
 1.20 designing, constructing, equipping, improving, controlling, operating, and maintaining the
 1.21 stadium and may enter into contracts that are, in its judgment, in the best interests of the
 2 public for those purposes. Notwithstanding contrary law, the board may adopt the fair
 1.23 and competitive design and construction procurement procedures in connection with
 1.24 the stadium that it considers to be in the public interest. The total cost of the stadium,

2.1 including the costs of issuing bonds and purchasing bond insurance or other credit
2.2 enhancements or funding reserves, plus the costs of mitigation required by section 6, must
2.3 not exceed \$248,000,000. The board must ensure to the greatest extent practicable, that
2.4 materials derived from American-made steel are used in the construction of the stadium.
2.5 Minnesota Statutes, sections 16B.33 and 16B.335, do not apply to the stadium.

2.6 **Sec. 3. ENVIRONMENTAL REVIEW.**

2.7 The commissioner must not make an annual payment required by this act until the
2.8 board has completed an environmental review of the stadium project and the commissioner
2.9 determines that the board is performing the duties of the responsible governmental unit
2.10 as prescribed in the Minnesota Environmental Policy Act, Minnesota Statutes, chapter
2.11 116D, and the rules adopted under that chapter. The legislature ratifies the Environmental
2.12 Quality Board's designation of the board as a responsible governmental unit.

2.13 **Sec. 4. CONDITIONS FOR PAYMENT TO THE UNIVERSITY.**

2.14 Subdivision 1. **Nonstate revenues required.** Before the commissioner may make
2.15 the first payment to the board authorized in this section, the commissioner must certify
2.16 that the board has received at least \$75,300,000 in pledges, gifts, sponsorships, and other
2.17 nonstate general fund revenue support for the construction of the stadium.

2.18 Subd. 2. **Prohibited funding sources.** No part of the money required to be obtained
2.19 by the board under subdivision 1 may be derived from:

2.20 (1) increased fees or charges imposed on students attending the University of
2.21 Minnesota; or

2.22 (2) money paid by any nonpublic entity as consideration for the right to determine
2.23 the name of the stadium.

2.24 Subd. 3. **Annual state payments; appropriation.** On July 1 of each year after
2.25 certification by the commissioner, but no earlier than July 1, 2007, and for so long
2.26 thereafter as any bonds issued by the board for the construction of the stadium are
2.27 outstanding, the state must transfer to the board up to \$12,900,000 to reimburse the board
2.28 for its stadium costs, provided that bonds issued to pay the state's share of the costs shall
2.29 not exceed \$172,700,000.

2.30 Up to \$12,900,000 is appropriated annually from the general fund for the purpose
2.31 of this section. The board must certify to the commissioner the amount of the annual
2.32 payments of principal and interest required to service bonds issued by the university for
2.33 the construction of the stadium, and the actual amount of the state's annual payment to the
2.34 university must equal the amount required to service the bonds representing the state's

3.1 share of the costs. Except to the extent of the annual appropriation described in this section,
3.2 the state is not required to pay any part of the cost of designing or constructing the stadium.

3.3 Subd. 4. Affordable student access. Before the first payment is made under
3.4 subdivision 3, the board must certify to the commissioner that a provision for affordable
3.5 access for university students to the university sporting events held at the football stadium
3.6 has been made.

3.7 **Sec. 5. NO FULL FAITH AND CREDIT.**

3.8 Any bonds or other obligations issued by the board under this act are not public debt
3.9 of the state, and the full faith and credit and the taxing powers of the state are not pledged
3.10 for their payment, or of any payments that the state agrees to make under this act.

3.11 **Sec. 6. MITIGATION FUND.**

3.12 The board shall organize an advisory group made up of representatives of the
3.13 surrounding residential and business areas to develop proposals to mitigate the impact
3.14 of the construction and operation of the stadium. The commissioner must not make an
3.15 annual payment required by this act until the board has created an endowment fund of
3.16 at least \$1,000,000, the income from which is required to be used, upon advice of the
3.17 advisory group, to mitigate the direct effects of construction of the stadium. For purposes
3.18 of this section, "mitigation" includes, but is not limited to, protection of parking facilities
3.19 and amenities, neighborhood landscaping and beautification projects and financial grants
3.20 for neighborhood and business-developed programs intended to mitigate adverse impacts
3.21 caused by the operation of the stadium.

3.22 **Sec. 7. EMINENT DOMAIN.**

3.23 The board may not acquire the fire station number 19 building for the construction
3.24 of the stadium and related infrastructure, either directly or indirectly, through the exercise
3.25 of the power of eminent domain.

3.26 **Sec. 8. Minnesota Statutes 2004, section 297A.71, is amended by adding a subdivision**
3.27 **to read:**

3.28 **Subd. 37. Construction materials; University of Minnesota football stadium.**
3.29 **Materials, supplies, or equipment used or consumed in connection with the construction,**
3.30 **equipping, or improvement of a football stadium constructed for use by the University**
3.31 **of Minnesota are exempt. This subdivision expires one year after substantial completion**
3.32 **of the football stadium.**

4.1 Sec. 9. Minnesota Statutes 2004, section 340A.404, subdivision 4a, is amended to read:

4.2 Subd. 4a. **State-owned recreation; entertainment facilities.** Notwithstanding any
4.3 other law, local ordinance, or charter provision, the commissioner may issue on-sale
4.4 intoxicating liquor licenses:

4.5 (1) to the state agency administratively responsible for, or to an entity holding a
4.6 concession or facility management contract with such agency for beverage sales at, the
4.7 premises of any Giants Ridge Recreation Area building or recreational improvement area
4.8 owned by the state in the town of White, St. Louis County;

4.9 (2) to the state agency administratively responsible for, or to an entity holding a
4.10 concession or facility management contract with such agency for beverage sales at, the
4.11 premises of any Ironworld Discovery Center building or facility owned by the state at
4.12 Chisholm; and

4.13 (3) to the Board of Regents of the University of Minnesota for events at Northrop
4.14 Auditorium and spectator suites and ^{club facilities} ~~clubs~~ in any intercollegiate football stadium
4.15 constructed by the university on its Minneapolis campus.

4.16 The commissioner shall charge a fee for licenses issued under this subdivision in an
4.17 amount comparable to the fee for comparable licenses issued in surrounding cities.

4.18 Sec. 10. [473.5955] TERMINATION OF LEASE.

4.19 The lease between the Board of Regents of the University of Minnesota and the
4.20 commission dated May 19, 1982, that requires the University of Minnesota football team
4.21 to play its home football games at the Hubert H. Humphrey Metrodome until July 1,
4.22 2012, may be terminated by the board and the commission effective on or after the date
4.23 designated by the board as the date of completion of the stadium on the University of
4.24 Minnesota's east bank campus in the city of Minneapolis.

4.25 Sec. 11. EFFECTIVE DATE.

4.26 Sections 1 to 10 are effective the day following final enactment.

1.1 Senator moves to amend S.F. No. 2460 as follows:

1.2 Page 1, after line 6, insert:

1.3 "Section 1. **[295.61] SPORTS MEMORABILIA TAX.**

1.4 Subdivision 1. Tax. A tax is imposed on each sale at wholesale of sports memorabilia
1.5 in the state. The rate of the tax is 13 percent of the gross revenues from the sale.

1.6 Subd. 2. Definitions. (a) For purposes of this section, the following terms have
1.7 the meanings given them.

1.8 (b) "Buyer" means any person that purchases sports memorabilia at wholesale.

1.9 (c) "Commissioner" means the commissioner of revenue.

1.10 (d) "Sale" means a transfer of title or possession of tangible personal property,
1.11 whether absolutely or conditionally.

1.12 (e) "Sports memorabilia" means items available for sale to the public that are sold
1.13 under a license granted by a professional sports league, association or team, the National
1.14 Collegiate Athletic Association (NCAA), an NCAA Division I college or university, and
1.15 NCAA affiliated or corresponding member, or by an individual athlete, including:

1.16 (1) one-of-a-kind items related to sports figures, teams, or events;

1.17 (2) trading cards;

1.18 (3) photographs;

1.19 (4) clothing;

1.20 (5) sports event licensed items;

1.21 (6) sports equipment; and

1.22 (7) similar items.

1.23 (f) "Wholesale" or "sale at wholesale" means a sale to a retailer, as defined in section
1.24 297A.01, subdivision 10, for the purpose of reselling the property to a third party.

1.25 (g) "Wholesaler" means any person making wholesale sales of sports memorabilia
1.26 to purchasers in the state.

1.27 Subd. 3. Quarterly estimated payments. (a) Each wholesaler must make estimated
1.28 payments of the tax for the calendar year to the commissioner in quarterly installments by
1.29 April 15, July 15, October 15, and January 15 of the following calendar year.

1.30 (b) Estimated tax payments are not required if the tax for the calendar year is less
1.31 than \$500.

1.32 (c) An underpayment of estimated installments bears interest at the rate specified in
1.33 section 270.75, from the due date of the payment until paid or until the due date of the
1.34 annual return at the rate specified in section 270.75. An underpayment of an estimated
1.35 installment is the difference between the amount paid and the lesser of (1) 90 percent of

2.1 one-quarter of the tax for the calendar year, or (2) the tax for the actual gross revenues
2.2 received during the quarter.

2.3 Subd. 4. **Electronic funds-transfer payments.** A taxpayer with an aggregate tax
2.4 liability of \$120,000 or more during a fiscal year ending June 30, must remit all liabilities
2.5 by funds-transfer as defined in section 336.4A-104, paragraph (a), in the next calendar
2.6 year. The funds-transfer payment date, as defined in section 336.4A-401, is on or before
2.7 the first funds-transfer business day after the date the tax is due.

2.8 Subd. 5. **Annual return.** The taxpayer must file an annual return reconciling the
2.9 estimated payments by March 15 of the following calendar year.

2.10 Subd. 6. **Form of returns.** The estimated payments and annual return must contain
2.11 the information and be in the form prescribed by the commissioner.

2.12 Subd. 7. **Use tax.** If the tax is not paid under this section, a tax is imposed on
2.13 possession for sale or use of sports memorabilia in the state. The rate of tax equals the rate
2.14 under this section, and must be paid by the possessor of the items.

2.15 Subd. 8. **Application of other chapters.** Unless specifically provided otherwise by
2.16 this section, the enforcement, interest, and penalty provisions under chapter 294, appeal
2.17 provisions in sections 289.65 and 289A.43, criminal penalties under section 289A.63,
2.18 refund provisions in section 289A.50, and collection and rulemaking provisions under
2.19 chapter 270, apply to the tax under this section.

2.20 Subd. 9. **Disposition of revenues.** The commissioner shall deposit all revenues,
2.21 including interest and penalties, derived from the tax imposed under this section in the
2.22 state treasury.

2.23 **EFFECTIVE DATE.** This section is effective for sales after December 31, 2006."

2.24 Renumber the sections in sequence and correct the internal references

2.25 Amend the title accordingly

ROLL CALL VOTE

Date: 4/27/06

Senator Limmer requested a Roll Call Vote on:

1. adoption of SCS 2460A-8 amendment
2. passage of F. No.
3. adoption of motion

SENATOR	YES	NO	PASS	ABSENT
Pogemiller	✓			
Bakk	✓			
Belanger		✓		
Betzold	✓			
Johnson		✓		
Limmer		✓		
Marty	✓			
McGinn		✓		
Moua	✓			
Ortman		✓		
Skoe	✓			
Tomassoni	✓			
TOTALS	7	5		

There being 7 Yes votes and 5 No votes the Motion:

Prevailed X

Did Not Prevail

X

1.1 Senator moves to amend S.F. No. 2460 as follows:

1.2 Page 3, delete section 6, and insert:

1.3 "Sec. 6. MITIGATION FUND.

1.4 The Board of Regents is requested to cooperate with the reconstituted stadium
1.5 area advisory group described in the University of Minnesota On-Campus Football
1.6 Stadium-Final EIS, dated February 13, 2006, to mitigate the impact of the construction
1.7 and operation of the stadium. The board shall also establish a mitigation fund for the
1.8 support of community initiatives that relate to the impacts of the operation of the stadium.
1.9 The university shall deposit \$1,000,000 into a fund to be managed by the Board. Income
1.10 from the fund shall be made available exclusively to pay for mitigation activities. The use
1.11 of the funds must be coordinated through the reconstituted stadium area advisory group.

1.12 Sec. 7. NEIGHBORHOOD IMPACT REPORT.

1.13 The Board of Regents and the city of Minneapolis are requested to work with the
1.14 reconstituted stadium area advisory group described in the University of Minnesota
1.15 On-Campus Football Stadium-Final EIS, dated February 13, 2006, to assess and prepare a
1.16 report of the impact of the university on the surrounding community and the relationship
1.17 of the community to the university. The report shall include, but not be limited to, an
1.18 assessment of:

1.19 (1) the direct and indirect impacts of the university on the surrounding community,
1.20 addressing issues of public safety, transportation, and housing quality, availability, and
1.21 affordability;

1.22 (2) opportunities and strategies to improve coordination between the university,
1.23 surrounding residential and business areas, and the city of Minneapolis;

1.24 (3) strategies for strengthening and revitalizing the neighborhoods and commercial
1.25 business areas and supporting economic development; and

1.26 (4) identification of the best practices and strategies for building partnerships among
1.27 the stakeholders.

1.28 The report shall include consensus recommendations from the University of
1.29 Minnesota, the city of Minneapolis, and the reconstituted stadium area advisory group for
1.30 short- and long-term solutions to ongoing issues and concerns and shall include projected
1.31 costs and benefits of the recommendations made. The report shall be submitted to the
1.32 governor and the legislature by January 15, 2007."

1.33 Renumber the sections in sequence and correct the internal references

1.34 Amend the title accordingly

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and Fiscal Analysis**

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**S.F. No. 2460: Construction of a Football Stadium at the
University of Minnesota**

Author: Senator Larry Pogemiller
Prepared by: Maja Weidmann, Senate Research (651/296-4855)
Date: April 27, 2006

Section 1 contains definitions.

Section 2 states that the University has the authority to oversee all aspects of the construction of the stadium. Exempts the stadium from the designer selection board process.

Section 3 requests that the Board of Regents undertake an environmental review of the stadium project.

Section 4, subdivision 1 conditions the commissioner of finance's release of state money for the project on the certification of receipt of a specified amount of non-state revenue to support construction of the stadium.

Subdivision 2 specifies that no part of the money required to be obtained by the board under subdivision 1 can come from (1) increased student fees or (2) money paid by a nonpublic entity for the right to determine the name of the stadium.

Subdivision 3 delineates the procedure to be followed in transferring money from the state to the University.

Subdivision 4 conditions the transfer of money from the state to the University on receipt of certification to the commissioner of finance that the University has made provisions for the affordable access to sporting events for students.

Section 5 states that any bonds sold by the Board of Regents under this act are not a public debt of the state.

Section 6 directs the Board of Regents to establish an advisory group of representatives of the surrounding residential and business areas to develop proposals to mitigate the impact of the construction and operation of the stadium. Establishes a mitigation fund.

Section 7 disallows the acquisition of the fire station number 19 building through eminent domain.

Section 8 exempts the University of Minnesota from the payment of sales tax on materials, supplies or equipment used or consumed in the construction of the stadium.

Section 9 authorizes the commissioner of public safety to issue a liquor license to the Board of Regents for events in spectator suites and clubs in any football stadium constructed on the campus.

Section 10 authorizes termination of the lease the Board of Regents has with the Metrodome.

Section 11 makes sections one to ten effective the day following final enactment.

TCF Bank Stadium		A	B	C	D	E	F	G
Total Cost		\$ 248,000,000			U of M Debt Financing			
Category	Stadium Financing Plan				Debt Issuance	Term	Annual Payment	
	Amount	Cumulative \$	Cumulative %					
Alumni	\$ 1,000,000	\$ 1,000,000	0.4%	n/a	n/a	n/a		
TCF Stadium Sponsorship	\$ -	\$ 1,000,000	0.4%	n/a	n/a	n/a		
	Cash up front \$ -							
	Debt Financed \$ -			\$ -	25	\$ 0		
Best Buy	Cash up front \$ 2,500,000	\$ 3,500,000	1.4%	n/a	n/a	n/a		
U of M Fundraising	\$ 12,250,000	\$ 15,750,000	6.4%	\$ -	n/a	\$ 0		
	Documented: \$ 9,250,000							
	Verbals: \$ 3,000,000							
Game Day Parking Revenue	\$ 13,000,000	\$ 28,750,000	11.6%	\$ 13,000,000	25	\$969,142		
Student Fee Support	\$ -	\$ 28,750,000	11.6%	\$ -	25	\$ 0		
State Responsibility	\$172,700,000	\$ 201,450,000	81.2%	\$ 172,700,000	25	\$12,874,673		
Balance Remaining	\$ 46,550,000	\$ 248,000,000	100.0%	\$ 46,550,000	tbd	\$3,470,272		
	Sponsorships \$ 15,600,000			\$ -	25	\$ 0		
	Fundraising \$ 30,950,000			\$ -	n/a	\$ 0		
Taxable 5.5%								
Tax Exempt 5.5%	Total State	\$172,700,000	70%					
Term 25	Total U of M	\$ 75,300,000	30%	19%	\$ 185,700,000	\$ 13,843,815		
		\$248,000,000	100%					

* Note: These amounts are likely to require some bridge/debt financing but the amount will not be known until the particular nature of sponsorship or gift is completed

Policy for inclusion in Annual Capital Improvement Budget:

Part 1 - 80% of project cost as cash in hand, a known financing source or short term pledges back by an approved finance plan to bridge construction timing issues.
 All funding sources must be verified and approved by CFO

Part 2 - 20% of remaining project costs may be debt financed in anticipation of other finance sources(gifts, etc) but
 guarantee of payment by sponsoring entity must be in writing and approved by CFO.

1.1 Senator moves to amend S.F. No. 2297 as follows:

1.2 Page 1, after line 12, insert:

1.3 "ARTICLE 1
1.4 BALLPARK"

1.5 Page 17, after line 5, insert:

1.6 " ARTICLE 2
1.7 FOOTBALL STADIUM

1.8 Section 1. Minnesota Statutes 2004, section 297A.71, is amended by adding a
1.9 subdivision to read:

1.10 Subd. 33. Stadium construction materials and equipment exempt. Materials
1.11 and supplies used or consumed in, and equipment incorporated into the construction of
1.12 a National Football League stadium constructed under chapter 473J are exempt. The
1.13 exemption under this subdivision terminates one year after the first National Football
1.14 League game is played in the stadium.

1.15 Sec. 2. [473J.01] PURPOSE.

1.16 The legislature finds that construction of a new stadium that meets National
1.17 Football League programmatic requirements, with a retractable or fixed roof, in the
1.18 city of Blaine, county of Anoka, serves a public purpose. The legislature finds that the
1.19 public purpose served includes retaining the Minnesota Vikings as a part of Minnesota's
1.20 public amenities for its citizens and as a major attraction to visitors to the state, adding to
1.21 the economic development of the state, Anoka County, and surrounding communities,
1.22 attracting revenue from out of the state, and preserving the contributions of football to the
1.23 culture of Minnesota and to the enjoyment of its citizens. Further, the legislature finds
1.24 that a National Football League stadium may be financed as a public-private partnership
1.25 between the state, Anoka County, the Minnesota Vikings, and other supporting interests
1.26 that may contribute to the construction of a football stadium and related facilities. The
1.27 legislature further finds that a new stadium should be coordinated with transportation
1.28 and transit plans and activities.

1.29 Sec. 3. [473J.02] DEFINITIONS.

1.30 Subdivision 1. Terms. For the purposes of this chapter, the terms defined in this
1.31 section have the meanings given them in this section, except as otherwise expressly
1.32 provided or indicated by the context.

1.33 Subd. 2. Authority. "Authority" means the Anoka County-Blaine Stadium
1.34 Authority.

2.1 Subd. 3. **Sports facilities.** "Sports facilities" means the stadium, with a retractable
2.2 or fixed roof, adjoining structures related to the operation of the stadium, practice
2.3 facilities, including preseason training camp facilities, and other supporting infrastructure,
2.4 including parking.

2.5 Subd. 4. **Stadium district.** "Stadium district" means a district, containing the
2.6 National Football League stadium and consisting of no more than 740 contiguous acres
2.7 surrounding the sports facilities that is jointly designated by the authority, Anoka County,
2.8 and the city of Blaine.

2.9 Sec. 4. **[473J.03] LOCATION.**

2.10 The new National Football League stadium shall be located in the city of Blaine,
2.11 Anoka County, Minnesota.

2.12 Sec. 5. **[473J.04] ANOKA COUNTY-BLAINE STADIUM AUTHORITY;**
2.13 **MEMBERSHIP; ADMINISTRATION.**

2.14 Subdivision 1. **General.** The Anoka County-Blaine Stadium Authority is established
2.15 and shall be organized and administered as provided in this section. The authority shall
2.16 have those powers authorized by section 473J.05.

2.17 Subd. 2. **Membership.** The authority shall have seven members, three of whom
2.18 shall be appointed by the Anoka County Board of Commissioners and three of whom shall
2.19 be appointed by the Blaine city council. The seventh member shall be a chair appointed as
2.20 provided in subdivision 3.

2.21 Subd. 3. **Chair.** The chair shall be appointed by the governor as the seventh voting
2.22 member and shall meet all the qualifications of a member. The chair shall preside at all
2.23 meetings of the authority, if present, and shall perform all other duties and functions
2.24 assigned by the authority or by law. The authority may appoint from among its members a
2.25 vice-chair to act for the chair during temporary absence or disability.

2.26 Subd. 4. **Qualifications.** A member shall not, during a term of office, hold any
2.27 judicial office or office of state government. Each member shall qualify by taking and
2.28 subscribing the oath of office prescribed by the Minnesota Constitution, article V, section 6.

2.29 Subd. 5. **Terms.** The initial terms of three members shall end the first Monday of
2.30 January, 2010. Two of these members must be appointed by the Anoka County Board,
2.31 and one by the Blaine city council. The terms of the other members and the chair shall
2.32 end the first Monday in January, 2012. Subsequent terms of each member and chair
2.33 shall be four years. The term shall continue until a successor is appointed and qualified.
2.34 Members may be removed only for cause.

3.1 Subd. 6. **Vacancies.** Vacancies shall be filled by the appropriate appointing authority
3.2 in the same manner in which the original appointment was made.

3.3 Subd. 7. **Compensation.** Each authority member shall be paid \$50 for each day
3.4 when the member attends one or more meetings or provides other services, as authorized
3.5 by the authority, and shall be reimbursed for all actual and necessary expenses incurred
3.6 in the performance of duties. The chair of the authority shall receive, unless otherwise
3.7 provided by other law, a salary in an amount fixed by the members of the authority and
3.8 shall be reimbursed for reasonable expenses to the same extent as a member. The annual
3.9 budget shall provide as a separate account anticipated expenditures for per diem, travel,
3.10 and associated expenses for the chair and members, and compensation or reimbursement
3.11 shall be made to the chair and members only when budgeted.

3.12 Subd. 8. **Regular and special meetings.** The authority shall meet regularly at least
3.13 once each month, at a time and place as the authority shall by resolution designate. Special
3.14 meetings may be held at any time upon the call of the chair or a majority of the members,
3.15 upon written notice to each member at least three days prior to the meeting, or upon other
3.16 notice that the authority provides by resolution. Unless otherwise provided, any action of
3.17 the authority may be taken by affirmative vote of a majority of the members. A majority
3.18 of all the members of the authority constitutes a quorum, but a lesser number may meet
3.19 and adjourn from time to time and compel the attendance of absent members.

3.20 Subd. 9. **Executive director.** The authority shall appoint an executive director
3.21 who shall be chosen on the basis of training, experience, and other related qualifications.
3.22 The executive director shall serve at the pleasure of the authority, but shall not vote, and
3.23 shall have the following powers and duties:

- 3.24 (1) see that all resolutions, rules, or orders of the authority are enforced;
- 3.25 (2) appoint and remove all subordinate officers and regular employees of the
3.26 authority;
- 3.27 (3) present to the authority plans, studies, or reports prepared for authority purposes
3.28 and recommend to the authority for adoption the measures the executive director deems
3.29 necessary to enforce or carry out the powers and duties of the authority, or to the efficient
3.30 administration of the affairs of the authority;
- 3.31 (4) keep the authority fully advised as to its financial condition, prepare and submit
3.32 to the authority its annual budget, and other financial information it requests;
- 3.33 (5) recommend to the authority for adoption the rules the executive director deems
3.34 necessary for the efficient operation of the authority's functions; and
- 3.35 (6) perform other duties prescribed by the authority.

4.1 Sec. 6. **[473J.05] POWERS OF AUTHORITY.**

4.2 Subdivision 1. **General.** The authority has all powers necessary or convenient to
4.3 accomplish the purposes of this chapter, including, but not limited to, those specified
4.4 in this section.

4.5 Subd. 2. **Actions.** The authority may sue and be sued and is a public body within
4.6 the meaning of chapter 562.

4.7 Subd. 3. **Acquisition of property.** The authority may acquire by lease, purchase,
4.8 monetary or land contribution, or devise all necessary right, title, and interest in and to real
4.9 or personal property deemed necessary to the purposes contemplated by this chapter.

4.10 Subd. 4. **Tax exemption.** Any real or personal property acquired, owned, leased,
4.11 controlled, used, or occupied by the authority for any of the purposes of this chapter
4.12 is declared to be acquired, owned, leased, controlled, used, and occupied for public,
4.13 governmental, and municipal purposes, and is exempt from ad valorem taxation by the state
4.14 or any political subdivision of the state. The properties are subject to special assessments
4.15 levied by a political subdivision for a local improvement in amounts proportionate to and
4.16 not exceeding the special benefit received by the properties from the improvement. No
4.17 possible use of any of the properties in any manner different from their use under this
4.18 chapter at the time shall be considered in determining the special benefit received by the
4.19 properties. All assessments are subject to final confirmation by the authority, whose
4.20 determination of the benefits is conclusive upon the political subdivision levying the
4.21 assessment. Notwithstanding section 272.01, subdivision 2, or 273.19, property leased by
4.22 the authority to another person for uses related to the purposes of this chapter is exempt
4.23 from taxation regardless of the length of the lease. This exemption includes concessions,
4.24 suites, locker rooms, and clubhouse facilities in the stadium and parking facilities on the
4.25 stadium site, as well as space occupied by the authority. It does not include team offices,
4.26 residential, business, or commercial development, or parking facilities primarily for these
4.27 uses, or other property not directly related to the operation of a stadium facility.

4.28 Subd. 5. **Liquor licenses.** The city of Blaine may issue one or more intoxicating
4.29 liquor licenses for the stadium. These licenses are in addition to the number authorized by
4.30 law. All provisions of chapter 340A not inconsistent with this subdivision apply to the
4.31 licenses authorized under this subdivision.

4.32 Subd. 6. **Facility operation.** The authority may equip, improve, operate, manage,
4.33 maintain, and control the sports facilities constructed, remodeled, or acquired under the
4.34 provisions of this chapter. The authority may delegate any of these duties to a qualified

5.1 third party. The authority must seek to promote and maximize the use of the sports
5.2 facilities for nonfootball events.

5.3 Subd. 7. **Disposition of property.** The authority may sell, lease, or otherwise
5.4 dispose of any real or personal property acquired by it, which is no longer required for
5.5 accomplishment of its purposes. The property must be sold in accordance with the
5.6 procedures provided by section 469.065, except subdivisions 6 and 7.

5.7 Subd. 8. **Gifts and grants.** The authority may accept donations of money, property,
5.8 or services; may apply for and accept grants or loans of money or other property from the
5.9 United States, the state, any subdivision of the state, or any person for any of its purposes;
5.10 may enter into any agreement required in connection therewith; and may hold, use, and
5.11 dispose of the donations according to the terms of the gifts, grant, loan, or agreement. In
5.12 evaluating proposed monetary contributions, grants, loans, and agreements required in
5.13 connection therewith, the authority shall examine the possible short-range and long-range
5.14 impact on authority revenues and authority operating expenditures. The authority must
5.15 notify potential contributors that contributions qualify for the charitable contribution
5.16 deductions under section 170 of the Internal Revenue Code, provided that the contributor
5.17 does not receive substantial direct benefit from the contribution.

5.18 Subd. 9. **Issuance of bonds.** The authority may authorize the sale and issuance of
5.19 bonds in the manner and for the purposes set out in section 473J.06.

5.20 Subd. 10. **Research.** The authority may conduct research studies and programs;
5.21 collect and analyze data; prepare reports, maps, charts, and tables; and conduct all
5.22 necessary hearings and investigations in connection with its functions.

5.23 Subd. 11. **Use agreements.** The authority may lease, license, or enter into
5.24 agreements and may fix, alter, charge, and collect rentals, fees, and charges to all persons
5.25 for the use, occupation, and availability of part or all of any premises, property, or
5.26 facilities under its ownership, operation, or control for purposes that will provide athletic,
5.27 educational, cultural, commercial, or other entertainment, instruction, or activity for
5.28 citizens of the state of Minnesota and visitors. Any use agreement may provide that
5.29 the other contracting party has exclusive use of the premises at the times agreed upon,
5.30 including exclusive use and control for the term of its agreement by the Minnesota Vikings.

5.31 Subd. 12. **Insurance.** The authority may require any employee to obtain and
5.32 file with it an individual bond or fidelity insurance policy. It may procure insurance in
5.33 the amounts it considers necessary against liability of the authority or its officers and
5.34 employees for personal injury or death and property damage or destruction, with the force

6.1 and effect stated in chapter 466, and against risks of damage to or destruction of any of
6.2 its facilities, equipment, or other property.

6.3 Subd. 13. **Creating a condominium.** The authority may, by itself or together with
6.4 any other entity, as to real or personal property comprising or appurtenant or ancillary to
6.5 the stadium constructed and operated under this chapter or other law, act as a declarant and
6.6 establish a condominium or leasehold condominium under chapter 515A, or a common
6.7 interest community or leasehold common interest community under chapter 515B, and
6.8 may grant, establish, create, or join in other or related easements, agreements, and similar
6.9 benefits and burdens that the authority may consider necessary or appropriate, and exercise
6.10 any and all rights and privileges and assume obligations under them as a declarant, unit
6.11 owner, or otherwise, insofar as practical and consistent with applicable law. The authority
6.12 may be a member of an association and the chair, any commissioners, and any officers
6.13 and employees of the authority may serve on the board of an association under chapter
6.14 515A or 515B or other law.

6.15 Subd. 14. **Procurement.** (a) The authority and the Minnesota Vikings shall
6.16 jointly select a construction manager. With respect to the construction of the stadium,
6.17 the construction manager must:

6.18 (1) guarantee a maximum cost of construction; and
6.19 (2) provide payment and performance bonds or other security reasonably acceptable
6.20 to the authority in an amount equal to the guaranteed maximum cost of construction, and
6.21 shall comply with all employment requirements applicable to city and state contracts for
6.22 construction, including prevailing wages as defined in section 177.42, affirmative action,
6.23 and outreach.

6.24 (b) The lessee under the stadium lease described in paragraph (c) or the construction
6.25 manager may enter into contracts with contractors for labor, materials, supplies, and
6.26 equipment to equip and construct the new stadium through the process of public bidding.

6.27 (c) The lessee or the construction manager may:

6.28 (1) limit the list of eligible bidders to those that the construction manager determines
6.29 possess sufficient expertise to perform the intended functions;

6.30 (2) award contracts to the contractors that the construction manager determines
6.31 provide the best value, which need not be the lowest responsible bidder; and

6.32 (3) for work the construction manager determines to be critical to the completion
6.33 schedule, the construction manager may award contracts on the basis of competitive
6.34 proposals or perform work with its own forces without soliciting competitive bids if the
6.35 construction manager provides evidence of competitive pricing.

7.1 Sec. 7. [473J.06] ISSUANCE OF BONDS.

7.2 Subdivision 1. Bonds. (a) The authority may by resolution, by a vote of a majority
7.3 of its members, authorize the sale and issuance of its bonds for any or all of the following
7.4 purposes:

7.5 (1) to provide funds and pay costs to predesign, design, construct, furnish, equip,
7.6 and otherwise improve or better the sports facilities owned or to be owned by the authority
7.7 pursuant to this act, including construction of a retractable or fixed roof, and to finance
7.8 acquisition of right-of-way and construction and reconstruction of Interstate Highway
7.9 35W and other trunk highways in Anoka County to improve access to the stadium;

7.10 (2) to establish a reserve fund or funds for the bonds and to pay costs of issuance
7.11 of the bonds;

7.12 (3) to refund bonds issued under this section; and

7.13 (4) to fund judgments entered by any court against the authority in matters relating
7.14 to the authority's functions related to the sports facilities.

7.15 (b) The county may by resolution by a vote of a majority of its members, authorize
7.16 the sale and issuance of its bonds for the costs of constructing and equipping the stadium.

7.17 Subd. 2. Procedure. The bonds shall be sold, issued, and secured on the terms and
7.18 conditions the authority or the county, as applicable, determines to be in the best interests
7.19 of the authority or county and residents therein, except as otherwise provided in this
7.20 chapter. The bonds may be sold at any price and at public or private sale as determined by
7.21 the authority or county. They shall be payable solely from tax and other revenues referred
7.22 to in this chapter. The bonds shall not be a general obligation or debt of the authority
7.23 or any city, county, or the state, and shall not be included in the net debt of any city,
7.24 county, or other subdivision of the state for the purpose of any net debt limitation. No
7.25 election shall be required.

7.26 Subd. 3. Limitations. (a) The principal amount of the bonds issued under
7.27 subdivision 1 shall not exceed the amounts authorized in this subdivision. The principal
7.28 amount of bonds issued by the authority under subdivision 1, paragraph (a), clauses (1)
7.29 and (2), shall be limited to \$230,000,000 plus the amounts necessary to fund appropriate
7.30 reserves and pay issuance costs.

7.31 (b) The principal amount of the bonds issued by the county under subdivision 1,
7.32 paragraph (b), shall be limited to \$280,000,000, plus the amounts necessary to fund
7.33 appropriate reserves and pay issuance costs.

7.34 (c) The authority and the county shall issue their bonds and construction of the
7.35 stadium may commence when the authority has made the following determinations:

- 8.1 (1) the authority has executed a long-term use agreement with the Minnesota
8.2 Vikings, meeting the requirements of section 473J.07;
- 8.3 (2) the authority has executed a development and financing agreement with Anoka
8.4 County, the city of Blaine, and the Minnesota Vikings meeting the requirements of section
8.5 473J.08;
- 8.6 (3) the proceeds of bonds authorized and provided for in this subdivision will
8.7 be sufficient, together with other capital funds that may be available to the authority
8.8 for expenditure on the sports facilities, including, except as otherwise provided in this
8.9 subdivision, the acquisition, clearance, relocation, and legal costs referred to in clauses
8.10 (4) and (5);
- 8.11 (4) the authority has acquired title to or an interest in all real property, including all
8.12 easements, air rights, and other appurtenances needed for the construction and operation of
8.13 the sports facility or has received a grant of funds or has entered into agreements sufficient
8.14 in the judgment of the authority to assure the receipt of funds, at the time and in the
8.15 amount required, to make any payment upon which the authority's acquisition of title or
8.16 interest in and possession of the real property is conditioned;
- 8.17 (5) the authority has received a grant of funds or entered into agreements sufficient
8.18 in the judgment of the authority to assure the receipt of funds, at the time and in the
8.19 amount required, to pay all costs, except as provided in this subdivision, of clearing the
8.20 real property needed for the construction and operation of the sports facilities, railroad
8.21 tracks, and other structures, including, without limitation, all relocation costs, all utility
8.22 relocation costs, and all legal costs;
- 8.23 (6) the authority has executed agreements to prevent strikes that would halt, delay, or
8.24 impede construction of the sports facilities;
- 8.25 (7) the authority has executed agreements that will provide for the construction of
8.26 the sports facilities for a certified or guaranteed construction price and completion date
8.27 and which include performance bonds in an amount at least equal to 100 percent of the
8.28 certified or guaranteed price to cover any costs that may be incurred over and above the
8.29 certified price, including, but not limited to, costs incurred by the authority or loss of
8.30 revenues resulting from incomplete construction on the completion date;
- 8.31 (8) the anticipated revenue from the operation of the sports facilities plus any
8.32 additional available revenue of the authority will be an amount sufficient to pay when due
8.33 all debt service on the bonds issued under section 473J.06, subdivision 1, paragraph (a),
8.34 plus all administration, operating, and maintenance expense of the sports facilities;
- 8.35 (9) the authority has determined that all public and private funding sources for
8.36 construction and operation of the sports facilities are officially committed in writing and

9.1 enforceable. The committed funds must be adequate to site, design, construct, furnish,
9.2 equip, and service the sports facilities debt, as well as to pay for the ongoing operation
9.3 and maintenance of the stadium;

9.4 (10) the authority shall ensure that a guaranty is in place in a form satisfactory
9.5 to the authority. The guaranty may be in the form of a letter of credit, minimum net
9.6 worth requirements, personal guaranties or other surety covering the payments on terms
9.7 determined by the authority's negotiations with the Minnesota Vikings; and

9.8 (11) the validity of any bonds issued under subdivision 1, paragraph (a), clauses (1)
9.9 and (2), or paragraph (b), and the obligation of the authority or the county related to
9.10 them, shall not be conditioned upon or impaired by the authority's determinations made
9.11 under this subdivision. For purposes of using the bonds, the determinations made by the
9.12 authority shall be deemed conclusive and the authority shall be and remain obligated
9.13 for the security and payment of the bonds issued under subdivision 1, paragraph (a),
9.14 irrespective of determinations that may be erroneous, inaccurate, or otherwise mistaken.

9.15 Subd. 4. **Security.** To the extent and in the manner provided in this chapter, the
9.16 taxes described in this chapter, the tax and other revenues of the authority described in this
9.17 act, and any other revenues of the authority attributable to the sports facilities, including
9.18 teams' and Anoka County contributions, shall be and remain pledged and appropriated to
9.19 the authority as appropriate for the payment of all necessary and reasonable expenses of
9.20 the operation, administration, maintenance of the sports facilities, and debt service of the
9.21 bonds until all bonds or certificates of indebtedness issued pursuant to this chapter are
9.22 fully paid or discharged in accordance with law. Bonds issued pursuant to this chapter
9.23 may be secured by a bond resolution, or by a trust indenture entered into by the authority
9.24 or county, as applicable, with a corporate trustee within or outside the state, which shall
9.25 define the tax and team contributions, and other sports facilities revenues pledged for the
9.26 payment and security of the bonds. The pledge shall be a valid charge on the tax and all
9.27 other revenues referred to in this chapter from the date when bonds are first issued or
9.28 secured under the resolution or indenture and shall secure the payment of principal and
9.29 interest and redemption premiums when due and the maintenance at all times of a reserve
9.30 or reserves securing payments. No mortgage or security interest in any tangible real or
9.31 personal property shall be granted to the bondholders or the trustee, but they shall have a
9.32 valid security interest in all tax and other revenues received and accounts receivable by
9.33 the authority or county shall be hereunder, as against the claims of all other persons in
9.34 tort, contract, or otherwise, irrespective of whether the parties have notice of the claims,
9.35 and without possession or filing as provided in the Uniform Commercial Code or any
9.36 other law. In the bond resolution or trust indenture, the authority or county may make

10.1 covenants, which shall be binding upon the authority or county, that are determined to be
 10.2 usual and reasonably necessary for the protection of the bondholders. No pledge shall be
 10.3 revoked or amended by law or by action of the authority or county except in accordance
 10.4 with the terms of the bond resolution or indenture under which the bonds are issued, until
 10.5 the obligations of the authority are fully discharged.

10.6 Subd. 5. **No full faith and credit.** Any bonds or other obligations issued by the
 10.7 authority or county under this act are not public debt of the state, and the full faith and
 10.8 credit and taxing powers of the state are not pledged for their payment or of any payments
 10.9 that the state agrees to make under this act.

10.10 Subd. 6. **Taxability of interest on bonds.** The bonds authorized by this act may
 10.11 be issued whether or not the interest to be paid on them is gross income for federal tax
 10.12 purposes, provided that the authority and the county must make an effort to arrange the
 10.13 financing for the project in a manner that would allow the interest to be tax-exempt to the
 10.14 greatest extent possible.

10.15 **Sec. 8. [473J.07] DEVELOPMENT AND FINANCING AGREEMENT.**

10.16 Subdivision 1. **Agreement required.** Prior to the issuance of bonds under section
 10.17 473J.06, the authority shall negotiate and enter into an agreement with Anoka County,
 10.18 the city of Blaine, and the Minnesota Vikings concerning the terms and conditions under
 10.19 which the parties will make contributions of funds, future revenues, interests in property
 10.20 for the site and public infrastructure, the method of completing design and construction,
 10.21 which may include the design build process, the integration of the stadium and related
 10.22 infrastructure with surrounding development, and other matters relating to the stadium,
 10.23 its operation, maintenance, and financing. This agreement shall, at a minimum, meet
 10.24 the requirements of this section.

10.25 Subd. 2. **Total public investment towards stadium project costs.** The total public
 10.26 investment, including Anoka County's revenue contributions and revenues collected by
 10.27 the authority in the stadium district defined in section 473J.02, subdivision 2, shall not
 10.28 exceed 59 percent of the stadium project costs. As used in this section, "stadium project
 10.29 costs" includes the costs of the following:

- 10.30 (1) acquisition of land needed for the stadium structure and related parking and
 10.31 infrastructure;
- 10.32 (2) design and construction of the stadium and related infrastructure;
- 10.33 (3) finished space and fixtures, furniture, and equipment within the stadium project
 10.34 for the Minnesota Vikings, concessions, suites, and the administrative offices of the
 10.35 authority;

11.1 (4) land, design, construction, fixtures, furniture, and equipment for the Minnesota
11.2 Vikings indoor practice facility and exhibition hall; and

11.3 (5) professional and administrative services necessary for issuance of bonds and
11.4 related costs and for creating the authority.

11.5 The extent of the expenditures under this section is subject to the agreement of
11.6 Anoka County and the Minnesota Vikings. Expenditures for finishing and equipping
11.7 the space within the stadium for the Minnesota Vikings is subject to a per square foot
11.8 maximum agreed to by the county and the team.

11.9 Subd. 3. **Team contribution.** The team must contribute no less than \$280,000,000
11.10 to the sports facility costs. Team contributions may include, but are not limited to,
11.11 contribution of land, initial cash contributions, guaranteed annual payments, and
11.12 assignments of naming rights and permanent seat licenses, but does not include payments
11.13 of operating and maintenance expenses for the stadium, which must be made by the team.
11.14 In addition to any other team contribution, the team must assume and pay when due
11.15 all cost overruns for the stadium.

11.16 Sec. 9. **[473J.08] USE AGREEMENT.**

11.17 Subdivision 1. **Requirement.** Prior to the issuance of bonds under section 473J.06,
11.18 the authority must have entered into an agreement with the Minnesota Vikings and the
11.19 National Football League meeting the requirements of this section.

11.20 Subd. 2. **Agreement with Minnesota Vikings.** The authority shall enter into a use
11.21 agreement with the Minnesota Vikings that, at a minimum, provides for the following:

11.22 (1) the Minnesota Vikings will use the stadium for all scheduled home preseason,
11.23 regular season, and postseason games that the team is entitled to play at home for a term
11.24 of not less than 30 years;

11.25 (2) the agreement must include terms for default, termination, and breach of
11.26 agreement; and

11.27 (3) the agreement must require specific performance and must not include escape
11.28 clauses or buyout provisions.

11.29 Subd. 3. **Agreement with national football league.** The authority shall enter into
11.30 an agreement with the National Football League guaranteeing the continuance of the
11.31 Minnesota Vikings in the metropolitan area for the period of the agreements referred to in
11.32 subdivision 2, clause (1).

11.33 Sec. 10. **[473J.09] ANOKA COUNTY REVENUE SOURCES; ADDITIONAL**
11.34 **SPENDING AUTHORITY.**

12.1 Subdivision 1. **General.** Anoka County may utilize the following revenue sources
12.2 to make contributions to its share of the total stadium project costs.

12.3 Subd. 2. **Taxing authority.** To provide local government revenues to finance the
12.4 stadium under this act, including payment of debt service on obligations issued under
12.5 section 473J.06, subdivision 1, paragraph (b), Anoka County may:

12.6 (1) impose a tax on restaurants, places of amusement, alcoholic beverages or
12.7 prepared food, or a tax on lodging, or any of them; or

12.8 (2) impose a general sales and use tax on sales subject to taxation under chapter
12.9 297A, within its jurisdiction of not more than 0.75 percent; the tax imposed under this
12.10 clause must terminate 30 days after the stadium authority determines that sufficient
12.11 revenues have been received from this tax and other sources to retire or redeem the bonds
12.12 issued under section 473J.06, subdivision 1, paragraph (b).

12.13 These taxes may be imposed notwithstanding the provisions of section 477A.016. The
12.14 requirements of section 297A.99, subdivisions 2 and 3, do not apply to any tax imposed
12.15 under this subdivision.

12.16 Subd. 3. **Excess revenues.** In any year in which the revenues raised by the taxes
12.17 imposed under this section exceed the amount necessary for payment of debt service on
12.18 obligations issued under section 473J.06, subdivision 1, paragraph (b), the Anoka County
12.19 Board may spend the excess for transportation and public safety projects in the county.

12.20 Sec. 11. **[473J.10] STADIUM TAX INCREMENT COMPUTATION.**

12.21 (a) The authority may negotiate with the teams for the capture of stadium tax
12.22 increments as provided in this section.

12.23 (b) For any year during which National Football League games are played in the
12.24 stadium constructed under this act, the commissioner of revenue shall, by March 1 of the
12.25 following year, certify the amount of stadium taxes collected in the previous calendar
12.26 year and the amount by which those taxes are in excess of a baseline tax amount. The
12.27 amount of stadium taxes that are certified by the commissioner as being in excess of the
12.28 baseline tax amount must be deposited in a debt service account in the state treasury and is
12.29 appropriated each year to the authority to pay the principal and interest on revenue bonds
12.30 issued under section 473J.06, subdivision 1, paragraph (a), for the stadium.

12.31 (c) The stadium taxes are the taxes collected at the stadium district as described in
12.32 this paragraph. Each year, stadium taxes equal the sum of (1) the withholding taxes due
12.33 in a calendar year pursuant to section 290.92 by the Minnesota Vikings, (2) the sales tax
12.34 on ticket sales for admission to professional football-related events at the stadium and
12.35 sales tax remitted by vendors and concessionaires for sales at professional football-related

13.1 events occurring at the stadium in a calendar year, and (3) the state general tax imposed
 13.2 under section 275.025, within the stadium district. The baseline tax amount is the amount
 13.3 of stadium taxes as determined in this paragraph for professional football games or related
 13.4 events held in the Metrodome in 2004. The sales tax for football-related events occurring
 13.5 at the stadium must be reported in the manner prescribed by the commissioner of revenue.

13.6 (d) The capture of tax increments under this section terminates upon a determination
 13.7 by the authority that sufficient revenues have been raised from all sources authorized
 13.8 under this act to retire or redeem the bonds issued under section 473J.06, subdivision 1,
 13.9 paragraph (a).

13.10 **Sec. 12. [473J.11] ENVIRONMENTAL REQUIREMENTS.**

13.11 The authority must ensure that environmental requirements imposed by appropriate
 13.12 regulatory agencies for the sports facilities are complied with. The authority must ensure
 13.13 that the stadium receives Leadership in Energy and Environmental Design (LEED)
 13.14 certification for environmental design, and to the extent practicable, that the stadium
 13.15 design is architecturally significant. "

13.16 Amend the title accordingly

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S.F. No. 2297 - Minnesota Twins Stadium

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Overview

This bill creates a Minnesota Ballpark Authority with responsibility for construction and operation of a new major league baseball stadium in Minneapolis where the Minnesota Twins would play their home games. The bill sets criteria that must be met in the process, authorizes Hennepin county to issue bonds, and to impose a .15% local option sales tax to provide revenue for payment of debt service on bonds for ballpark construction.

Section 1 [Members public officials] provides that members of the Ballpark Authority are public officials for purposes of required filings of statements of financial interest and disclosure of conflicts of interest.

Section 2 [Building materials exemption] provides an exemption from sales and use tax for construction materials used in the construction or improvement of the ballpark and related public infrastructure.

Section 3 [Construction and financing of Major League ballpark]

Subdivision 1 provides that the purpose of this act is to provide for the construction, financing and long-term use of a ballpark for major league baseball. Provides that specific performance and injunctive relief are essential remedies for breaches of certain agreements under this bill.

Subdivision 2 provides for location of the ballpark within a defined development area in Minneapolis.

Subdivision 3 Defines "authority," "ballpark," "ballpark costs," "county," "development area," "public infrastructure," and "team."

Section 4 [Minnesota Ballpark Authority]

Subdivision 1 establishes the Minnesota Ballpark Authority as a public body and political subdivision of the state. Provides that the authority is not a joint powers entity or an agency of the county. Provides that the authority may acquire land, enter into contracts, and take all actions necessary or desirable to construct, operate and maintain the ballpark.

Subdivision 2 provides for the authority to be governed by a five-member commission composed of two gubernatorial appointees, two county appointees and one appointee of the city of Minneapolis. One of the gubernatorial appointees must be from a county other than Hennepin and all other members must be residents of Hennepin County. All members serve at the pleasure of the appointing authority and the chair is one of the two county appointees. Members' compensation is governed by Minnesota Statutes, section 15.0575.

Subdivision 3 provides that the chair shall preside at all meetings of the commission when present and that the commission may appoint a vice-chair from among its members.

Subdivision 4 provides that the authority may adopt bylaws relating to its governance and that these bylaws must be similar in form and substance to the bylaws of the Metropolitan Sports Facilities Commission.

Subdivision 5 requires the authority to establish a web site to provide specified information to the public.

Section 5 [Powers of authority]

Subdivision 1 provides that the authority may sue or be sued. The authority is a public body and the ballpark is a public improvement for purposes of a statute allowing public bodies to request that a bond be posted by the plaintiff in the case of a lawsuit that may delay the construction. The authority is a municipality for purposes of a statute limiting the tort liability of municipalities.

Subdivision 2 provides that the authority may acquire real and personal property for purposes of the bill.

Subdivision 3 provides that any property of the authority is exempt from ad valorem taxation. Property is subject to special assessments. The exemption applies to property leased by the authority to others for purposes related to the ballpark regardless of the length of the lease.

Subdivision 4 provides that the authority is subject to the Data Practices Act and the Open Meeting Law.

Subdivision 5 provides that the authority may manage the ballpark and related facilities developed under this bill.

Subdivision 6 provides that the authority may sell property no longer needed by it in the same manner as a port authority may sell property with two exceptions. Title to the ballpark may not otherwise be transferred unless the legislature approves.

Subdivision 7 provides that the authority may employ persons including peace officers and may contract for services.

Subdivision 8 provides that the authority may accept donations of money, property or services and may enter into grant agreements.

Subdivision 9 provides that the authority may conduct research, hearings and investigations in connection with its functions

Subdivision 10 provides that the authority may enter lease and use agreements for facilities under its control, including exclusive use agreements. The lease or use agreement with the team must provide for payment of operating and maintenance costs by the team

Subdivision 11 provides that the authority may require employees to obtain individual bonds or fidelity insurance and may procure whatever liability or property insurance it deems necessary.

Subdivision 12 exempts the ballpark project from Metropolitan Council plan review and business subsidy reporting under chapter 116J.994.

Subdivision 13 requires local governments to act promptly on applications for building permits and certificates of occupancy. The county is the responsible governmental unit for purposes of any environmental impact statement. Governmental units may take certain actions prior to completion of environmental review.

Subdivision 14 establishes contracting procedures. Requires contracts to include programs for hiring and contracting with minorities and women, and small, local businesses.

Subdivision 15 declares the ballpark to be a permitted land use and limits local government planning and zoning to reasonable land use grounds and criteria that are within their land use planning and zoning authority. Provides for the establishment of a ballpark implementation committee to make recommendations to the city of Minneapolis on parking, streets, subways, pedestrian bridges, bike paths, and transit improvements in the ball park area.

Section 6 [Criteria and Conditions]

Subdivision 1 requires the authority to follow and enforce the criteria in this section and provides that the determination by the authority as to whether the criteria have been met is conclusive.

Subdivision 2 provides that the team must contribute \$125 million in cash during the construction period towards ballpark costs. The team must also agree to assume and pay all cost overruns, excluding land, site improvements and public infrastructure.

Subdivision 3 provides that the authority must require a capital improvements reserve fund, to be funded with annual payments of \$600,000 from the team and \$1,400,000 from other sources, indexed for inflation.

Subdivision 4 provides that the lease or use agreement with the team must include a requirement that the team play all of its regular season and post-season home games in the stadium, and be for a term of at least 30 years. Lease must include terms for default, termination or breach; must require specific performance and injunctive relief; and must not include escape clauses or buyout provisions.

Subdivision 5 requires notice of defaults under lease or use agreements for a period of 30 years.

Subdivision 6 provides that the authority must determine that all necessary funding is committed in writing and that the committed funds are sufficient to design, construct, furnish and equip the ballpark.

Subdivision 7 provides that the lease or use agreement must contain a right of first refusal from the team to a corporation organized to provide community ownership of the team.

Subdivision 8 provides that environmental compliance is required. The authority is required to ensure that the ballpark receives the Leadership in Energy and Environmental Design certification and that it be architecturally significant.

Subdivision 9 requires 75 percent of the increased value of the team to be paid to the authority if the team is sold.

Subdivision 10 requires the authority to seek a provision in the lease or use agreement that would allow the authority access to the team's books and records. Information obtained by the authority under this subdivision is nonpublic data.

Subdivision 11 provides that lease agreements must provide for affordable access to professional sporting events held in the ballpark.

Subdivision 12 provides that the authority must use its best efforts to negotiate a no-strike agreement.

Subdivision 13 provides that the lease must require the team to provide \$250,000 (increased for inflation) annually for youth activities and amateur sports.

Subdivision 14 provides that the lease must provide that the team and league will transfer to the state the Twins' name, logo, records and related items upon dissolution or relocation of the franchise.

Subdivision 15 provides that the stadium construction process must, to the extent feasible, follow the sustainable building guideline provisions in Minnesota Statutes, chapter 16B.

Subdivision 16 requires that the ballpark be built with American-made steel, to the extent practicable.

Section 7 [County activities, bonds, taxes]

Subdivision 1 provides that the county may authorize grants to the authority for ballpark construction and other related purposes on terms agreed to by the county and the authority. County spending for ballpark costs is capped at \$235 million. Grants for capital improvement reserves are capped at \$1.4 million annually, adjusted for inflation. No limits are imposed on spending for land, site improvements or public infrastructure. Provides for county review of ballpark plans. General county authority specified.

Subdivision 2 provides that the county is authorized to issue revenue bonds for grants to the Ballpark Authority for ballpark and related infrastructure and land acquisition.

Subdivision 3 authorizes county to impose a .15 percent sales tax within the county. Exempts the sales tax from the referendum requirements for local option sales taxes. Requires the tax to be dedicated for the purposes described in the bill. Provides that the county may, under certain circumstances, continue to impose its sales tax upon transactions that may subsequently be made exempt from the state sales tax. The tax is not included in the limit on lodging sales taxes imposed in Minneapolis.

Subdivision 4 provides permitted uses for tax revenues. When the bonds are redeemed or defeased and adequate reserves are established, the tax will terminate.

Section 8 authorizes the Metropolitan Sports Facilities commission to provide technical, financial, or professional assistance as the county and commission may agree upon, including reimbursement of financial assistance from the bond proceeds.

Section 9 [Railroad authority conveyance] requires Hennepin County Railroad Authority to convey land it owns but does not use for rail purposes within the development area to the authority without charge at the request of the ballpark authority.

Section 10 [City requirements]

Subdivision 1 requires the city of Minneapolis to vacate a portion of Third Avenue North.

Subdivision 2 requires the city of Minneapolis to convey land it owns within the development area to the authority without charge.

Subdivision 3 requires the city of Minneapolis to issue liquor licenses for the premises of the ballpark. These licenses are in addition to the licenses currently authorized in law for the city.

Subdivision 4 provides that actions taken by Minneapolis under this section are not deemed to be an expenditure within the meaning of its city charter.

Section 11 [Local taxes] prohibits imposition of additional local sales taxes that are not in effect on the effective date of this bill, except those generally applicable throughout the local government's jurisdiction.

Section 12[Repealer] repeals 2002 laws relating to stadium process.

Section 13[Effective dates] states that the bill is effective the day following final enactment, except that the local option sales tax is effective upon filing of the county board's resolution with the secretary of state.

DPM:mvm

MINNESOTA · REVENUE

SALES AND PROPERTY TAXES Minnesota Twins Ballpark

April 26, 2006

	Yes	No
DOR Administrative Costs/Savings		X

Preliminary Estimates

Department of Revenue

Analysis of S.F. 2297 (Kelley), 1st Engrossment, As Proposed to be Amended for Updated Cost Information from 2006 Hennepin County / Minnesota Twins Ballpark Plan, Tax Provisions Only

	Fund Impact			
	F.Y. 2006	F.Y. 2007	F.Y. 2008	F.Y. 2009
		(000's)		
Construction Materials Sales Tax Exemption*	\$0	(\$1,300)	(\$5,100)	(\$4,400)
Property Tax Exemption**	\$0	\$0	\$0	\$0
General Fund Total	\$0	(\$1,300)	(\$5,100)	(\$4,400)

*An additional impact of \$3.2 million would occur in FY 2010. There could be additional costs for improvements in subsequent years.

**Impact begins in FY 2013.

The local sales tax provision, which has no state impact, is effective the day after the governing body of Hennepin County and their chief clerical officer file the required documents with the Secretary of State.

All other provisions are effective the day following final enactment.

EXPLANATION OF THE BILL

This analysis applies to the tax provisions only. Section 2 provides a sales tax exemption for materials, supplies, and equipment used or consumed in and incorporated into the construction or improvement of the ballpark and public infrastructure. The sales tax exemption extends to the total costs of the ballpark and does not have a sunset date.

Section 4 of the bill creates the Minnesota Ballpark Authority to determine most of the operational terms by which the stadium in Minneapolis would be constructed.

Section 5, Subdivision 3, provides for an exemption from property tax. Property held by the Minnesota Ballpark Authority created in section 4 of the bill is exempt from ad valorem taxation by the state or any political subdivision of the state.

Section 7, Subdivision 3, provides authorization to the Hennepin County Board to impose an additional sales and use tax at a rate not to exceed 0.15%. The local sales tax is exempt from the requirements for local resolutions and voter approval.

EXPLANATION OF THE BILL (cont.)

Section 11 specifies the application of local sales and use taxes at the ballpark site. No new or additional local sales or use taxes are allowed, except taxes generally applicable throughout the jurisdiction. Existing local sales and use taxes will apply and include local general sales and use taxes (Minneapolis 0.5% and Hennepin County 0.15%), local “downtown” taxes, and the Minneapolis admissions and amusements taxes.

REVENUE ANALYSIS DETAIL*Section 2 – Ballpark Construction Materials Sales and Use Tax Exemption*

- Hennepin County provided information regarding expected costs and proposed construction timelines.
- As proposed to be amended, a ballpark cost limit of \$390 million, excluding site improvements and public infrastructure, is provided in the bill. The team is required to contribute \$130 million and assumes responsibility for cost overruns. Hennepin County is limited to expending the balance of \$260 million.
- The infrastructure costs, that are not limited in the bill, are estimated to be \$90 million. Hennepin County has proposed that they will pay for these items – land, surface parking, site improvements and infrastructure. The ballpark and infrastructure costs then total \$480 million.
- It is assumed that construction timeline runs from fiscal years 2007 through fiscal year 2010. Land acquisition, site prep, design, and permit approvals are expected to occur in fiscal year 2007. The construction start date is expected to be early to mid-2007. The ballpark is to be completed for the start of the 2010 baseball season.
- It is estimated that \$21 million of \$90 million public infrastructure costs would normally be subject to sales tax (i.e. excluding right of way, land acquisition, and labor costs and including materials and supplies for items such as parking lots and pedestrian bridges). It is expected that most of the infrastructure costs that have a sales tax impact will occur in fiscal year 2010.
- It is assumed that 50% of the \$390 million ballpark cost would be for materials, supplies, and incorporated equipment that would have otherwise been subject to sales tax (i.e. excluding design and labor type costs that would have not been subject to sales tax).
- Fiscal year impacts are estimated based on expected construction time lines. The total cost of the sales tax exemption, for all fiscal years, is estimated to be \$14,000,000. The ballpark costs of \$12,700,000 are expected to occur 10% in fiscal year 2007 (with some construction costs in the first half of calendar year 2007), 40% in fiscal year 2008, 35% in fiscal year 2009, and 15% in fiscal year 2010.
- The sales tax exemption does not have a sunset date which allows for additional revenue impacts in future years for improvements, equipment use, and public infrastructure related to the ballpark. The capital improvements reserve is \$2,000,000 per year.

REVENUE ANALYSIS DETAIL (cont.)Section 5 – Subdivision 3 – Property Tax Exemption

- Assuming a final baseball park valuation of \$480 million and a completion date of April 2010 (the start of the 2010 Major League Baseball season), the full effect on property taxes would start with payable year 2012. The additional property tax burden on homesteads caused by the exemption of the completed facility will increase state-paid homeowner refunds by about \$490,000 beginning in fiscal year 2013.
- The exemption from the state property tax levy would have no impact on state revenues because the tax rate would be adjusted to yield the amount of revenue required by statute. The tax reduction for the ballpark property would be shifted to the other properties subject to the state levy.

Section 7 – Subdivision 3 – Local Taxes

- The local sales tax of up to 0.15% authorized to be implemented by the county would not affect the General Fund or any other state fund.

Section 11 – Local Taxes

- Generally, all current local sales and use taxes will apply at the ballpark site and on admissions to ballpark events.
- The current Minneapolis 0.5% general sales and 3.0% admissions tax, the 3.0% Minneapolis “downtown” restaurant and liquor taxes, and the proposed Hennepin County 0.15% local general sales tax would be expected to apply to sales at the ballpark.
- The effect of the expected local sales taxes that would apply to admissions can be estimated by considering current and expected gross ticket revenues. For the 2005 baseball season, there were approximately 2 million fans in attendance and average ticket prices were about \$17. At a new ballpark, the admissions are expected to approach or exceed 3 million in the first year (and trending slightly downward over the next several years) with average ticket prices in the \$25-\$35 range.
- On other sales at the ballpark, estimates would consider current sales prices and volumes at the Metrodome for the 2005 season. Food sales were approximately \$9 million and liquor sales about \$4 million for Minnesota Twins games. Both volumes and prices would be expected to increase marginally at the new ballpark.

Source: Minnesota Department of Revenue
Tax Research Division
http://www.taxes.state.mn.us/taxes/legal_policy

42

Hennepin County/Twins New Ballpark Fact Sheet

(HF 2480—April 24, 2006)

Ballpark:

- ◆ 42,000-seat, open-air, natural grass baseball park with a view of the Minneapolis skyline.

Site:

- ◆ Historic Warehouse District of Minneapolis, adjacent to Target Center.
- ◆ Unprecedented accessibility with Light Rail Transit, proposed Northstar Commuter Rail, Interstate 394/94, bus depot, Cedar Lake Bike Trail, walking distance from downtown with skyway potential.
- ◆ Over 23,000 parking spaces within five blocks, including approximately 7,700 in the surrounding ABC ramps.

Seating:

- ◆ Closest seating bowl to playing field in all of MLB.
- ◆ 12,000 seats between 1st and 3rd base (almost 2x the Metrodome).
- ◆ All seats angled toward infield.
- ◆ Rooftop seating in right field.
- ◆ Only 12,000 upper deck seats (lowest in MLB).
- ◆ Suites and club-level seats.
- ◆ Affordable seating.
- ◆ 1,500 standing room only places.



10 reasons the new ballpark will be more comfortable than the Metrodome or Metropolitan Stadium:

Fan Comfort and Convenience:

1. 34 public restrooms (2x the Metrodome).
2. Twice as many concession stands for fan convenience.
3. Concourses twice as wide as Metrodome.
4. Concourses open to playing field (like Xcel Energy Center).
5. Main concourse provides for 360° covered walk area.
6. Fans will be able to watch baseball outside as it is meant to be played and viewed.

Climate Comfort Considerations:

7. Heating in concession, restroom and bar/lounge areas.
8. Upper deck is wind protected by a back wall and sun roof.
9. Ballpark orientation and design will shelter prevailing winds.
10. The Team and County are pursuing ways to use the HERC plant to provide additional heat and/or energy to the ballpark.

Hennepin County/Twins New Ballpark Financing Summary

Team Commitments

- ◆ \$130.0 million cash contribution.
- ◆ 30-year ironclad lease.
- ◆ Assumption of ballpark cost overruns.
- ◆ Payment of 100% of annual ballpark operating expenses (\$10.0 million per year estimate).*
- ◆ \$1 million per year for capital improvements.*
- ◆ \$250,000 per year for youth activities and amateur sports.*
- ◆ Sharing up to 18% of franchise sale proceeds declining through 2017.
- ◆ Provision for affordable tickets.

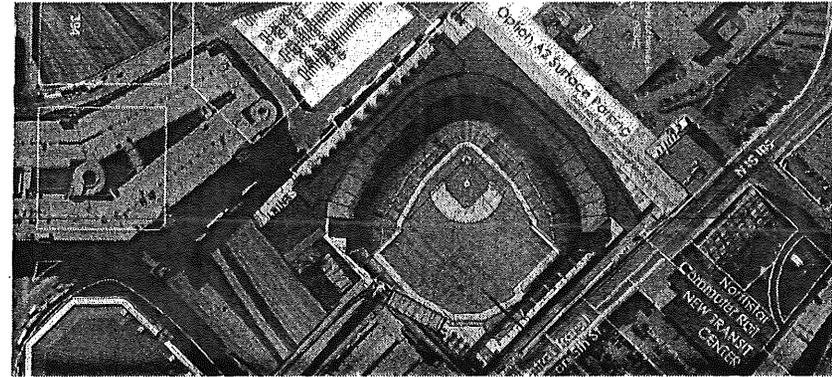
County Commitments

- ◆ Pay for County share (see table to right) by issuing tax-exempt County revenue bonds payable with a .0015 countywide sales tax increase.
 - 3¢ on a \$20 purchase.
 - Excludes clothing, food, medical supplies and automobiles.
- ◆ \$1.0 million per year for capital improvements.*

Other Considerations

- ◆ State will collect over \$10.0 million annually from ballpark-related sales and player income taxes.
- ◆ Construction alone will generate approximately 500 full-time equivalent jobs for nearly 3 years.
- ◆ No roof unless a funding source is determined by state legislature.
 - Roof ready is not a practical option from a cost or logistical standpoint.
- ◆ The County and Team arrangement is null and void if a referendum is required.
 - The project is not feasible due to related time delay, interest rate risk and project inflation.
- ◆ Provision for minority-owned and small business participation.
- ◆ Provision for using environmentally friendly materials and procedures within the ballpark, including a district heating system, using waste heat from HERC, etc.

* Escalates over time, except \$400,000 of team capital improvements.



Financing Summary (Dollars in Millions)

	Team Share	County Share	Total
Project Costs			
Ballpark Construction Costs	\$ 130	\$ 260	\$ 390
On/Off Site Development Costs	-	90	90
Total Project Costs	\$ 130 ¹	\$ 350 ¹	\$ 480
Sources and Uses Statement²			
Approximate Sources of Funds:			
Team Up-Front Cash Contribution	\$ 45	-	\$ 45
Team Second Cash Payment Before Completion	85	-	85
Net Proceeds From County Financing	-	\$ 350	350
Total Sources	\$ 130	\$ 350	\$ 480
Approximate Uses of Funds:			
Ballpark Construction	-	\$ 390	\$ 390
On/Off Site Development Costs	-	90	90
Total Uses	-	\$ 480	\$ 480
Estimated Sizing of County Debt			
Net Proceeds from County Debt Issuance	-	\$ 350	\$ 350
Issuance Cost/Debt Service Reserve/Bond Insurance	-	42	42
Total County Debt Issuance	-	\$ 392	\$ 392
Estimated Annual County Debt Service Payment	-	\$ 23.5	\$ 23.5
Estimated Annual Tax Revenue Required at 130% Coverage	-	29.0	29.0
Estimated Annual Sales Tax Proceeds at .15%	-	29.0	29.0
County Debt Statistics			
Estimated Average Interest Rate (Variable and Fixed Rate Debt)	-	5.0% ²	5.0%
Coupon Range	-	4.10%-5.25%	4.10%-5.25%
Assumed Underlying Rating (Coverage Ratio 130%)	-	"A"	"A"
Insured Rating	-	"AAA"	"AAA"

¹ The team share can increase to \$132.5; the County share can increase to \$352.5 based on cost sharing associated with surface parking.

² It is assumed current market rates plus 50 basis points.

#3

Revenue	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2026	2036
.5 cent metro sales tax	196.7	220.4	225.1	231.3	241.7	252.6	264.0	275.8	288.2	301.2	314.8	488.8	759.1
.25 cent metro tax	98.4	110.2	112.6	115.7	120.9	126.3	132.0	137.9	144.1	150.6	157.4	244.4	379.6
.25 cent metro tax	98.4	110.2	112.6	115.7	120.9	126.3	132.0	137.9	144.1	150.6	157.4	244.4	379.6
Sale of Metrodome		0.0	0.0	0.0	0.0	0.0	45.0	0.0	0.0	0.0	0.0	0.0	0.0

Expenditures													
Twins stadium		110.2	112.6	115.7	120.9	15.7	0.0	0.0	0.0	0.0	Twins Total	475.0	
Vikings stadium		0.0	0.0	0.0	0.0	110.5	132.0	137.9	14.6	0.0	Vikings Total	395.0	
\$ for Transit		110.2	112.6	115.7	120.9	126.3	177.0	137.9	273.7	301.2	314.8	488.8	759.1

Stadiums

Transit

Twins Stadium	
Stadium	\$390
Land	\$0
Infrastructure	\$90
Roof	\$125
Total	\$605
Team Contribution	\$130
Local	\$0
Remaining Costs	\$475
Total	\$605

Vikings Stadium	
Stadium	\$455
Land	\$40
Infrastructure	\$60
Roof	\$120
Total	\$675
Team Contribution	\$280
Local	\$0
Remaining Costs	\$395
Total	\$675

Transit Investment	
1 st year	\$110
10 year total	\$1,790
20 year total	\$5,832
30 year total	\$12,109

**0.15% Hennepin County Sales and Use Tax
(\$000s)**

C.Y. 2007	\$28,420
C.Y. 2008	\$29,210
C.Y. 2009	\$30,010

Note: The amounts shown are for full calendar years. The revenue yield would depend upon the effective date of the tax and would need to be adjusted to account for the delay in when the tax is remitted.

A 0.15% sales and use tax in Hennepin County would be imposed on the same base as the state 6.5% sales and use tax. It would not include the separate motor vehicle sales tax.

- The estimate was based on calendar year 2004 sales and use tax statistics produced by the Department of Revenue.
- Total Hennepin County state sales and use tax reported in 2003 was \$1.25 billion.
- Of this amount, \$62.4 million was from the 9% rate on alcoholic beverages. An adjustment was made to remove the additional 2.5% tax from the numbers.
- The adjusted county tax was reduced by about 11% to account for sales tax reported by businesses in Hennepin County on sales made outside the county. An example is when centralized billing is done within the county.
- With these adjustments, the 2004 county sales and use tax estimating base came to \$1.1 billion.
- This amount was converted from tax at the 6.5% rate to the proposed 0.15% rate. The calendar year 2004 amount was \$25.3 million.
- The estimate from 2004 data was increased annually by growth in state sales tax receipts according to the February 2006 state revenue forecast from the Department of Finance.

Minnesota Department of Revenue
Tax Research Division
April 18, 2006

Hennepin Co 0.15% sales tax / tfe



ANOKA COUNTY AND THE MINNESOTA VIKINGS



The Preserve at Rice Creek Creating a stadium-anchored regional destination

The Preserve at Rice Creek is a stadium-anchored, mixed-use development that will enhance economic development in the northern-metro area and strengthen Blaine's position as a regional sports destination. Combined with the National Sports Center and the Tournament Players Club, the stadium complex will create an unparalleled draw for national and international events. Initial planning for the estimated 740-acre development project has included the following components in addition to the stadium complex:

- Corporate offices
- Retail shops
- Residential
- Preserved wetlands and trails

Final site plans will be determined by the Vikings, along with the city of Blaine. Construction of the retail-shopping complex will begin at the same time as the stadium and should take approximately two years to complete.

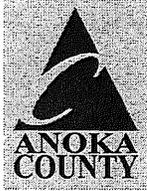
Stadium Complex

- A 68,000 – 72,000-seat football stadium meeting NFL requirements
- A retractable roof
- Parking and on-site infrastructure
- Vikings corporate headquarters
- A stadium-related Vikings experience, including:
 - Vikings museum
 - Hall of Fame
 - Retail merchandise gift shop
 - Themed restaurant
- Practice and pre-season training camp facility (a portion of pre-season training camp will be held on site)
- Indoor practice/exhibition facility
- Space for administrative offices for stadium governing authority

Stadium Costs

Stadium (open air)	\$ 455 million
Retractable roof	\$ 120 million
Land (200 acres)	\$ 40 million
Total parking (24,000 spaces)	\$ 34 million
On-site infrastructure	\$ 26 million

Total stadium project costs \$675 million



ANOKA COUNTY AND THE MINNESOTA VIKINGS



Stadium Funding

Minnesota Vikings	\$280 million
Anoka County	\$280 million*
Project-generated revenue (Derived from state taxes collected from users of the project)	\$115 million
<hr/>	
Total	\$675 million**

*Funded from a 3/4 percent countywide sales tax (\$0.75 per \$100 spent)

**Stadium costs with retractable roof; excluding recommended off-site infrastructure improvements

Project-generated Incremental Revenue*

Retail sales tax (shopping complex)	\$8.0 million
Stadium sales taxes (tickets, food, beverages)	\$1.0 million
State income tax withholding (Minnesota Vikings incremental withholding)	\$2.0 million
Commercial/Industrial property taxes	\$1.0 million
<hr/>	
First full year of operation	\$12 million

*Estimated incremental revenue collection that wouldn't happen but for this project

The agreement requires city and legislative approval of a sales tax and commercial industrial property tax increment district with a term of 30 years to capture the full amount of the state of Minnesota's 6.5 percent sales tax.

The Preserve at Rice Creek project is expected to generate an incremental surplus of nearly \$245 million over the 30-year life of state-issued infrastructure and improvement bonds.



ANOKA COUNTY AND THE MINNESOTA VIKINGS



Accelerating Planned Regional Roadway Improvements

The Anoka County – Minnesota Vikings agreement seeks an acceleration of planned regional roadway projects and provides a revenue source to pay for these projects.

The Minnesota Department of Transportation has identified long-term improvement projects for regional roadways. The need for these improvements already exists, but project funding is not available until 2020 or later.

These projects include:

- Widening I-35W
 - Between Trunk Highway 10 and 95th Ave. interchange (add two lanes in each direction)
 - Between 95th Ave. and Lexington Ave. interchange (add one lane in each direction)
- Providing easy access into the development area:
 - Modifying I-35W at the Lexington Ave. interchange
 - Modifying I-35W at the 95th Ave. interchange
 - Adding a lane on Lexington Ave. from I-35W to Main St.
 - Providing direct access to the site from I-35W

Funding

Total investment in off-site roadway improvements amounts to approximately \$115 million and these accelerated improvements are paid for from incremental revenue generated by the project. After these improvements have been made, an estimated revenue surplus of \$245 million would remain.

Paying for these improvements with revenue that wouldn't be available but for this project frees up future funding for other projects throughout the state and accelerates other planned improvements.



ANOKA COUNTY AND THE MINNESOTA VIKINGS



<i>New Stadium Vision – Minnesota Vikings Projected Program Requirements</i>			
	Vikings Program	NFL Average**	Existing Metrodome
Total Seating Capacity	68,000 – 72,000*	71,500	64,121
Percentage of Seats on Sideline	58%	56.4%	45.7%
Club Seats	8,000	10,950	0
Suites	150	159	112
Suite Capacity	2,700	2,650	1,714
Stadium Club Area	90,000 gsf	125,738 gsf	0 gsf
Concession Stands	52	50.4	33
Concession Points of Sale	390	390.4	243
Main Concourse	48 feet	40.8 feet	24 feet

** Stadium would be expandable to 72,000, in order to host another Super Bowl in Minnesota.*

***Note: The "NFL Average" of new stadiums is an average of five recently planned or constructed stadiums, including: Ericsson Stadium, Jack Kent Cooke Stadium, Raymond James Stadium, Seattle Seahawks Stadium & Exhibition Center and Baltimore Ravens Stadium.*



ANOKA COUNTY AND THE MINNESOTA VIKINGS



State of Minnesota Infrastructure and Improvement General Obligation/Sales Tax Revenue Bonds Series 2006

Prepared by: RBC Dain Rauscher
September 9, 2005

Amount	\$242,000,000 state of Minnesota infrastructure and improvement bonds (the "Bonds")
Tax Status	Exempt from state and federal income taxes
Security	The Bonds will be secured by the state of Minnesota full faith and credit together with incremental state taxes collected from retail sales, stadium sales, commercial and industrial property taxes, and team and staff withholding taxes. Incremental state taxes are expected to be sufficient to service the debt on the state's Bonds.
Rating	Aa1/AAA
Dated Date	January 1, 2006
Final Maturity	January 1, 2036
Optional Redemption	Ten Year Call at Par
Capitalized Interest	Interest for the Series 2006 Bonds will be capitalized for two years, ending January 1, 2008.
Retail Sales Tax Increment	The City of Blaine will establish a sales tax increment district (the "District") for the 740-acre mixed-use development, the "Preserve at Rice Creek." Included within the development is an 850,000-square-foot retail shopping complex that will be built immediately adjacent to the new Minnesota Vikings NFL football stadium (the "Stadium"). Construction of the retail shopping complex will commence at the same time construction begins for the Stadium, and the shopping complex is expected to be completed in 24 months. The District will have a term of 30 years and will capture the full amount of the state of Minnesota's 6.5 percent sales tax (for purposes of estimating the amount of captured increment, the base sales tax collection is assumed to be zero).

Stadium Sales Tax Increment

The stadium sales tax increment will capture the increase in state sales tax on stadium taxable sales including tickets, food and beverages, using 2004 as the base year.

Vikings' Team and Staff Salary Withholding Tax Increment

The Vikings' team and staff salary withholding tax increment will capture the incremental increase in state withholding taxes, assuming the base year is 2004.

Commercial Industrial State Property Tax Increment

The City of Blaine will create a commercial industrial state property tax increment district coterminous with the sales tax increment district. The primary property subject to the state commercial industrial property tax will be the 850,000-square-foot retail shopping complex.

Use of Bond Proceeds

Proceeds from the Series 2006 Bonds will be used:

- 1) To make I-35W lane and interchange modifications
- 2) For a portion of retractable roof and on-site infrastructure
- 3) As capitalized interest and cost of issuance

Interest Rates

Market conditions as of September 2, 2005:

Improvement Fund

Bond yield of 4.08% with an average life of 18.989 years. Approximately \$221 million will be deposited into an improvement fund and together with interest earnings will produce approximately \$230 million of available funds. The improvement fund is expected to be drawn down equally over 24 months, and the assumed investment rate is 3.90%.

Debt Service Coverage

Debt service for the first two years of the District will be funded by capitalized interest. The projected debt service coverage for the first year of service of the retail shopping center is 1.12 times, growing to 1.26 times by the fifth full year of operation. Total state of Minnesota projected sales taxes collected from the District over the entire 30 years are estimated to exceed debt service payments by nearly \$245 million.