

## **My View: Stadium agreement gives all the power to one side, and it's not ours**

Minor league county commissioners have no business negotiating major league stadium deals. Zygi Wilf, the owner of the Minnesota Vikings, and Carl Pohlad, the owner of the Minnesota Twins, will take them to the cleaners and the taxpayers will be forced to pick up the tab. A local Anoka County taxpayer witnessed an unfortunate example of this regrettable mismatch recently.

### **James Hafner**

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Prior to a Vikings stadium Senate hearing earlier this month, an observer overheard an Anoka County commissioner tell a taxpayer that the county did not have an agreement in place with the Vikings. The observer was surprised because he had just seen a link on the Anoka County website to an agreement between Anoka County and the Minnesota Vikings. Because computer literacy is not a requirement for becoming an Anoka County commissioner, I am sure the hard-working taxpayers of Anoka County will forgive the commissioner for being unaware of the details of the agreement.

If you have access to the Internet, please log on to the Anoka County website at [www.co.anoka.mn.us](http://www.co.anoka.mn.us) and click on the "Get more information about the stadium project including fact sheets" link. Scroll down the right-hand side of the screen and click on the "Agreement between Anoka County and Minnesota Vikings."

Let's take a minute to examine a portion of the agreement between Anoka County and the Minnesota Vikings. Part IV section B item 3b clearly states the following: "The Vikings have the right and responsibility to operate, manage and maintain the stadium project on a year-round basis." Item 3c states: "The Vikings have the right to all revenue generated by the stadium project except that the parties agree there will be either an annual payment of rent to the county or a share of some portion of the revenue in an amount agreed to by the parties in the lease/license agreement."

What those statements mean is that the Vikings are entitled to every penny of every dollar spent at the stadium project on a year-round basis except for a rental payment. Just what that rent will be is anybody's guess. Because the rent will be required to offset stadium operational costs, there might even be enough left over to finance the stadium authority.

The county tells the hard-working taxpayers the stadium will be publicly owned and yet they will receive only enough of the revenues to offset costs. Where is

all the rest of the revenue going? You guessed it! Wilf has a large family to feed.

Is it any wonder that our commissioners don't want to admit these devilish details? You would think they might have negotiated a portion of the stadium project revenues to offset some of the proposed federal cuts to county social programs. How about funding the county detox center? How about prosecuting repeat drunk driving offenders? Will the rent help cover these items too?

It has become a national practice for local governments to use the proceeds from the stadium development to offset the stadium construction costs. If our county commissioners had taken the time to research recent stadium deals in other parts of the country, they could have saved the hard-working taxpayers of Anoka County several hundreds of millions of dollars in bond principal and interest. Even though the commissioners receive lavish health and retirement benefits, they are considered part-time employees. All those important meetings leave little time for homework.

Do you know the land Wilf has been buying in the stadium district will become part of his stadium contribution? The moratorium on development in the area has adversely impacted property values and Wilf can now purchase the land at reduced values. If he holds title to the land for more than one year, he can get generous income tax benefits when he "gifts" the land to the stadium authority. Don't forget that the land values will skyrocket if the stadium project is approved. Rest assured an attorney like Wilf is well aware of these tax benefits.

Because I am not able to buy ink by the barrel, let's take a look at just a few of the many ridiculous portions of this nonexistent agreement. No referendum will be required for the county to take the money from the taxpayers to pay for this purple pigskin palace. The democratic voting process is just too cumbersome. Don't forget, the stadium governing authority shall be agreed upon by the county and the Vikings. I wonder if the Blaine City Council knows about this agreement.

The parties acknowledge that part of the rationale for Anoka County's fleecing the taxpayers is to spur economic development. The stadium project will definitely spur Wilf's economic development. Taxing our way to economic prosperity using regressive sales taxes will only help the wealthy. Haven't they received enough tax cuts?

James Hafner works as a financial analyst and lives in Coon Rapids.

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# voices

## Anoka County residents will not like Wilf's idea of a stadium 'contribution'

MY VIEW  
JAMES HAFNER



One significant aspect of the Anoka County stadium debate has yet to be explored in detail. The Vikings

say they will make a \$280 million "contribution" toward the cost of building the new stadium. It is part of the \$1 billion private investment they are promoting.

Here is an excerpt from the legislation regarding the team contribution: "Team contributions may include, but are not limited to, initial cash contributions, guaranteed annual payments, and assignments of naming rights and permanent seat licenses." That being the case, let's take a hard look at how Zygi Wilf, the owner of the Minnesota Vikings, can entice someone else to make his stadium "contribution" for him. He won't have to spend a dime of his own money or pay any income tax whatsoever and still get full credit for his "contribution."

The Metrodome does not provide the Vikings with an opportunity to sell the stadium naming rights. It is already named after Hubert H. Humphrey. But a new stadium is a different story. Anoka County has already agreed to give the stadium naming rights to Wilf.

Just to give you an idea of what other NFL stadium naming rights are going for, Reliant Energy paid the Houston Tex-

ans \$300 million for the privilege of putting its name on the stadium. That was three years ago. The shared New York Giants and Jets football stadium naming rights will be worth significantly more than that. Isn't Wilf going to "contribute" just \$280 million toward stadium construction?

One example of corporate sponsorships could be the General Mills Wheaties Bowl. The "Breakfast of Champions" might be premature. How about the Hormel Pork Palace? While the title would be fitting, it may not be the type of pork self-respecting pigskin fans want to be associated with.

Wilf and his special corporate partner will hold a big news conference and announce the winner of the naming sweepstakes. Instead of writing a check to Wilf, the corporation will pay the stadium authority and in turn give Wilf credit for making his "contribution." Wilf pays no out-of-pocket cash or any income taxes as a result of the deal.

And it gets worse. Anoka County failed to get a share of the permanent seat licenses. The Carolina Panthers received \$130 million nearly 10 years ago for those rights. For people unfamiliar with this concept, think of a personal seat license as a one-time country club membership. Because most hard-working Anoka County residents aren't country club members, think of a permanent seat license fee as a really expensive Costco mem-

bership. Season ticket holders can expect to pay \$2,000 or more per seat depending upon the location. The better the seat, the more you have to pay. The fans are only paying for the right to buy a ticket. The cost of the ticket is extra.

While not all seats will be licensed, season ticket holders should be prepared to pay a premium for the right to buy a good seat. The Green Bay Packers raised nearly \$120 million through the sale of seat licenses. But don't mention Green Bay. Brown County actually held a referendum for the sales tax increase to fund the Lambeau Field renovation.

The NFL also has a generous stadium loan program. Wilf is upset because his \$95 million low-interest NFL-backed loan might not be enough. He wants nearly \$150 million. This loan will also be part of the private investment amount.

Just wait until Wilf gets all the parking and advertising revenues from his new stadium. Did you know he will be able to project advertising on the inside of the new stadium roof? The Vikings tell us there will be 4 acres of new roof. The state should take this money to pay for the roof and the road improvements.

I almost forgot about luxury suites and club seats. Luxury suite sales over a 10-year lease period will bring in more than \$100 million. The Vikings estimate 7,500 club seats will sell for approximately \$215 each. A 10-game club seat season tick-

et package would cost \$2,150. Multiply that by 7,500 seats and you come up with more than \$16 million a year. And don't even ask about the hundreds of millions of dollars in property development rights our economically handicapped county commissioners completely overlooked. Other stadium revenue opportunities include exclusive beverage pouring rights, food exclusives and concessions.

The reason Wilf is so eager to get a new stadium is simple. He gets very little of this revenue under his Metrodome agreement. He wants to control every bit of revenue and profits from a new stadium. Sharing a stadium means sharing revenue.

Using approximate totals from the revenues detailed above, Wilf can nearly cover the full \$1 billion private investment without opening his wallet.

Our trusted Anoka County commissioners clearly don't understand how to negotiate a business deal. The hard-working taxpayers of Anoka County would be happy to show them how it's done. Put this stadium proposal on the ballot this fall, and you will see Wilf cough up enough of his pork-laden profits to eliminate the proposed countywide sales tax completely! This stadium deal isn't so complicated after all. Just follow the money.

James Hafner of Coon Rapids is a financial analyst.

*James Hafner*

# Stadiums of the NFL

"From the Past to the Future"



Within the past year, the San Diego Chargers have begun to express interest in having a new stadium built to replace Qualcomm

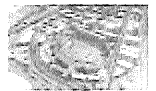
Stadium. The team is now in early stages of negotiating with the city and design of a potential stadium. The team is interested in building a new state of the art stadium in the same area as Qualcomm Stadium. The Chargers have proposed a re-development of the current stadium site, a new stadium and a development of 60 acres next to it. They proposed to split the cost with the city. The team has said that it may be willing to pay for 100% of the stadium cost in exchange for development rights at the site. Projected cost of a new stadium would be around \$400 million. No dates have been set as when the team would like construction to begin nor have any other figures about a potential stadium been released. If the Chargers are unable to get a stadium built in San Diego they may look to relocate to another city.

## Chargers Stadium

San Diego, CA

**Tenant:** San Diego Chargers  
**Capacity:** Unknown  
**Surface:** Grass  
**Construction Begins:** Undetermined  
**Opening:** Undetermined  
**Cost:** \$400 Million  
**Architect:** HOK

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Pictures Courtesy of the San Diego Chargers

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#4

Recent NFL referendums or initiatives

Market	Facility (tenants)	Year of referendum	Result (majority vote)	Taxpayer costs	Facility opening
Nashville	The Coliseum (Titans, Tennessee State University football, NCAA Music City Bowl)	1996	Passed (70.2%)	\$234 million (80.4 percent) in public funds.	1999
Cincinnati	Paul Brown Field (Bengals)	1996	Passed (61%)*	Increased the county sales tax by 0.5 percent to raise \$450 million (90 percent) for the Bengals. Part of \$1 billion riverfront development project that included \$280 million (80 percent) to build the Reds' Great American Ball Park, which opened in 2003; \$100 million for repair of schools; \$15 million in property tax relief.	2000
Houston	Reliant Stadium (Texans, Houston Livestock Show and Rodeo, NCAA Houston Bowl)	1996	Passed (50.7%)	\$337 million (75 percent), through tourist taxes. Included \$169 million (68 percent) to build the Astros' Minute Maid Field, which opened in 2000.	2002
Detroit	Ford Field (Lions, NCAA Motor City Bowl)	1996	Passed (68%)**	A total of \$240 million in bonds was approved for two stadiums: \$125 million (25 percent) for Ford Field and \$115 million (38.3 percent) to build the Tigers' Comerica Park, which opened in 2000, and ancillary projects.	2002
Pittsburgh	Heinz Field (Steelers, University of Pittsburgh football)	1997	Defeated (NA)	Voters in all participating 11 counties overwhelmingly defeated a referendum that included \$158 million (43.8 percent) for the Steelers and \$215 million (82 percent) to build the Pirates' PNC Park. Despite the defeat, city, local and state officials developed a variety of public funding sources, including a hotel tax increase, to help fund \$772.2 million of the estimated \$943 million project. The franchises also were granted — with no competitive bidding — development rights to the publicly owned 25-acre tract between the two new stadiums.	2001 (both stadiums)
San Francisco	NFL stadium (49ers)	1997	Passed (50.1%)	Two referendums authorized the city to enter into a lease of park lands at Candlestick Point, and to change zoning and land uses so that a new stadium and entertainment complex could be built	NA***

there. Public contribution capped at \$100 million.

Seattle	Qwest Field (Seahawks, University of Washington football)	1997	Passed (51%)	\$15 million from raising the hotel tax; six new lottery games were projected to raise \$127 million; \$101 million from rebated county sales tax.	2003
Denver	Invesco Field at Mile High (Broncos, MLS Rapids)	1998	Passed (57%)	\$289 million raised by extending a 0.1 percent sales tax that was previously used to finance Coors Field. Referendum allowed the stadium district to spend an additional \$75 million for other projects, which would also come from the tax extension.	2001
Green Bay	Lambeau Field renovations (Packers)	2000	Passed (53%)	Taxpayers will pay principal and interest on \$160 million in bonds or a loan via a 0.5 percent county sales and use tax; a second question that would have allowed the county to use excess revenue from this tax to provide property tax relief was rejected.	2003
Phoenix	NFL stadium (Cardinals, NCAA Tostitos Fiesta Bowl)^	2000	Passed (51%)	\$1.8 billion plan, funded by increased hotel and car rental taxes. Included \$200 million to renovate Cactus League facilities, immediate doubling of Arizona tourism budget, improvements in statewide youth sports facilities.	2006^^

\* In a November 1998 referendum, voters overwhelmingly rejected a proposed alternative site, selecting the riverfront site favored by the Reds.

\*\* In March 1996, voters approved \$40 million in bonds for the Tigers; in November an amended referendum was approved bundling a new facility for the Lions.

\*\*\* No stadium was built and construction is not imminent.

^ Two other referendums failed before Proposition 302 passed.

^^ Under construction

Source: SportsBusiness Journal research

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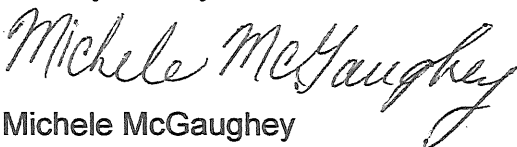
Gary Wachs  
1506 4<sup>th</sup> St NE  
Minneapolis, MN 55413

April 29, 2006

Dear Senator Larry Pogemiller, Senator David Tomassoni, Senator William Belanger, Senator Thomas Bakk, Senator Don Betzold, Senator Debbie Johnson, Senator Warren Limmer, Senator John Marty, Senator Mike McGinn, Senator Mee Moua, Senator Julianne Ortman, Senator Rod Skoe, and Senator Bill Belanger;

Please vote AGAINST Hennepin County taxes paying for the stadium. In an era where badly needed services are being cut, including police protection and needed mental health services, paying for a stadium out of HENNEPIN COUNTY TAX MONEY MAKES NO SENSE WHATSOEVER. If the stadium is so badly needed or wanted, let it be paid for equally by the 5 or 6 metro area counties-including Anoka, Dakota, Ramsey, Washington, and Hennepin County. Since NOT ONLY HENNEPIN COUNTY RESIDENTS will attend games at the stadium, OTHER COUNTIES SHOULD CONTRIBUTE AN EQUAL PORTION OF THE COSTS. But more to the point, since the sports teams and owners will be raking in the proceeds, they should pay for the stadium. The only way it would be fair to tax county residents for it, would be if 50% of the sales price of each ticket would go directly back to the county/counties paying for the stadium. WE SHOULD NOT PAY FOR THE STADIUM, IF WE ARE NOT MAKING ANY PROFIT FROM IT.

Thank you for your time,

  
Michele McGaughey

  
Gary Wachs

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

2 Delete everything after the enacting clause and insert:

1.3 " **ARTICLE 1**  
1.4 **BALLPARK**

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

1.7 Subd. 38. **Building materials exemption.** Materials, supplies, and equipment used  
1.8 or consumed in, and incorporated into the construction or improvement of the ballpark  
1.9 and public infrastructure constructed pursuant to sections 473.75 to 473.757, are exempt.

1.10 Sec. 2. **[473.75] PURPOSE.**

1.11 The purpose of this article is to provide for the construction, financing, and  
1.12 long-term use of a ballpark primarily as a venue for major league baseball. It is found and  
1.13 declared that the expenditure of public money for this purpose is necessary and serves  
1.14 a public purpose. It is further found and declared that any provision in a lease or use  
1.15 agreement with a major league team, that requires the team to play its home games in a  
1.16 publicly funded ballpark for the duration of the lease or use agreement, serves a unique  
1.17 public purpose for which the remedies of specific performance and injunctive relief are  
1.18 essential to its enforcement. It is further found and declared that government assistance to  
1.19 facilitate the presence of major league baseball provides to the state of Minnesota and its  
1.20 citizens highly valued intangible benefits that are virtually impossible to quantify and,  
1.21 therefore, not recoverable even if the government receives monetary damages in the event  
1.22 of a team's breach of contract. Minnesota courts are, therefore, charged with protecting  
1.23 those benefits through the use of specific performance and injunctive relief as provided  
1.24 herein and in the lease and use agreements.

1.25 Sec. 3. **[473.751] DEFINITIONS.**

1.26 Subdivision 1. **Terms.** As used in this article, the terms defined in this section  
1.27 have the meanings given them in this section, except as otherwise expressly provided or  
1.28 indicated by the context.

1.29 Subd. 2. **Ballpark.** "Ballpark" means the stadium suitable for major league baseball  
1.30 to be constructed and financed under this article.

1.31 Subd. 3. **Ballpark costs.** "Ballpark costs" means the cost of designing, constructing,  
1.32 and equipping a ballpark suitable for major league baseball. "Ballpark cost" excludes  
1.33 the cost of land acquisition, site improvements, utilities, site demolition, environmental  
1.34 remediation, railroad crash wall, site furnishings, landscaping, railroad right-of-way  
1.35 development, district energy, site graphics and artwork and other site improvements



2.1 identified by the commission, public infrastructure, capital improvement reserves, bond  
2.2 reserves, capitalized interest, and financing costs.

2.3 Subd. 4. **Development area.** "Development area" means the area in the city of  
2.4 Minneapolis bounded by marked Interstate Highway 394, vacated Holden Street, the  
2.5 Burlington Northern right-of-way, Seventh Street North, Sixth Avenue North, and Fifth  
2.6 Street North.

2.7 Subd. 5. **Public infrastructure.** "Public infrastructure" means all property,  
2.8 facilities, and improvements determined by the commission to facilitate the development  
2.9 and use of the ballpark, including but not limited to property and improvements for  
2.10 drainage, environmental remediation, parking, roadways, walkways, skyways, pedestrian  
2.11 bridges, bicycle paths, and transit improvements to facilitate public access to the ballpark,  
2.12 lighting, landscaping, utilities, streets, and land acquired and prepared for private  
2.13 redevelopment in a manner related to the use of the ballpark.

2.14 Subd. 6. **Team.** "Team" means the owner and operator of the baseball team  
2.15 currently known as the Minnesota Twins.

2.16 Sec. 4. **[473.752] LOCATION.**

2.17 The ballpark must be located in the city of Minneapolis at a site within the  
2.18 development area.

2.19 Sec. 5. **[473.753] CONSTRUCTION OF BALLPARK.**

2.20 Subdivision 1. **Contracts.** The commission may enter into a development agreement  
2.21 with the team or any other entity relating to the construction, financing, and use of the  
2.22 ballpark and related facilities and public infrastructure. The commission may contract  
2.23 for materials, supplies, and equipment in accordance with section 471.345, except that  
2.24 the commission may employ or contract with persons, firms, or corporations to perform  
2.25 one or more or all of the functions of architect, engineer, or construction manager with  
2.26 respect to all or any part of the ballpark and public infrastructure. Alternatively, at the  
2.27 request of the team, the commission shall authorize the team to provide for the design and  
2.28 construction of the ballpark, subject to terms of this article. The construction manager  
2.29 may enter into contracts with contractors for labor, materials, supplies, and equipment  
2.30 for the construction of the ballpark through the process of public bidding, except that the  
2.31 construction manager may, with the consent of the commission or the team:

2.32 (1) narrow the listing of eligible bidders to those that the construction manager  
2.33 determines to possess sufficient expertise to perform the intended functions;

2.34 (2) award contracts to the contractors that the construction manager determines  
2.35 provide the best value, which are not required to be the lowest responsible bidder; and

3.1 (3) for work the construction manager determines to be critical to the completion  
3.2 schedule, award contracts on the basis of competitive proposals or perform work with  
3.3 its own forces without soliciting competitive bids if the construction manager provides  
3.4 evidence of competitive pricing.  
3.5 The commission may require that the construction manager certify, before the contract  
3.6 is signed, a certified, fixed, and stipulated construction price and completion date to the  
3.7 commission and post a bond in an amount at least equal to 100 percent of the certified  
3.8 price, to cover any costs that may be incurred in excess of the certified price, including,  
3.9 but not limited to, costs incurred by the commission or loss of revenues resulting from  
3.10 incomplete construction on the completion date. The commission may secure surety bonds  
3.11 as provided in section 574.26, securing payment of just claims in connection with all  
3.12 public work undertaken by it. Persons entitled to the protection of the bonds may enforce  
3.13 them as provided in sections 574.28 to 574.32, and are not be entitled to a lien on any  
3.14 property of the commission under sections 514.01 to 514.16. Contracts for construction  
3.15 and operation of the ballpark must include programs to provide for participation by small  
3.16 local businesses and businesses owned by women and people of color, and the inclusion  
3.17 of women and people of color in the workforces of contractors and ballpark operators.  
3.18 The contracts must comply with all employment requirements applicable to city and state  
3.19 contracts for construction, including requirements relating to the payment of prevailing  
3.20 wages under sections 177.41 to 177.44.

3.21 Subd. 2. **Zoning and planning.** It is found and declared that the construction  
3.22 of a ballpark within the development area is consistent with the adopted area plan, is  
3.23 the preferred ballpark location, and is a permitted land use. Local units of government  
3.24 may not impose restrictions or conditions on ballpark and public infrastructure land use  
3.25 approvals except those that are based on reasonable land use grounds and criteria that are  
3.26 within their jurisdiction to apply. This subdivision applies to establish a procedure for  
3.27 all land use reviews and approvals by local governments for the ballpark and related  
3.28 public infrastructure and supersedes all land use rules and restrictions and procedures  
3.29 imposed by other law, charter, or ordinance. Section 15.99, subdivision 3, paragraphs  
3.30 (f) and (g), does not apply. Within 60 days of the effective date of this article, the  
3.31 city of Minneapolis and Hennepin County shall establish a ballpark implementation  
3.32 committee with equal representation from the city of Minneapolis and Hennepin County  
3.33 to make recommendations on street vacation, parking, roadways, walkways, skyways,  
3.34 pedestrian bridges, bicycle paths, transit improvements to facilitate public street access to  
3.35 the ballpark, and integration into the transportation plan for downtown and the region,  
3.36 lighting, landscaping, utilities, streets, drainage, environmental remediation, and land

4.1 acquired and prepared for private redevelopment in a manner related to the use of  
4.2 the ballpark. The recommendations of the committee must be forwarded to the city of  
4.3 Minneapolis Planning Commission for an advisory recommendation and then to the city  
4.4 council for action in a single resolution.

4.5 Subd. 3. **Local government action; environmental review.** Local governmental  
4.6 units shall take action promptly and within project design and construction timetables on  
4.7 applications for building permits and certificates of occupancy. The commission shall be  
4.8 the responsible governmental unit for any environmental impact statement prepared under  
4.9 section 116D.04. The commission may make decisions and take actions to acquire land  
4.10 and obtain financing before completion of environmental review.

4.11 Sec. 6. **[473.754] CRITERIA AND CONDITIONS.**

4.12 Subdivision 1. **Binding and enforceable.** In developing the ballpark and entering  
4.13 into related contracts, the commission must follow and enforce the criteria and conditions  
4.14 in this section, provided that a determination by the commission that those criteria or  
4.15 conditions have been met under any agreement or otherwise is conclusive.

4.16 Subd. 2. **Team contributions.** The team must agree to contribute at least  
4.17 \$130,000,000 toward ballpark costs, plus a proportionate share of the cost of adding a  
4.18 retractable roof to the ballpark. The team contribution must be reduced by a proportionate  
4.19 share of any amount by which actual ballpark costs may be less than a budgeted amount of  
4.20 \$360,000,000. The team contributions must be funded in cash during the construction  
4.21 period. In addition to any other team contribution, the team must agree to assume and pay  
4.22 when due all cost overruns for the ballpark costs that exceed the budget, excluding land,  
4.23 site improvements, and public infrastructure.

4.24 Subd. 3. **Reserve for capital improvements.** The commission shall require that  
4.25 a reserve fund for capital improvements to the stadium be established and funded with  
4.26 annual team payments of \$600,000 and annual payments from other sources of \$1,400,000.  
4.27 The annual payments must increase according to an inflation index determined by the  
4.28 commission. The commission may accept contributions from any other source for the  
4.29 portion of the funding not required to be provided by the team.

4.30 Subd. 4. **Lease or use agreements.** The commission and team must agree to a  
4.31 long-term lease or use agreement with the team for its use of the ballpark. The team  
4.32 must agree to play all regularly scheduled and postseason home games at the ballpark.  
4.33 Preseason games may also be scheduled and played at the ballpark. The lease or use  
4.34 agreement must be for a term of at least 30 years from the date of ballpark completion.  
4.35 The lease or use agreement must include terms for default, termination, and breach of

5.1 the agreement. Recognizing that the presence of major league baseball provides to the  
5.2 state of Minnesota and its citizens highly valued, intangible benefits that are virtually  
5.3 impossible to quantify and, therefore, not recoverable in the event of a team owner's  
5.4 breach of contract, the lease and use agreements must provide for specific performance  
5.5 and injunctive relief to enforce provisions relating to use of the ballpark for major league  
5.6 baseball and must not include escape clauses or buyout provisions.

5.7 Subd. 5. **Notice requirement for certain events.** Until 30 years from the date  
5.8 of ballpark completion, the team must provide written notice to the commission not  
5.9 less than 90 days before any action, including any action imposed upon the team by  
5.10 Major League Baseball, which would result in a breach or default of provisions of the  
5.11 lease or use agreements required to be included under subdivision 4. If this notice  
5.12 provision is violated and the team has already breached or been in default under the  
5.13 required provisions, the commission or the state may specifically enforce the lease or  
5.14 use agreement, and Minnesota courts shall fashion equitable remedies so that the team  
5.15 may fulfill the conditions of the lease and use agreements, including, but not limited to,  
5.16 remedies against Major League Baseball.

5.17 Subd. 6. **Enforceable financial commitments.** The commission must determine  
5.18 before ballpark construction begins that all public and private funding sources for  
5.19 construction and operation of the ballpark are included in written agreements. The  
5.20 committed funds must be adequate to design, construct, furnish, and equip the ballpark.

5.21 Subd. 7. **Community ownership option.** (a) The lease or use agreement for the  
5.22 baseball facility must provide that if the owner of the baseball franchise seeks to sell the  
5.23 franchise during the term of the agreement, the franchise must first be offered for sale to  
5.24 the entity formed in compliance with paragraph (b) on the same terms offered to any other  
5.25 entity. The offer to sell the franchise to this entity must remain open for at least one  
5.26 year. The amounts that would otherwise be returned to the public under subdivision 10  
5.27 may be used by an entity created under paragraph (b) to offset the cost of acquiring the  
5.28 baseball franchise.

5.29 (b) The governor and the commission must attempt to facilitate the formation  
5.30 of a corporation to acquire the baseball franchise and to identify an individual private  
5.31 managing owner of the corporation. The corporation formed to acquire the franchise must  
5.32 have a capital structure that complies with all of the following provisions:

5.33 (1) there may be two classes of capital stock: common stock and preferred stock.  
5.34 Both classes of stock must give holders voting rights with respect to any relocation  
5.35 or contraction of the franchise;

6.1 (2) the private managing owner must own no less than 25 percent and no more than  
6.2 35 percent of the common stock. For purposes of this restriction, shares of common stock  
6.3 owned by the private managing owner include shares of commons stock owned by any  
6.4 related taxpayer as defined in section 1313(c) of the Internal Revenue Code of 1986, as  
6.5 amended. Other than the rights of all other holders of common stock and preferred stock  
6.6 with respect to relocation of the franchise or voluntary contraction, the private managing  
6.7 owner must control all aspects of the operation of the corporation;

6.8 (3) other than the private managing owner, no individual or entity may own more  
6.9 than five percent of the common stock of the corporation;

6.10 (4) at least 50 percent of the ownership of the common stock must be sold to  
6.11 members of the general public in a general solicitation and no person or entity may own  
6.12 more than one percent of common stock of the corporation; and

6.13 (5) the articles of incorporation, bylaws, and other governing documents must  
6.14 provide that the franchise may not move outside of the state or agree to voluntary  
6.15 contraction without approval of at least 75 percent of the shares of common stock and at  
6.16 least 75 percent of the shares of preferred stock. Notwithstanding any law to the contrary,  
6.17 these 75 percent approval requirements may not be amended by the shareholders or by  
6.18 any other means.

6.19 (c) Except as specifically provided by this article, no state agency may spend money  
6.20 from any state fund for the purpose of generating revenue under this subdivision or for the  
6.21 purpose of providing operating support or defraying operating losses of a professional  
6.22 baseball franchise.

6.23 Subd. 8. **Environmental requirements.** The commission must comply with all  
6.24 environmental requirements imposed by regulatory agencies for the ballpark, site, and  
6.25 structure.

6.26 Subd. 9. **Ballpark design.** (a) The ballpark must have a retractable roof.

6.27 (b) The commission must ensure that the ballpark receives Leadership in Energy and  
6.28 Environmental Design (LEED) certification for environmental design, and to the extent  
6.29 practicable, that the ballpark design is architecturally significant.

6.30 (c) The ~~construction process~~ <sup>ballpark design</sup> must, to the extent feasible, follow sustainable building  
6.31 guidelines established under section 16B.325.

6.32 (d) The commission must ensure that the ballpark be, to the greatest extent  
6.33 practicable, constructed of American-made steel.

6.34 Subd. 10. **Public share upon sale of team.** The lease or use agreement must  
6.35 provide that, if the team is sold after the effective date of this article, a portion of the sale

7.1 price must be paid to the authority and deposited in a reserve fund for improvements to  
 7.2 the ballpark or expended as the authority may otherwise direct. The portion required to  
 7.3 be so paid to the authority is 18 percent of the gross sale price, declining to zero ten  
 7.4 years after commencement of ballpark construction in increments of 1.8 percent each  
 7.5 year. The agreement shall provide exceptions for sales to members of the owner’s family  
 7.6 and entities and trusts beneficially owned by family members, sales to employees of  
 7.7 equity interests aggregating up to ten percent, and sales related to capital infusions not  
 7.8 distributed to the owners.

7.9 Subd. 11. **Access to books and records.** The commission must seek a provision in  
 7.10 the lease or use agreement that provides the commission access to annual audited financial  
 7.11 statements of the team and other financial books and records that the commission deems  
 7.12 necessary to determine compliance by the team with this article and to enforce the terms  
 3 of any lease or use agreements entered into under this article. Any financial information  
 7.14 obtained by the commission under this subdivision is nonpublic data under section 13.02,  
 7.15 subdivision 9.

7.16 Subd. 12. **Affordable access.** To the extent determined by the commission or  
 7.17 required by a grant agreement, any lease or use agreement must provide for affordable  
 7.18 access to the professional sporting events held in the ballpark.

7.19 Subd. 13. **No strikes or lockouts.** The commission must use its best efforts to  
 7.20 negotiate a public sector project labor agreement or other agreement to prevent strikes and  
 7.21 lockouts that would halt, delay, or impede construction of the ballpark and related facilities.

7.22 Subd. 14. **Youth and amateur sports.** The lease or use agreement must require that  
 7.23 the team provide or cause to be provided \$250,000 annually for the term of the agreement  
 7.24 for youth activities and amateur sports without reducing the amounts otherwise normally  
 7.25 provided for and on behalf of the team for those purposes. The amount must increase  
 7.26 according to an inflation factor not to exceed 2.5 percent annually and may be subject to a  
 7.27 condition that the county fund grants for similar purposes as authorized by this article.

7.28 Subd. 15. **Name retention.** The lease or use agreement must provide that the  
 7.29 team and league will transfer to the state of Minnesota the Minnesota Twins’ heritage  
 7.30 and records, including the name, logo, colors, history, playing records, trophies and  
 7.31 memorabilia in the event of any dissolution or relocation of the Twins franchise.

7.32 Sec. 7. **[473.755] FINANCING OF FACILITY.**

7.33 Subdivision 1. **Public expenditures.** The amount that the commission may grant or  
 7.34 expend for ballpark costs must not exceed \$475,000,000. The amount of any grant for  
 7.35 capital improvement reserves must not exceed \$1,400,000 annually, subject to annual

8.1 increases according to an inflation index acceptable to the commission. This section does  
 8.2 not limit the amount of grants or expenditures for land, site improvements, and public  
 8.3 infrastructure. A grant agreement is valid and enforceable notwithstanding that it involves  
 8.4 payments in future years and they do not constitute a debt of the commission within  
 8.5 the meaning of any constitutional or statutory limitation or for which a referendum is  
 8.6 required. The commission may acquire land, air rights, and other property interests within  
 8.7 the development area for the ballpark site and public infrastructure for development as a  
 8.8 ballpark, and acquire and construct any related public infrastructure. The commission may  
 8.9 review and approve ballpark designs, plans, and specifications to the extent provided in a  
 8.10 grant agreement and in order to ensure that the public purposes of the grant are carried  
 8.11 out. Public infrastructure designs must optimize area transit and bicycle opportunities,  
 8.12 including connections to planned or existing trails and transportation corridors, including  
 8.13 Central, Hiawatha, I-394, Northstar, Northwest, Red Rock, Rush Line, and Southwest. The  
 8.14 commission may enforce the provisions of any grant agreement by specific performance.  
 8.15 The commission may reimburse a local governmental entity within which the ballpark is  
 8.16 located or make a grant to such a governmental unit for site acquisition, preparation of the  
 8.17 site for ballpark development, and public infrastructure. Amounts expended by a local  
 8.18 governmental unit with the proceeds of a grant or in expectation of reimbursement by the  
 8.19 commission are not an expenditure or other use of local governmental resources by the  
 8.20 governmental unit within the meaning of any law or charter limitation.

8.21 Subd. 2. **Revenue bonds.** When the criteria and conditions set forth in section  
 8.22 473.754 have been met, the commission may, by resolution, authorize, sell, and issue  
 8.23 revenue bonds to provide money to finance all or a portion of the costs of site acquisition,  
 8.24 site improvements and other activities necessary to prepare a site for development of  
 8.25 a ballpark, and to acquire and construct any related parking facilities and other public  
 8.26 infrastructure. The commission may also, by resolution, issue bonds to refund the bonds  
 8.27 issued under this section. The term of the bonds must be no longer than is necessary  
 8.28 to provide interim financing in anticipation of receipt of sufficient funds under section  
 8.29 473.131 to meet these costs. The bonds must be limited obligations, solely payable  
 8.30 from or secured by revenues to become available under this article. The bonds may be  
 8.31 issued in one or more series and sold without an election. The bonds must be sold in the  
 8.32 manner provided by section 475.60. The bonds shall be secured, bear the interest rate or  
 8.33 rates or a variable rate, have the rank or priority, be executed in the manner, be payable  
 8.34 in the manner, mature, and be subject to the defaults, redemptions, repurchases, tender  
 8.35 options, or other terms the commission may determine. The commission may enter into  
 8.36 and perform all contracts deemed necessary or desirable by it to issue and secure the

9.1 bonds, including an indenture of trust with a trustee within or without the state. The debt  
 9.2 represented by the bonds is not included in computing any debt limitation applicable to  
 9.3 the commission. Subject to this subdivision, the bonds must be issued and sold in the  
 9.4 manner provided in chapter 475. The bonds must recite that they are issued under this  
 9.5 section and the recital is conclusive as to the validity of the bonds and the imposition and  
 9.6 pledge of the taxes levied for their payment.

9.7 Sec. 8. **[473.756] CITY REQUIREMENTS.**

9.8 Subdivision 1. **Third Avenue.** At the request of the commission, the city of  
 9.9 Minneapolis shall vacate the portion of Third Avenue North from Seventh Street North to  
 9.10 the intersection of Third Avenue North and the on-ramp to marked Interstate Highway 394  
 9.11 without impeding on-ramp access.

9.12 Subd. 2. **Land conveyance.** At the request of the commission, the city of  
 9.13 Minneapolis shall convey to the commission at fair market value all real property it owns  
 9.14 that is located in the development area and is not currently used for road, sidewalk, or  
 9.15 utility purposes and that the commission determines to be necessary for ballpark or public  
 9.16 infrastructure purposes.

9.17 Subd. 3. **Liquor licenses.** The city of Minneapolis shall issue intoxicating liquor  
 9.18 licenses that are reasonably requested for the premises of the ballpark. These licenses  
 9.19 are in addition to the number authorized by law. All provisions of chapter 340A not  
 9.20 inconsistent with this section apply to the licenses authorized under this subdivision.

9.21 Subd. 4. **Charter limitations.** Actions taken by the city of Minneapolis under this  
 9.22 section are not an expenditure or other use of city resources within the meaning of any  
 9.23 charter limitation.

9.24 Sec. 9. **[473.757] LOCAL TAXES.**

9.25 No local unit of government shall impose a new or additional tax on sales or uses  
 9.26 of any item that is not in effect for the ballpark site on the effective date of this article,  
 9.27 except taxes generally applicable throughout the jurisdiction.

9.28 Sec. 10. **REPEALER.**

9.29 Minnesota Statutes 2004, sections 272.02, subdivision 50; 297A.71, subdivision 31;  
 9.30 473.5995, subdivision 2; 473I.01; 473I.02; 473I.03; 473I.04; 473I.05; 473I.06; 473I.07;  
 9.31 473I.08; 473I.09; 473I.10; 473I.11; 473I.12; and 473I.13, are repealed.

9.32 Sec. 11. **EFFECTIVE DATE.**

9.33 This article is effective the day following final enactment.

9.34 **ARTICLE 2**  
 9.35 **FOOTBALL STADIUM**



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

10.3 Subd. 39. Stadium construction materials and equipment exempt. Materials  
10.4 and supplies used or consumed in, and equipment incorporated into the construction of  
10.5 a National Football League stadium constructed under sections 473.76 to 473.769 are  
10.6 exempt. The exemption under this subdivision terminates one year after the first National  
10.7 Football League game is played in the stadium.

10.8 Sec. 2. [473.76] PURPOSE.

10.9 The legislature finds that construction of a new stadium that meets National Football  
10.10 League programmatic requirements, with a retractable roof, in the city of Blaine, county  
10.11 of Anoka, serves a public purpose. The legislature finds that the public purpose served  
10.12 includes retaining the Minnesota Vikings as a part of Minnesota's public amenities for  
10.13 its citizens and as a major attraction to visitors to the state, adding to the economic  
10.14 development of the state, attracting revenue from out of the state, and preserving the  
10.15 contributions of football to the culture of Minnesota and to the enjoyment of its citizens.  
10.16 Further, the legislature finds that a National Football League stadium may be financed as a  
10.17 public-private partnership between the state, the Minnesota Vikings, and other supporting  
10.18 interests that may contribute to the construction of a football stadium and related facilities.  
10.19 The legislature further finds that a new stadium should be coordinated with transportation  
10.20 and transit plans and activities.

10.21 Sec. 3. [473.761] DEFINITIONS.

10.22 Subdivision 1. Terms. For the purposes of sections 473.76 to 473.769, the terms  
10.23 defined in this section have the meanings given them in this section, except as otherwise  
10.24 expressly provided or indicated by the context.

10.25 Subd. 2. Sports facilities. "Sports facilities" means the stadium, with a retractable  
10.26 or fixed roof, adjoining structures related to the operation of the stadium, practice  
10.27 facilities, including preseason training camp facilities, and other supporting infrastructure,  
10.28 including parking.

10.29 Subd. 3. Stadium district. "Stadium district" means a district designated by the  
10.30 commission that contains the National Football League stadium and consists of no more  
10.31 than 740 contiguous acres surrounding the sports facilities.

10.32 Sec. 4. [473.762] LOCATION.

10.33 The new National Football League stadium must be located in the city of Blaine,  
10.34 Anoka County, Minnesota.

10.35 Sec. 5. [473.763] CONSTRUCTION OF FOOTBALL STADIUM.

11.1 Subdivision 1. Construction manager. The commission and the Minnesota Vikings  
11.2 shall jointly select a construction manager. With respect to the construction of the stadium,  
11.3 the construction manager must:

11.4 (1) guarantee a maximum cost of construction; and  
11.5 (2) provide payment and performance bonds or other security reasonably acceptable  
11.6 to the commission in an amount equal to the guaranteed maximum cost of construction,  
11.7 and must comply with all employment requirements applicable to city and state contracts  
11.8 for construction, including requirements relating to the payment of prevailing wages under  
11.9 sections 177.41 to 177.44. Contracts for construction and operation of the ballpark must  
11.10 include programs to provide for participation by small local businesses and businesses  
11.11 owned by women and people of color, and the inclusion of women and people of color  
11.12 in the workforces of contractors and ballpark operators.

11.13 Subd. 2. Contracts. The lessee under the stadium lease or the construction manager  
11.14 may enter into contracts with contractors for labor, materials, supplies, and equipment to  
11.15 equip and construct the new stadium through the process of public bidding.

11.16 Subd. 3. Bids. The lessee or the construction manager may:

11.17 (1) limit the list of eligible bidders to those that the construction manager determines  
11.18 possess sufficient expertise to perform the intended functions;  
11.19 (2) award contracts to the contractors that the construction manager determines  
11.20 provide the best value, which need not be the lowest responsible bidder; and  
11.21 (3) for work the construction manager determines to be critical to the completion  
11.22 schedule, the construction manager may award contracts on the basis of competitive  
11.23 proposals or perform work with its own forces without soliciting competitive bids if the  
11.24 construction manager provides evidence of competitive pricing.

11.25 Subd. 4. Design. The commission must ensure that the stadium receives Leadership  
11.26 in Energy and Environmental Design (LEED) certification for environmental design, and  
11.27 to the extent practicable, that the stadium design is architecturally significant.

11.28 Sec. 6. [473.764] CRITERIA AND CONDITIONS.

11.29 Subdivision 1. Requirement. The commission shall issue its bonds and construction  
11.30 of the stadium may commence when the commission has completed the requirements  
11.31 imposed under this section.

11.32 Subd. 2. Use agreement. The commission must execute a long-term use agreement  
11.33 with the Minnesota Vikings, meeting the requirements of section 473.767.

12.1 Subd. 3. **Development and financing agreement.** The commission must execute  
 12.2 a development and financing agreement with the Minnesota Vikings meeting the  
 12.3 requirements of section 473.766.

12.4 Subd. 4. **Sufficient funds.** The commissioner must determine that the proceeds  
 12.5 of bonds authorized and provided for in section 473.765 will be sufficient, together  
 12.6 with other capital funds that may be available to the commission for expenditure on the  
 12.7 sports facilities, including, except as otherwise provided in this section, the acquisition,  
 12.8 clearance, relocation, and legal costs referred to in subdivisions 5 and 6.

12.9 Subd. 5. **Acquisition of property.** The commission must acquire title to or an  
 12.10 interest in all real property, including all easements, air rights, and other appurtenances  
 12.11 needed for the construction and operation of the sports facility or has received a grant of  
 12.12 money or has entered into agreements sufficient in the judgment of the commission to  
 12.13 assure the receipt of money, at the time and in the amount required, to make any payment  
 12.14 upon which the commission's acquisition of title or interest in and possession of the real  
 12.15 property is conditioned.

12.16 Subd. 6. **Money for site preparation.** The commission must receive a grant of  
 12.17 money or entered into agreements sufficient in the judgment of the commission to assure  
 12.18 the receipt of money, at the time and in the amount required, to pay all costs, except as  
 12.19 provided in this subdivision, of clearing the real property needed for the construction and  
 12.20 operation of the sports facilities, railroad tracks, and other structures, including, without  
 12.21 limitation, all relocation costs, all utility relocation costs, and all legal costs.

12.22 Subd. 7. **Agreement prohibiting strikes.** The commission must use its best efforts  
 12.23 to negotiate an agreement to prevent strikes and lockouts that would halt, delay, or impede  
 12.24 construction of the sports facilities.

12.25 Subd. 8. **Construction agreements.** The commission must execute agreements  
 12.26 that will provide for the construction of the sports facilities for a certified or guaranteed  
 12.27 construction price and completion date. The agreements must include performance bonds  
 12.28 in an amount at least equal to 100 percent of the certified or guaranteed price to cover any  
 12.29 costs that may be incurred over and above the certified price, including, but not limited  
 12.30 to, costs incurred by the commission or loss of revenues resulting from incomplete  
 12.31 construction on the completion date.

12.32 Subd. 9. **Environmental requirements.** The commission must ensure that  
 12.33 environmental requirements imposed ~~by appropriate regulatory agencies~~ for the sports  
 12.34 facilities are complied with. *by appropriate regulatory agencies*

13.1            Subd. 10. Adequacy of revenues. The commission must determine that the  
 13.2 anticipated revenue from the operation of the sports facilities, plus any additional available  
 13.3 revenue of the commission, will be an amount sufficient to pay when due all debt service  
 13.4 on the bonds issued under section 473.765, subdivision 1, plus all administration,  
 13.5 operating, and maintenance expense of the sports facilities.

13.6            Subd. 11. Committed funds. The commission must determine that all public and  
 13.7 private funding sources for construction and operation of the sports facilities are officially  
 13.8 committed in writing and enforceable. The committed funds must be adequate to site,  
 13.9 design, construct, furnish, equip, and service the sports facilities debt, as well as to pay  
 13.10 for the ongoing operation and maintenance of the stadium.

13.11           Subd. 12. Guaranty. The commission must ensure that a guaranty is in place in  
 13.12 a form satisfactory to the commission. The guaranty may be in the form of a letter of  
 13.13 credit, minimum net worth requirements, personal guaranties or other surety covering the  
 13.14 payments on terms determined by the commission's negotiations with the Minnesota  
 13.15 Vikings.

13.16           Subd. 13. Effect of determinations. The validity of any bonds issued under section  
 13.17 473.765, subdivision 1, clauses (1) and (2), and the obligation of the commission related  
 13.18 to them, must not be conditioned upon or impaired by the commission's determinations  
 13.19 made under this section. For purposes of issuing the bonds, the determinations made by  
 13.20 the commission shall be deemed conclusive and the commission shall be and remain  
 13.21 obligated for the security and payment of the bonds, irrespective of determinations that  
 13.22 may be erroneous, inaccurate, or otherwise mistaken.

13.23           **Sec. 7. [473.765] ISSUANCE OF BONDS.**

13.24           Subdivision 1. Bonds. The commission may by resolution authorize the sale and  
 13.25 issuance of its bonds for any or all of the following purposes:

13.26           (1) to provide money and pay costs to predesign, design, construct, furnish, equip,  
 13.27 and otherwise improve or better the sports facilities owned or to be owned by the  
 13.28 commission pursuant to this article, including construction of a retractable roof, and  
 13.29 to finance acquisition of right-of-way and construction and reconstruction of Interstate  
 13.30 Highway 35W and other trunk highways in Anoka County to improve access to the  
 13.31 stadium;

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

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

14.1 (4) to fund judgments entered by court against the commission in matters relating to  
14.2 the commission's functions related to the sports facilities.

14.3 Subd. 2. **Procedure.** The bonds must be sold, issued, and secured on the terms  
14.4 and conditions the commission determines to be in the best interests of the commission,  
14.5 except as otherwise provided in sections 473.76 to 473.769. The bonds may be sold at  
14.6 any price and at public or private sale as determined by the commission. They shall be  
14.7 payable solely from revenues referred to in sections 473.76 to 473.769. The bonds are not  
14.8 a general obligation or debt of the commission or any city, county, or the state, and shall  
14.9 not be included in the net debt of any city, county, or other subdivision of the state for the  
14.10 purpose of any net debt limitation. No election is required.

14.11 Subd. 3. **Limitations.** The principal amount of bonds issued by the authority under  
14.12 subdivision 1, clauses (1) and (2), must not exceed \$510,000,000 plus the amounts  
14.13 necessary to fund appropriate reserves and pay issuance costs. The term of the bonds must  
14.14 be no longer than is necessary to provide interim financing in anticipation of receipt  
14.15 of sufficient funds under section 473.131 for the purposes of subdivision 1, clauses (1)  
14.16 and (2).

14.17 Subd. 3. **Security.** To the extent and in the manner provided in sections 473.76 to  
14.18 473.769, the revenues of the commission described in this article, and any other revenues  
14.19 of the commission attributable to the sports facilities, including teams' contributions, must  
14.20 be and remain pledged and appropriated to the commission as appropriate for the payment  
14.21 of all necessary and reasonable expenses of the operation, administration, maintenance  
14.22 of the sports facilities, and debt service on the bonds until all bonds or certificates of  
14.23 indebtedness issued under sections 473.76 to 473.769 are fully paid or discharged in  
14.24 accordance with law. Bonds issued under sections 473.76 to 473.769 may be secured by a  
14.25 bond resolution, or by a trust indenture entered into by the commission with a corporate  
14.26 trustee within or outside the state, which must define the revenue and team contributions,  
14.27 and other sports facilities revenues pledged for the payment and security of the bonds. The  
14.28 pledge is a valid charge on the revenues referred to in this article from the date when bonds  
14.29 are first issued or secured under the resolution or indenture and shall secure the payment  
14.30 of principal and interest and redemption premiums when due and the maintenance at all  
14.31 times of a reserve or reserves securing payments. No mortgage of or security interest in  
14.32 any tangible real or personal property may be granted to the bondholders or the trustee,  
14.33 but they shall have a valid security interest in all tax and other revenues received and  
14.34 accounts receivable by the commission under this article, as against the claims of all other  
14.35 persons in tort, contract, or otherwise, irrespective of whether the parties have notice of

15.1 the claims, and without possession or filing as provided in the Uniform Commercial  
15.2 Code or any other law. In the bond resolution or trust indenture, the commission may  
15.3 make covenants, which shall be binding upon the commission, that are determined to be  
15.4 usual and reasonably necessary for the protection of the bondholders. No pledge may be  
15.5 revoked or amended by law or by action of the commission except in accordance with  
15.6 the terms of the bond resolution or indenture under which the bonds are issued, until the  
15.7 obligations of the commission are fully discharged.

15.8 Subd. 4. **No full faith and credit.** Any bonds or other obligations issued by the  
15.9 commission under sections 473.76 to 473.769 are not public debt of the state, and the full  
15.10 faith and credit and taxing powers of the state are not pledged for their payment or of any  
15.11 payments that the state agrees to make under this article.

15.12 Subd. 5. **Taxability of interest on bonds.** The bonds authorized by this section  
15.13 may be issued whether or not the interest to be paid on them is gross income for federal  
15.14 tax purposes, provided that the commission must make an effort to arrange the financing  
15.15 for the project in a manner that would allow the interest to be tax-exempt to the greatest  
15.16 extent possible.

15.17 **Sec. 8. [473.766] DEVELOPMENT AND FINANCING AGREEMENT.**

15.18 Subdivision 1. **Agreement required.** Prior to commencement of construction, the  
15.19 commission must negotiate and enter into an agreement with Anoka County, the city of  
15.20 Blaine, and the Minnesota Vikings concerning the terms and conditions under which  
15.21 the parties will make contributions of money, future revenues, interests in property for  
15.22 the site and public infrastructure, the method of completing design and construction,  
15.23 which may include the design build process, the integration of the stadium and related  
15.24 infrastructure with surrounding development, and other matters relating to the stadium,  
15.25 its operation, maintenance, and financing. This agreement must, at a minimum, meet  
15.26 the requirements of this section.

15.27 Subd. 2. **Total public investment towards stadium project costs.** The total public  
15.28 investment shall not exceed \$510,000,000, of which \$395,000,000 is for stadium project  
15.29 costs and \$115,000,000 is for offsite infrastructure. As used in this section, "stadium  
15.30 project costs" includes the costs of the following:

15.31 (1) acquisition of land needed for the stadium structure and related parking and  
15.32 infrastructure;

15.33 (2) design and construction of the stadium and related infrastructure;

15.34 (3) finished space and fixtures, furniture, and equipment within the stadium project  
15.35 for the Minnesota Vikings, concessions and suites; and

16.1 (4) land, design, construction, fixtures, furniture, and equipment for the Minnesota  
16.2 Vikings indoor practice facility and exhibition hall.

16.3 The extent of the expenditures under this section is subject to the agreement of  
16.4 the Minnesota Vikings. Expenditures for finishing and equipping the space within the  
16.5 stadium for the Minnesota Vikings is subject to a per square foot maximum agreed to  
16.6 by the commission and the team.

16.7 Subd. 3. **Team contribution.** The team must contribute at least \$280,000,000  
16.8 to the sports facility costs. Team contributions may include, but are not limited to,  
16.9 contribution of land, initial cash contributions, and cash equivalent to the net present  
16.10 value of guaranteed annual payments and assignments of naming rights and permanent  
16.11 seat licenses. Team contributions do not include payments of operating and maintenance  
16.12 expenses for the stadium, which must be made by the team. In addition to any other team  
16.13 contribution, the team must assume and pay when due all cost overruns for the stadium.

16.14 Sec. 9. **[473.767] USE AGREEMENT.**

16.15 Subdivision 1. **Requirement.** Prior to the issuance of bonds under section 473.765,  
16.16 the commission must have entered into an agreement with the Minnesota Vikings and the  
16.17 National Football League meeting the requirements of this section.

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

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

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

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

16.27 Subd. 3. **Agreement with national football league.** The commission shall enter  
16.28 into an agreement with the National Football League guaranteeing the continuance of the  
16.29 Minnesota Vikings in the metropolitan area for the period of the agreements referred to in  
16.30 subdivision 2, clause (1).

16.31 Sec. 10. **[473.768] LIQUOR LICENSES.**

16.32 The city of Blaine may issue one or more intoxicating liquor licenses for the  
16.33 stadium. These licenses are in addition to the number authorized by law. All provisions  
16.34 of chapter 340A not inconsistent with this subdivision apply to the licenses authorized  
16.35 under this subdivision.

17.1 Sec. 11. **EFFECTIVE DATE.**

17.2 This article is effective the day following final enactment.

17.3 **ARTICLE 3**

17.4 **SPORTS FACILITIES FINANCING AND GOVERNANCE**

17.5 Section 1. **[473.131] METROPOLITAN AREA SALES AND USE TAXES.**

17.6 Subdivision 1. **Sales tax imposition.** (a) A sales tax at a rate of 0.5 percent is  
17.7 imposed on the gross receipts from retail sales that are taxable under chapter 297A that are  
17.8 made in the metropolitan area by a person who is required to have or voluntarily obtains a  
17.9 permit under section 297A.83, subdivision 1.

17.10 (b) Taxable services are subject to the sales tax under this section if they are  
17.11 performed either:

17.12 (1) within the metropolitan area; or

17.13 (2) partly within and partly without the metropolitan area, and more of the service is  
17.14 performed within the metropolitan area, based on the cost of performance.

17.15 Subd. 2. **Use tax imposition.** (a) A use tax is imposed on a person in the  
17.16 metropolitan area for the privilege of using, storing, distributing, or consuming in the  
17.17 metropolitan area tangible personal property or taxable services purchased for use,  
17.18 storage, distribution, or consumption in the metropolitan area. The tax is imposed on  
17.19 the sales price of retail sales of the tangible personal property or taxable services at the  
17.20 rate of tax imposed under subdivision 1.

17.21 (b) No tax is imposed under paragraph (a) if the tax imposed by subdivision 1 was  
17.22 paid on the sales price of the tangible personal property or taxable services.

17.23 (c) No tax is imposed under paragraph (a) if the purchase meets the requirements for  
17.24 exemption under section 297A.67, subdivision 21, provided that the \$770 threshold in  
17.25 that provision is reduced to \$60.

17.26 (d) A use tax is imposed on a person who manufactures, fabricates, or assembles  
17.27 tangible personal property from materials, either within or outside the metropolitan area  
17.28 and who uses, stores, distributes, or consumes the tangible personal property in the  
17.29 metropolitan area. The tax is imposed on the sales price of retail sales of the materials  
17.30 contained in the tangible personal property at the rate of tax imposed under section  
17.31 297A.62.

17.32 (e) No tax is imposed under paragraph (d) if the tax imposed by section 297A.62  
17.33 was paid on the sales price of materials contained in the tangible personal property.

17.34 Subd. 3. **Administration; collection.** Section 297A.99, subdivisions 9 to 11, apply  
17.35 to the taxes imposed in this section as if they had been imposed by the Metropolitan  
17.36 Council.



18.1 Subd. 4. Use of revenues. (a) The proceeds remitted to the Metropolitan Council  
18.2 under section 297A.99, subdivision 11, must be used by the council as follows:

18.3 (1) one-half must be distributed to the Metropolitan Sports Facilities Commission to  
18.4 be used to finance a new ballpark for the use of the Minnesota Twins, and a new stadium  
18.5 for the use of the Minnesota Vikings; and

18.6 (2) one-half to be used by the council for implementation of the public transit  
18.7 components of the council's 2030 transportation policy plan, and for other public transit  
18.8 operations and capital improvements provided or assisted by the council in counties in the  
18.9 metropolitan transportation area.

18.10 (b) When sufficient revenues to complete construction of the stadium and ballpark  
18.11 have been raised from the tax under this section and all other revenues available for those  
18.12 projects, the full amount of the revenues from the tax must be used for purposes of  
18.13 paragraph (a), clause (2).

18.14 Subd. 5. Stadium financing. The Metropolitan Sports Facilities Commission must  
18.15 allocate the revenues provided under subdivision 4, paragraph (a), clause (1), in a manner  
18.16 that provides for timely completion of both sports facilities, with the ballpark having first  
18.17 priority in time, and that minimizes the cost of borrowing for construction of the facilities.  
18.18 The commission must consult with the Minnesota Twins and the Minnesota Vikings in  
18.19 developing the plan for timing of the projects.

18.20 Sec. 2. Minnesota Statutes 2004, section 473.551, subdivision 1, is amended to read:

18.21 Subdivision 1. **Terms.** For the purposes of sections 473.551 to 473.599 and 473.75  
18.22 to 473.768, the following terms shall have the meanings given in this section.

18.23 Sec. 3. Minnesota Statutes 2004, section 473.551, subdivision 8, is amended to read:

18.24 Subd. 8. **Sports facility or sports facilities.** "Sports facility" or "sports facilities"  
18.25 means real or personal property comprising a stadium, stadiums, or arenas suitable  
18.26 for university or major league professional baseball, for university or major league  
18.27 professional football and soccer, or for both, or for university or major league hockey or  
18.28 basketball, or for both, together with adjacent parking facilities, including on the effective  
18.29 date of Laws 1994, chapter 648, the metrodome, the met center, ~~and;~~ upon acquisition by  
18.30 the commission, the basketball and hockey arena; the ballpark provided under sections  
18.31 473.75 to 473.757; and the stadium provided under sections 473.76 to 473.768.

18.32 Sec. 4. Minnesota Statutes 2004, section 473.551, is amended by adding a subdivision  
18.33 to read:

19.1           Subd. 18. **Ballpark.** "Ballpark" is the sports facility located in the city of  
19.2 Minneapolis used primarily as a venue for playing major league baseball, constructed and  
19.3 financed under sections 473.75 to 473.757.

19.4           Sec. 5. Minnesota Statutes 2004, section 473.551, is amended by adding a subdivision  
19.5 to read:

19.6           Subd. 19. **Football stadium.** "Football stadium" is the sports facility located in the  
19.7 city of Blaine used primarily as a venue for playing major league professional football,  
19.8 constructed and financed under sections 473.76 to 473.768.

19.9           Sec. 6. Minnesota Statutes 2004, section 473.553, subdivision 2, is amended to read:

19.10           Subd. 2. **Membership.** The commission shall consist of ~~six~~ two members;  
19.11 appointed by the governor, both of whom must reside in a metropolitan county other  
19.12 than Anoka or Hennepin, one member appointed by the city council of the city in which  
19.13 the stadium is located of Blaine, one member appointed by the city council of the city  
19.14 of Minneapolis, two members appointed by the Anoka County Board, two members  
19.15 appointed by the Hennepin County Board, plus a chair appointed as provided in  
19.16 subdivision 3. The terms of all members of the commission on the date of enactment of  
19.17 this act terminate, and the terms of all members under this subdivision as amended under  
19.18 this act begin, on September 1, 2006. The members appointed by the governor, including  
19.19 the chair, are subject to confirmation by the senate.

19.20           Sec. 7. Minnesota Statutes 2004, section 473.553, subdivision 3, is amended to read:

19.21           Subd. 3. **Chair.** The chair shall be appointed by the governor as ~~the ninth~~ a voting  
19.22 member and shall meet all of the qualifications of a member, ~~except the chair need~~  
19.23 ~~only reside outside the city of Minneapolis.~~ The chair shall preside at all meetings of  
19.24 the commission, if present, and shall perform all other duties and functions assigned by  
19.25 the commission or by law. The commission may appoint from among its members a  
19.26 vice-chair to act for the chair during temporary absence or disability.

19.27           Sec. 8. Minnesota Statutes 2004, section 473.553, subdivision 4, is amended to read:

19.28           Subd. 4. **Qualifications.** A member shall not during a term of office hold the office  
19.29 of Metropolitan Council member or be a member of another metropolitan agency or hold  
19.30 any judicial office or office of state government. ~~None of the members appointed by the~~  
19.31 ~~city council of the city in which the stadium is located shall be an elected public official of~~  
19.32 ~~that city or of another political subdivision any part of whose territory is shared with that~~  
19.33 ~~city.~~ Each member shall qualify by taking and subscribing the oath of office prescribed by  
19.34 the Minnesota Constitution, article V, section 6. The oath, duly certified by the official  
19.35 administering it, shall be filed with the chair of the Metropolitan Council.

20.1 Sec. 9. Minnesota Statutes 2004, section 473.553, subdivision 5, is amended to read:

20.2 Subd. 5. **Terms.** The initial terms of three the members appointed by the governor  
20.3 and one of the members appointed by each of the county boards in 2006 shall end the  
20.4 first Monday in January in the year ending in the numeral "5" 2010. The terms of the  
20.5 other members and the chair shall end the first Monday in January ~~in the year ending in~~  
20.6 ~~the numeral "7" 2012.~~ Thereafter, the term of each member and the chair shall be four  
20.7 years. The terms shall continue until a successor is appointed and qualified. Members  
20.8 may be removed only for cause.

20.9 Sec. 10. Minnesota Statutes 2004, section 473.556, subdivision 3, is amended to read:

20.10 Subd. 3. **Acquisition of property.** The commission may acquire by lease, purchase,  
20.11 gift, or devise all necessary right, title, and interest in and to real or personal property  
20.12 deemed necessary to the purposes contemplated by sections 473.551 to 473.599 and  
20.13 473.75 to 473.768 within the limits of the metropolitan area.

20.14 Sec. 11. Minnesota Statutes 2004, section 473.556, subdivision 4, is amended to read:

20.15 Subd. 4. **Exemption of property.** (a) Except as otherwise provided in this  
20.16 subdivision, any real or personal property acquired, owned, leased, controlled, used,  
20.17 or occupied by the commission for any of the purposes of sections 473.551 to 473.599  
20.18 and 473.75 to 473.768 is declared to be acquired, owned, leased, controlled, used and  
20.19 occupied for public, governmental, and municipal purposes, and shall be exempt from  
20.20 ad valorem taxation by the state or any political subdivision of the state, provided that  
20.21 such properties shall be subject to special assessments levied by a political subdivision for  
20.22 a local improvement in amounts proportionate to and not exceeding the special benefit  
20.23 received by the properties from the improvement. No possible use of any such properties  
20.24 in any manner different from their use under sections 473.551 to 473.599 or 473.75 to  
20.25 473.768 at the time shall be considered in determining the special benefit received by the  
20.26 properties. All assessments shall be subject to final confirmation by the council, whose  
20.27 determination of the benefits shall be conclusive upon the political subdivision levying the  
20.28 assessment. Notwithstanding the provisions of section 272.01, subdivision 2, or 273.19,  
20.29 real or personal property leased by the commission to another person for uses related to  
20.30 the purposes of sections 473.551 to 473.599 or 473.75 to 473.768, including the operation  
20.31 of the metro dome, met center, and, if acquired by the commission, the basketball and  
20.32 hockey arena shall be exempt from taxation regardless of the length of the lease. The  
20.33 provisions of this subdivision, insofar as they require exemption or special treatment, shall  
20.34 not apply to any real property comprising the met center, the ballpark, or the football  
20.35 stadium, which is leased by the commission for residential, business, or commercial

21.1 development or other purposes different from those contemplated in sections 473.551 to  
21.2 473.599 or 473.75 to 473.768, as applicable.

21.3 (b) For the football stadium, this exemption includes concessions, suites, locker  
21.4 rooms, and clubhouse facilities in the stadium and parking facilities on the stadium site,  
21.5 but does not include team offices.

21.6 Sec. 12. Minnesota Statutes 2004, section 473.556, subdivision 5, is amended to read:

21.7 Subd. 5. **Facility operation.** (a) The commission may equip, improve, operate,  
21.8 manage, maintain, and control the Metrodome, Met Center, basketball and hockey arena  
21.9 and sports facilities constructed, remodeled, or acquired under the provisions of sections  
21.10 473.551 to 473.599 and, to the extent provided in the applicable use agreements, 473.75 to  
21.11 473.768.

21.12 (b) The commission must seek to promote and maximize the use of the sports  
21.13 facilities for uses in addition to that by the team for which it was constructed.

21.14 Sec. 13. Minnesota Statutes 2004, section 473.556, subdivision 6, is amended to read:

21.15 Subd. 6. **Disposition of property.** (a) The commission may sell, lease, or otherwise  
21.16 dispose of any real or personal property acquired by it which is no longer required for  
21.17 accomplishment of its purposes. The property shall be sold in accordance with the  
21.18 procedures provided by section 469.065, insofar as practical and consistent with sections  
21.19 473.551 to 473.599 and 473.75 to 473.768, except as provided in paragraph (c).

21.20 (b) The proceeds from the sale of any real property at the metropolitan sports area  
21.21 shall be paid to the council and used for debt service or retirement.

21.22 (c) The sale or disposition of property acquired in connection with the ballpark is  
21.23 not subject to the requirements of section 469.065, subdivisions 6 and 7. Title to the  
21.24 ballpark shall not otherwise be transferred or sold without approval by a law enacted  
21.25 by the legislature.

21.26 Sec. 14. Minnesota Statutes 2004, section 473.556, subdivision 12, is amended to read:

21.27 Subd. 12. **Use agreements.** The commission may lease, license, or enter into  
21.28 agreements and may fix, alter, charge, and collect rentals, fees, and charges to all persons  
21.29 for the use, occupation, and availability of part or all of any premises, property, or  
21.30 facilities under its ownership, operation, or control for purposes that will provide athletic,  
21.31 educational, cultural, commercial or other entertainment, instruction, or activity for the  
21.32 citizens of the metropolitan area. Any such use agreement may provide that the other  
21.33 contracting party shall have exclusive use of the premises at the times agreed upon. The  
21.34 agreement related to the ballpark may provide that the other contracting party has the  
21.35 right to retain all revenues from ticket sales, suite licenses, concessions, advertising,

22.1 naming rights, and other revenues derived from the ballpark. The lease or use agreement  
 22.2 with a team using the ballpark must provide for the payment by the team of operating  
 22.3 and maintenance costs and expenses and provide other terms the commission and team  
 22.4 agree to.

22.5 Sec. 15. Minnesota Statutes 2004, section 473.556, subdivision 17, is amended to read:

22.6 Subd. 17. **Creating a condominium.** The commission may, by itself or together  
 22.7 with the Minneapolis Community Development Agency and any other person, as to real  
 22.8 or personal property comprising or appurtenant or ancillary to the basketball and hockey  
 22.9 arena and the health club, the ballpark, or the football stadium, act as a declarant and  
 22.10 establish a condominium or leasehold condominium under chapter 515A or a common  
 22.11 interest community or leasehold common interest community under chapter 515B, and  
 22.12 may grant, establish, create, or join in other or related easements, agreements and similar  
 22.13 benefits and burdens that the commission may deem necessary or appropriate, and exercise  
 22.14 any and all rights and privileges and assume obligations under them as a declarant, unit  
 22.15 owner or otherwise, insofar as practical and consistent with sections 473.551 to 473.599.  
 22.16 The commission may be a member of an association and the chair, any commissioners and  
 22.17 any officers and employees of the commission may serve on the board of an association  
 22.18 under chapter 515A or 515B.

22.19 Sec. 16. Minnesota Statutes 2004, section 473.556, is amended by adding a subdivision  
 22.20 to read:

22.21 Subd. 18. **Web site.** The commission shall establish a Web site to provide  
 22.22 information to the public concerning all actions taken by the commission. At a minimum,  
 22.23 the Web site must contain a current version of the commission’s bylaws, notices of  
 22.24 upcoming meetings, minutes of the commission’s meetings, and contact telephone and fax  
 22.25 numbers for public comments.

22.26 Sec. 17. Minnesota Statutes 2004, section 473.561, is amended to read:

22.27 **473.561 EXEMPTION FROM COUNCIL REVIEW.**

22.28 The acquisition and betterment of sports facilities by the commission shall be  
 22.29 conducted pursuant to sections 473.551 to 473.599 and 473.75 to 473.768 and shall not be  
 22.30 affected by the provisions of sections 473.165 and 473.173. Minnesota Statutes, section  
 22.31 116J.994, does not apply to any transactions of the commission or any other governmental  
 22.32 entity related to the ballpark or its related public infrastructure.

22.33 Sec. 18. **[473.5996] PROCEEDS OF METRODOME SALE.**

23.1 Upon sale of the Metrodome, the Metropolitan Sports Facilities Commission  
23.2 must transfer the net sales proceeds to the Metropolitan Council for use to fund transit  
23.3 improvements.

23.4 Sec. 19. **REPEALER.**

23.5 Minnesota Statutes 2004, section 473.553, subdivision 14, is repealed."

SUMMARY OF STADIUM OPTIONS

April 30, 2006  
\$ in Thousands

	U. of M. GOPHERS STADIUM			TWINS STADIUM		VIKINGS STADIUM
	H.F. 263 Abrams passed by House	S.F. 237 Michel	S.F. 2460 Pogemiller as amended in Finance Comm. 4/26/06	H.F. 2480 Finseth passed by House	S. F. 2297 Kelley	S.F. 2297 as amended Article 2 Football Stadium
<b>Total Cost</b>	\$248,000	\$248,000	\$248,000	\$522,000	\$605,000	\$675,000
<b>U of M / Team Share</b>	\$124,000	\$124,000	\$75,300	\$130,000	\$130,000	\$280,000
%	50%	50%	30%	25%	21%	41%
<b>State Share</b>	\$124,000	\$124,000	\$172,700	\$0	\$475,000	\$395,000
%	50%	50%	70%		79%	59%
<b>County Share</b>				\$392,000	\$0	\$0
%				75%		
<b>Annual State Appropriation</b>	<b>\$9,400</b>	<b>\$9,400</b>	<b>\$12,900</b>			
<b>Duration</b>	25 years	25 years	25 years			
<b>Add'l State Costs for Road Improvements</b>						\$115,000
<b>Notes:</b>	University share includes \$26.5 m. from student fees and \$35 m. (or \$20.5 m. discounted present value) for stadium naming rights. U. grants title to 2,840 acres of land in Dakota County to state in 25 years.	University share includes \$26.5 m from student fees and \$35 m. (or \$20.5 m. discounted present value) for stadium naming rights and land trade.	Excludes use of increased student fees, money received from naming rights, and land trade.	Hennepin County share funded with 0.15% countywide sales and use tax. County costs include \$350 m. for construction and \$42 m. financing costs. Excludes costs for a roof.	Assumes \$125 m. for a roof and excludes financing costs. State costs are funded with a 0.5% metro-wide sales tax. <i>Does not include</i>	Stadium costs with roof. State share includes original \$115 m. for on-site infrastructure costs and portion of retractable roof, and original \$280 m. county share. State funded with 0.5% metro-wide sales tax. Amount of bonds issues is limited to \$510 million plus reserves and issuance costs.

Handout #6

April 30, 2006  
\$ in Thousands

	U. of M. GOPHERS STADIUM		TWINS STADIUM		VIKINGS STADIUM
		<b>S.F. 2460 Pogemiller as amended in Finance Comm. 4/26/06</b>			
	<b>H.F. 263 Abrams passed by House</b>	<b>S.F. 237 Michel</b>	<b>H.F. 2480 Finseth passed by House</b>	<b>S. F. 2297 Kelley</b>	<b>S.F. 2297 as amended Article 2 Football Stadium</b>
<b>Sales Tax Exemption</b>	Excludes sales tax exemption.	For construction costs: FY08 - \$2 million; FY09 - \$3 million.	For construction costs: FY08 - \$2 million; FY09 - \$3 million.	For project construction & public infrastructure equal \$14 million over 4 years (FY07-FY10). Includes exemption for local government projects starting for FY10 estimated at \$87.2 million.	For project construction & public infrastructure equal \$14 million over 4 years (FY07-FY10).

*Does not include*

*Same*