

SF2319 - 0 - Stadium Secured Perimeter Approp. Bonds Auth.

Chief Author: **Ann Rest**
 Committee: **Capital Investment**
 Date Completed: **3/25/2025 9:37:26 AM**
 Lead Agency: **Minn Management and Budget**
 Other Agencies:
 Administration Dept

State Fiscal Impact	Yes	No
Expenditures	X	
Fee/Departmental Earnings		X
Tax Revenue		X
Information Technology		X
Local Fiscal Impact		X

This table shows direct impact to state government only. Local government impact, if any, is discussed in the narrative.
 Reductions shown in the parentheses.

State Cost (Savings)		Biennium		Biennium	
Dollars in Thousands		FY2025	FY2026	FY2027	FY2028
Administration Dept					
General Fund	-	1	2	1	-
Minn Management and Budget					
General Fund	-	1,000	2,500	2,500	2,500
New Fund	-	-	-	-	-
State Total					
General Fund	-	1,001	2,502	2,501	2,500
New Fund	-	-	-	-	-
Total	-	1,001	2,502	2,501	2,500
Biennial Total			3,503		5,001

Full Time Equivalent Positions (FTE)		Biennium		Biennium	
		FY2025	FY2026	FY2027	FY2028
Administration Dept					
General Fund	-	.01	.02	.01	-
Minn Management and Budget					
General Fund	-	-	-	-	-
New Fund	-	-	-	-	-
Total	-	.01	.02	.01	-

Lead LBO Analyst's Comment

I have reviewed this fiscal note for reasonableness of content and consistency with the LBO's Uniform Standards and Procedures.

LBO Signature: Chloe Burns **Date:** 3/25/2025 9:37:26 AM
Phone: 651-297-1423 **Email:** chloe.burns@lbo.mn.gov

State Cost (Savings) Calculation Details

This table shows direct impact to state government only. Local government impact, if any, is discussed in the narrative.
 Reductions are shown in parentheses.

*Transfers In/Out and Absorbed Costs are only displayed when reported.

State Cost (Savings) = 1-2		Biennium			Biennium	
Dollars in Thousands		FY2025	FY2026	FY2027	FY2028	FY2029
Administration Dept						
General Fund	-	1	2	1	-	-
Minn Management and Budget						
General Fund	-	1,000	2,500	2,500	2,500	2,500
New Fund	-	-	-	-	-	-
Total	-	1,001	2,502	2,501	2,500	2,500
Biennial Total			3,503			5,001
1 - Expenditures, Absorbed Costs*, Transfers Out*						
Administration Dept						
General Fund	-	1	2	1	-	-
Minn Management and Budget						
General Fund						
Expenditures	-	-	-	-	-	-
Transfers Out	-	1,000	2,500	2,500	2,500	2,500
New Fund	-	30,000	-	-	-	-
Total	-	31,001	2,502	2,501	2,500	2,500
Biennial Total			33,503			5,001
2 - Revenues, Transfers In*						
Administration Dept						
General Fund	-	-	-	-	-	-
Minn Management and Budget						
General Fund	-	-	-	-	-	-
New Fund	-	30,000	-	-	-	-
Total	-	30,000	-	-	-	-
Biennial Total			30,000			-

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 Agency: **Minn Management and Budget**

State Fiscal Impact	Yes	No
Expenditures	X	
Fee/Departmental Earnings		X
Tax Revenue		X
Information Technology		X
Local Fiscal Impact		X

This table shows direct impact to state government only. Local government impact, if any, is discussed in the narrative.
 Reductions shown in the parentheses.

State Cost (Savings)		Biennium		Biennium	
Dollars in Thousands	FY2025	FY2026	FY2027	FY2028	FY2029
General Fund	-	1,000	2,500	2,500	2,500
New Fund	-	-	-	-	-
Total	-	1,000	2,500	2,500	2,500
Biennial Total			3,500		5,000

Full Time Equivalent Positions (FTE)		Biennium		Biennium	
	FY2025	FY2026	FY2027	FY2028	FY2029
General Fund	-	-	-	-	-
New Fund	-	-	-	-	-
Total	-	-	-	-	-

LBO Analyst's Comment

I have reviewed this fiscal note for reasonableness of content and consistency with the LBO's Uniform Standards and Procedures.

LBO Signature: Chloe Burns **Date:** 3/25/2025 9:35:55 AM
Phone: 651-297-1423 **Email:** chloe.burns@lbo.mn.gov

State Cost (Savings) Calculation Details

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*Transfers In/Out and Absorbed Costs are only displayed when reported.

State Cost (Savings) = 1-2		Biennium		Biennium	
Dollars in Thousands		FY2025	FY2026	FY2027	FY2028
General Fund	-	1,000	2,500	2,500	2,500
New Fund	-	-	-	-	-
Total	-	1,000	2,500	2,500	2,500
Biennial Total			3,500		5,000
1 - Expenditures, Absorbed Costs*, Transfers Out*					
General Fund					
Expenditures	-	-	-	-	-
Transfers Out	-	1,000	2,500	2,500	2,500
New Fund	-	30,000	-	-	-
Total	-	31,000	2,500	2,500	2,500
Biennial Total			33,500		5,000
2 - Revenues, Transfers In*					
General Fund					
	-	-	-	-	-
New Fund	-	30,000	-	-	-
Total	-	30,000	-	-	-
Biennial Total			30,000		-

Bill Description

SF2319-0 would authorize the sale of state appropriation bonds to fund \$30 million of secured perimeter improvements to the professional football stadium in Minneapolis owned by the Minnesota Sports Facilities Authority (MSFA), as well as associated financing costs. The \$30 million in proceeds for perimeter improvements would be appropriated to the commissioner of administration for a grant to the MSFA for the improvements. The bill also appropriates an annual amount each fiscal year from the general fund to the debt service account established for paying principal and interest on the bonds.

Assumptions

Minnesota Management and Budget (MMB) assumes these state appropriation bonds will be issued on a taxable basis using the following structure:

- The bonds are sold in one issue during FY2026 with level debt service payments
- The bonds are to mature over 20 years
- Current forecast assumptions for the sale of taxable bonds in Fall of 2025 assumes an interest rate of 5.45%
- Taxable bonds are typically sold without any bond premium, so the principal amount of the bonds will need to cover project costs

Expenditure and/or Revenue Formula

The revenues shown in the fiscal note are the amounts from the proceeds of the bond issue. The costs shown in the fiscal note are the amounts that would be required to be transferred from the general fund to the debt service fund annually.

Long-Term Fiscal Considerations

The total debt service, including principal and interest, on the \$30 million project over the 20 year life of the bonds will be about \$51.0 million.

Local Fiscal Impact

References/Sources

Agency Contact: Ronika Rampadarat 651-201-8115

Agency Fiscal Note Coordinator Signature: Ronika Rampadarat

Phone: 651-201-8115

Date: 3/24/2025 11:24:26 AM

Email: ronika.rampadarat@state.mn.us

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 Committee: **Capital Investment**
 Date Completed: **3/25/2025 9:37:26 AM**
 Agency: **Administration Dept**

State Fiscal Impact	Yes	No
Expenditures	X	
Fee/Departmental Earnings		X
Tax Revenue		X
Information Technology		X
Local Fiscal Impact		X

This table shows direct impact to state government only. Local government impact, if any, is discussed in the narrative.
 Reductions shown in the parentheses.

State Cost (Savings)	Biennium			Biennium	
	Dollars in Thousands	FY2025	FY2026	FY2027	FY2028
General Fund	-	1	2	1	-
Total	-	1	2	1	-
Biennial Total			3		1

Full Time Equivalent Positions (FTE)	Biennium			Biennium	
	FY2025	FY2026	FY2027	FY2028	FY2029
General Fund	-	.01	.02	.01	-
Total	-	.01	.02	.01	-

LBO Analyst's Comment

I have reviewed this fiscal note for reasonableness of content and consistency with the LBO's Uniform Standards and Procedures.

LBO Signature: Chloe Burns **Date:** 3/25/2025 9:36:16 AM
Phone: 651-297-1423 **Email:** chloe.burns@lbo.mn.gov

State Cost (Savings) Calculation Details

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*Transfers In/Out and Absorbed Costs are only displayed when reported.

State Cost (Savings) = 1-2		Biennium			Biennium	
Dollars in Thousands		FY2025	FY2026	FY2027	FY2028	FY2029
General Fund	-	1	2	1	-	-
Total	-	1	2	1	-	-
Biennial Total			3			1
1 - Expenditures, Absorbed Costs*, Transfers Out*						
General Fund	-	1	2	1	-	-
Total	-	1	2	1	-	-
Biennial Total			3			1
2 - Revenues, Transfers In*						
General Fund	-	-	-	-	-	-
Total	-	-	-	-	-	-
Biennial Total			-			-

Bill Description

This bill effectuates the issuance of an appropriation bond for the completion of a secured perimeter at the Vikings stadium. Subdivision 7 of the bill provides that the proceeds of the appropriations bonds are appropriated to the commissioner of administration for a grant to the Minnesota Sports Facilities Authority for a secured perimeter.

Assumptions

For purposes of this bill, the following assumptions are made:

- The grant activities would fall under the requirements of MMB's state capital projects and be carried out in accordance with the "State of Minnesota Capital Grants Manual".
- The Department of Administration(Admin) staff will be responsible for general grant administration duties related to this grant including preparing the grant agreement for review and approval by the Minnesota Sports Facilities Authority
- The Minnesota Sports Facilities Authority will be required as part of the grant agreement to contract with a construction auditor responsible in part to review invoices submitted to confirm the invoices are aligned with work successfully performed. Admin will rely on representations of the third-party auditor in order to complete its work to approve and issue payments to the grantee. The costs of contracting with a construction audit firm would be paid by the grantee.
- Admin maintains master contracts for construction audit firms. Current rates for auditors under the master contract are \$155 per hour.
 - Among other construction-related costs, the Department of Administration anticipates the Minnesota Sports Facilities Authority will incur approximately \$55,800 (360 hrs x \$155/hr) in costs related to engaging a construction auditor for the project
- Admin has no role in the grantee's procuring of the construction audit firm; Admin would sign off on the grantee's final selection of the construction audit firm
- Admin assumes design costs would be covered in the appropriation bond proceeds. Admin assumes it has no role in preparing or approving design activities and documents other than forwarding design documents to the legislature for review. Admin will review the predesign as part of its normal work activities.
- Admin's roles of preparing and signing the grant agreement, forwarding design documents to the legislature, reviewing the project operating budget, answering questions, and receiving and paying invoices would require 80 hours of Grants Specialist, Sr level from FY26-FY28. Design and construction activities are assumed to take 24-30 months.

Expenditure and/or Revenue Formula

Grants Specialist Sr 80 hours = **\$3,992.88 salary and fringe for grants mangement activity between FY 26-28**

Long-Term Fiscal Considerations

Local Fiscal Impact

References/Sources

Agency Contact: Betsy Hayes 651-201-2400

Agency Fiscal Note Coordinator Signature: Ify Onyiah

Phone: 651-201-2387

Date: 3/24/2025 5:41:03 PM

Email: ify.onyiah@state.mn.us