

## SF9019 - 0 - Event Venue Capital Improvement Bonds Authorized

Chief Author: **Clare Oumou Verbeten**  
 Committee: **Capital Investment**  
 Date Completed: **3/25/2025 11:09:08 AM**  
 Lead Agency: **Minn Management and Budget**  
 Other Agencies:  
     Employment and Economic  
     Dvlpmt

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
<b>Employment and Economic Dvlpmt</b>						
General Fund	-	25	25	25	25	25
<b>Minn Management and Budget</b>						
General Fund	-	11,000	33,000	33,000	33,000	33,000
New Fund	-	-	-	-	-	-
<b>State Total</b>						
General Fund	-	11,025	33,025	33,025	33,025	33,025
New Fund	-	-	-	-	-	-
<b>Total</b>	-	<b>11,025</b>	<b>33,025</b>	<b>33,025</b>	<b>33,025</b>	<b>33,025</b>
<b>Biennial Total</b>			<b>44,050</b>		<b>66,050</b>	

Full Time Equivalent Positions (FTE)		Biennium			Biennium	
		FY2025	FY2026	FY2027	FY2028	FY2029
<b>Employment and Economic Dvlpmt</b>						
General Fund	-	.25	.25	.25	.25	.25
<b>Minn Management and Budget</b>						
General Fund	-	-	-	-	-	-
New Fund	-	-	-	-	-	-
<b>Total</b>	-	<b>.25</b>	<b>.25</b>	<b>.25</b>	<b>.25</b>	<b>.25</b>

**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 11:09:08 AM  
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**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.

<b>State Cost (Savings) = 1-2</b>		<b>Biennium</b>			<b>Biennium</b>	
<b>Dollars in Thousands</b>		<b>FY2025</b>	<b>FY2026</b>	<b>FY2027</b>	<b>FY2028</b>	<b>FY2029</b>
<b>Employment and Economic Dvlpmnt</b>						
General Fund	-	25	25	25	25	25
<b>Minn Management and Budget</b>						
General Fund	-	11,000	33,000	33,000	33,000	33,000
New Fund	-	-	-	-	-	-
<b>Total</b>	-	<b>11,025</b>	<b>33,025</b>	<b>33,025</b>	<b>33,025</b>	<b>33,025</b>
<b>Biennial Total</b>			<b>44,050</b>			<b>66,050</b>
<b>1 - Expenditures, Absorbed Costs*, Transfers Out*</b>						
<b>Employment and Economic Dvlpmnt</b>						
General Fund	-	25	25	25	25	25
<b>Minn Management and Budget</b>						
General Fund						
Expenditures	-	-	-	-	-	-
Transfers Out	-	11,000	33,000	33,000	33,000	33,000
New Fund	-	394,610	-	-	-	-
<b>Total</b>	-	<b>405,635</b>	<b>33,025</b>	<b>33,025</b>	<b>33,025</b>	<b>33,025</b>
<b>Biennial Total</b>			<b>438,660</b>			<b>66,050</b>
<b>2 - Revenues, Transfers In*</b>						
<b>Employment and Economic Dvlpmnt</b>						
General Fund	-	-	-	-	-	-
<b>Minn Management and Budget</b>						
General Fund	-	-	-	-	-	-
New Fund	-	394,610	-	-	-	-
<b>Total</b>	-	<b>394,610</b>	-	-	-	-
<b>Biennial Total</b>			<b>394,610</b>			-

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 Date Completed: **3/25/2025 11:09:08 AM**  
 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.

<b>State Cost (Savings)</b>		<b>Biennium</b>		<b>Biennium</b>	
Dollars in Thousands	FY2025	FY2026	FY2027	FY2028	FY2029
<b>General Fund</b>	-	11,000	33,000	33,000	33,000
<b>New Fund</b>	-	-	-	-	-
<b>Total</b>	-	<b>11,000</b>	<b>33,000</b>	<b>33,000</b>	<b>33,000</b>
<b>Biennial Total</b>			<b>44,000</b>		<b>66,000</b>

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

**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 10:41:57 AM  
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**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.

<b>State Cost (Savings) = 1-2</b>		<b>Biennium</b>			<b>Biennium</b>	
<b>Dollars in Thousands</b>		<b>FY2025</b>	<b>FY2026</b>	<b>FY2027</b>	<b>FY2028</b>	<b>FY2029</b>
General Fund	-	11,000	33,000	33,000	33,000	33,000
New Fund	-	-	-	-	-	-
<b>Total</b>	<b>-</b>	<b>11,000</b>	<b>33,000</b>	<b>33,000</b>	<b>33,000</b>	<b>33,000</b>
<b>Biennial Total</b>			<b>44,000</b>		<b>66,000</b>	
<b>1 - Expenditures, Absorbed Costs*, Transfers Out*</b>						
General Fund						
Expenditures	-	-	-	-	-	-
Transfers Out	-	11,000	33,000	33,000	33,000	33,000
New Fund	-	394,610	-	-	-	-
<b>Total</b>	<b>-</b>	<b>405,610</b>	<b>33,000</b>	<b>33,000</b>	<b>33,000</b>	<b>33,000</b>
<b>Biennial Total</b>			<b>438,610</b>		<b>66,000</b>	
<b>2 - Revenues, Transfers In*</b>						
General Fund						
	-	-	-	-	-	-
New Fund	-	394,610	-	-	-	-
<b>Total</b>	<b>-</b>	<b>394,610</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Biennial Total</b>			<b>394,610</b>			

**Bill Description**

SF9019-0 would authorize the sale of state appropriation bonds to fund \$394.61 million of capital improvements to the RiverCentre Arena, RiverCentre Complex, and Roy Wilkins Auditorium in the City of St. Paul, as well as associated financing costs. The \$394.61 million in proceeds for these event venue capital improvements would be appropriated to the commissioner of employment and economic development for one or more grants to the City of St. Paul 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

While the bill would authorize a maximum 30 year term for the bonds, this fiscal note has used the more typical state bond structure of 20 year debt. The state generally seeks to align the term of its debt with the anticipated useful life of the improvements being financed. While we do not yet know what the useful life of the three facilities will become following the anticipated improvements, the 20 year term assumption in this fiscal note seems reasonable based on the description of the event venue capital improvements described in the bill language. The bill does not describe the amount intended for each of the three named facilities, or more specifically describe the improvements that are needed at each facility.

**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.

If the City does not need all of the proceeds at once, the state may ultimately decide to sell these bonds in more than one issue over multiple years, which would change the cost assumptions. However, in order to change the cost assumptions laid out in this fiscal note, MMB would need more information about anticipated spending timelines for the projects.

### **Long-Term Fiscal Considerations**

The total debt service, including principal and interest, on the \$394.61 million project over the assumed 20 year life of the bonds will be about \$671.0 million.

### **Local Fiscal Impact**

### **References/Sources**

**Agency Contact:** Ronika Rampadarat 651-201-8115

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**SF9019 - 0 - Event Venue Capital Improvement Bonds Authorized**

Chief Author: **Clare Oumou Verbeten**  
 Committee: **Capital Investment**  
 Date Completed: **3/25/2025 11:09:08 AM**  
 Agency: **Employment and Economic Dvlpmnt**

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	
	FY2025	FY2026	FY2027	FY2028	FY2029
Dollars in Thousands					
<b>General Fund</b>	-	25	25	25	25
<b>Total</b>	-	25	25	25	25
<b>Biennial Total</b>			50		50

Full Time Equivalent Positions (FTE)	Biennium			Biennium	
	FY2025	FY2026	FY2027	FY2028	FY2029
General Fund	-	.25	.25	.25	.25
<b>Total</b>	-	.25	.25	.25	.25

**LBO Analyst's Comment**

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

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**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.

<b>State Cost (Savings) = 1-2</b>		<b>Biennium</b>			<b>Biennium</b>
<b>Dollars in Thousands</b>		<b>FY2025</b>	<b>FY2026</b>	<b>FY2027</b>	<b>FY2028</b>
					<b>FY2029</b>
General Fund	-	25	25	25	25
<b>Total</b>	-	<b>25</b>	<b>25</b>	<b>25</b>	<b>25</b>
<b>Biennial Total</b>			<b>50</b>		<b>50</b>
<b>1 - Expenditures, Absorbed Costs*, Transfers Out*</b>					
General Fund	-	25	25	25	25
<b>Total</b>	-	<b>25</b>	<b>25</b>	<b>25</b>	<b>25</b>
<b>Biennial Total</b>			<b>50</b>		<b>50</b>
<b>2 - Revenues, Transfers In*</b>					
General Fund	-	-	-	-	-
<b>Total</b>	-	-	-	-	-
<b>Biennial Total</b>			-		-

**Bill Description**

SF9019-0 would authorize the sale of state appropriation bonds to fund \$394.61 million of capital improvements to the RiverCentre Arena, RiverCentre Complex, and Roy Wilkins Auditorium in the City of St. Paul, as well as associated financing costs. The \$394.61 million in proceeds for these event venue capital improvements would be appropriated to the commissioner of employment and economic development for one or more grants to the City of St. Paul for the improvements.

**Assumptions**

The Department of Employment and Economic Development (DEED) would be responsible for awarding grant funds in line with current requirements and practices. To this end, DEED would require \$25,000 for administration of the grant for review and coordination with the awardees. DEED typically receives a percentage of grant funds for administration, and this appropriation would serve to replace the typical administrative percentage carve-out.

DEED assumes that the mention of the Commissioner of Administration under section 2 is erroneous and should reflect the Commissioner of Employment and Economic Development, per LBO confirmation.

**Expenditure and/or Revenue Formula**

DEED estimates \$25,000 in compensation costs for FTEs related to the administration of this grant.

**Long-Term Fiscal Considerations****Local Fiscal Impact****References/Sources**

**Agency Contact:**

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