

# Stadium Screening Committee Agenda

January 6, 2004

State Office Building Room 5

12:30 – 4:30 pm

Stadium Warm-Up (Earl Santee, HOK)	12:30
Vikings Presentation (Gary Woods & Mike Kelly)	12:50
Twins Presentation (Jerry Bell)	1:35
U of M (Kathleen O'Brien & Richard Pfitzenreuter)	2:20
BREAK	2:50
Work Plan Update (Dan McElroy)	3:00
Evaluation Criteria Discussion (Brian Steeves)	3:15
• Siting	
• Financing	
• Governance & Ownership	
Recommendation Strategies (Dan McElroy)	4:00
Email Feedback & Outstanding Questions (Dan McElroy)	4:15
Adjourn	4:30

## Next Meetings:

- **Conference Call on January 19, 2004 @ 11 am**
- **January 20-21, 2004 (All Day Meetings in SOB Rm 5)**

All committee meetings and handouts are public. For more information related to the Stadium Screening Committee, go to [www.stadium.state.mn.us](http://www.stadium.state.mn.us).

# Stadium Screening Committee

## Proposed Work Plan

November 4 - Governor's announcement of Stadium Screening Committee chaired by Commissioner McElroy and "Invitation for Submissions" from cities, counties, developers and other interested parties

November 18 - Announcement of Screening Committee members

December 9 - Screening Committee meeting (12:30 - 4:30 pm) @ State Capitol Room G-15

December 16 - Information Session for Stadium Submittals (1:30 - 3:00 pm) @ Centennial Office Bldg, Ziegler Conf Rm

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**January 6** - Screening Committee meeting (12:30 - 4:30 pm) @ **State Office Building Room 5**

- Presentations by Twins, Vikings and U of M
- Discuss evaluation criteria for submittals

**January 15** @ 4 pm - Deadline for Submittals

**January 19** @ 11 am - Screening Committee conference call to approve qualified respondents.

**January 20 and 21** - Qualified respondents invited to present to the Screening Committee and Screening Committee discusses submissions (**All day meetings @ State Office Building Room 5**)

**January 26** - Possible Screening Committee conference call to further discuss submissions

**January 29** - Screening Committee meeting to review and approve final recommendations (12:30 - 4:30 pm) @ **State Office Building Room 5**

**February 2** - Submit Screening Committee recommendations to the Governor

*Please note that all committee meetings are public. For more information go to [www.stadium.state.mn.us](http://www.stadium.state.mn.us).*

December 31, 2003

# **STADIUM SCREENING COMMITTEE**

## **Follow-Up Answers to Questions**

### **From the December 9, 2003 Meeting**

1) *What were the 14 criteria adopted by the legislature in the Metrodome bill (1977)?*

The 14 criteria required in the Metrodome's enabling statute are:

- a) MLB & NFL will schedule all regular season and playoff games at the Metrodome for not more than 30 years and not less than the term of the longest term bonds. Also describes the terms for default, termination or breach of the Metrodome lease.
- b) Guarantees the continuance of the Twins and Vikings in the Twin Cities metropolitan area for the period referred in clause (a).
- c) Bond proceeds must be use to construct, remodel or furnish the Metrodome.
- d) The commission (i.e. MSFC) must have title to all land needed for construction and operation of the Metrodome.
- e) All funding sources must be received or officially agreed to in writing.
- f) Agreement with labor unions not to strike or have a management lockout that would halt, delay or impede construction of the Metrodome.
- g) Certifies construction price and completion date as well as includes performance bonds that cover any costs over the certified price.
- h) Environmental impact statement must be approved by all appropriate regulatory entities.
- i) At least 50% of the private suites must be sold or leased for at least 5 years.
- j) Anticipated revenues will sufficiently pay for debt service, administration, operation and maintenance of the Metrodome.
- k) Study and consider the athletic facilities needs' of the University of Minnesota for a prospective 20 year period.
- l) Agreement with the City of Minneapolis to provide security for the Metrodome debt service.
- m) Requires that all football game tickets not sold prior to the game are purchased by a sponsored telecasting organization for at least 20 years.
- n) Agreement with a brokerage firm in place to sell the bonds that are backed by the full faith and credit of the City of Minneapolis.

The complete text of Statute 473.581 can be found at:  
<http://www.revisor.leg.state.mn.us/stats/473/581.html> .

2) ***What college football teams play in professional sports facilities?***

- San Diego State plays in Qualcomm with the Chargers.
- University of Pittsburgh plays in Heinz Field with the Steelers.
- Temple plays in Lincoln Financial Field with the Philadelphia Eagles.
- Tulane plays in the Superdome with the New Orleans Saints.
- Tennessee State (Division 1aa) plays in The Coliseum with the Titans.

3) ***Has sale-leaseback been used in any stadium deals?***

The roof of Miller Park in Milwaukee is owned by Mitsubishi and leased back to the team, allowing Mitsubishi to depreciate the asset. Otherwise, staff is not aware of any other stadium sale-leaseback deals.

4) ***Why didn't the 2002 bill result in a stadium?***

There is speculation that a variety of issues resulted in the 2002 stadium bill falling short of a new stadium. Although difficult to attribute to any one factor, the following issues may have played a role:

- Hennepin County was not allowed to participate under the 2002 stadium bill.
- Minneapolis has a charter provision limiting their participation to \$10 million, thus eliminating them as a prospective candidate.
- St. Paul sought exclusive negotiation rights with the Twins for a ballpark, which never materialized.
- Public infrastructure costs for a ballpark in St. Paul escalated due to a variety of reasons.

# Minnesota Vikings



**Stadium Screening Committee  
Background Information  
December 2003**

MINNESOTA VIKINGS

# NFL Rankings

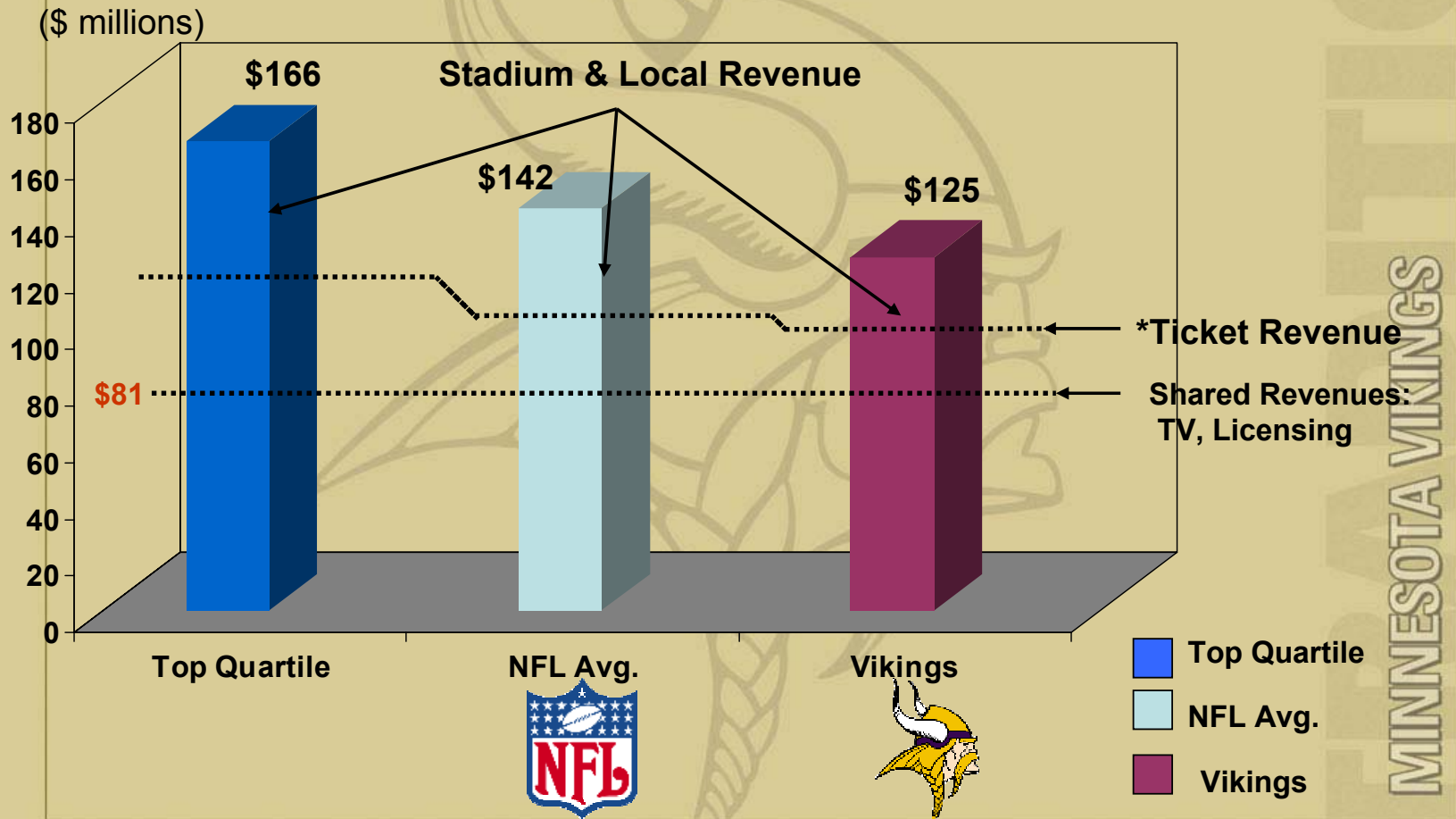
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	<u>Actual - 2002</u>	<u>Projected - 2006</u>
Net Gate Receipts	24th	26th
Concessions	29th	29th
Suites	27th	31st
Parking	32nd	32nd
Club Seats/Stadium Club	<u>32nd</u>	<u>32nd</u>
<b>TOTAL LOCAL REVENUE</b>	<b>30th</b>	<b>31st</b>

MINNESOTA VIKINGS

The Minnesota Vikings rank at or near the bottom of the NFL in every stadium revenue category. As is the case for the Minnesota Twins, every revenue-generating opportunity has been exhausted in the Metrodome. The solution to this dilemma is to build a new football stadium in Minnesota.

# NFL Team Revenue Comparison 2002

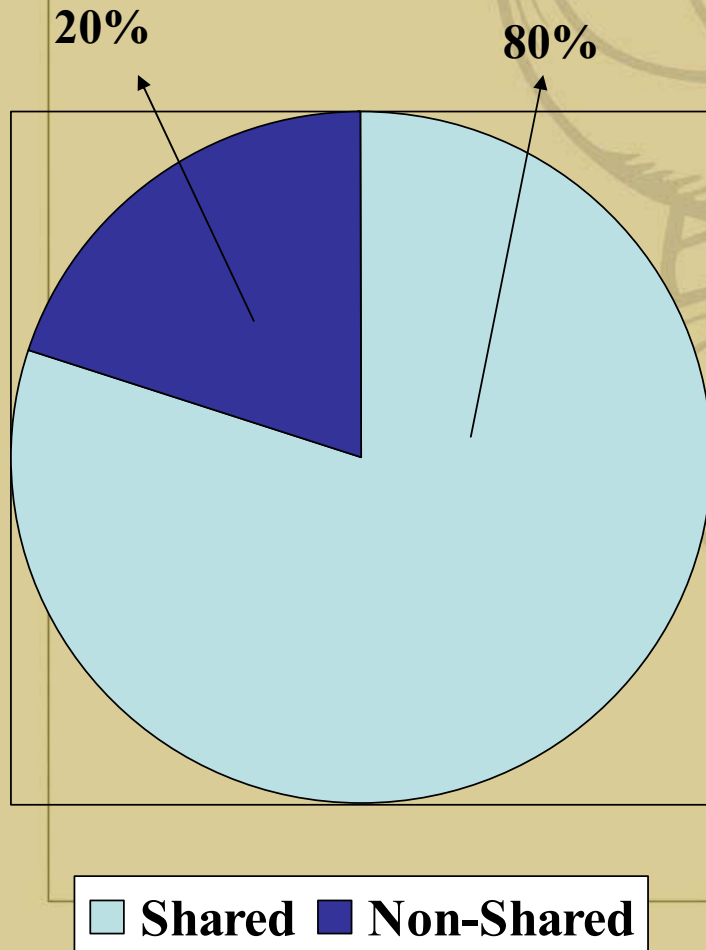


MINNESOTA VIKINGS

\* Ticket revenue consists of gate receipts, minus visiting team's share (VTS), plus road VTS, plus club seat premiums

This is a graphic depiction of the Vikings team revenues as compared to the average NFL team and to the top earning teams in the league. This shows that, for 2002, the Vikings trailed the average NFL team by \$17 million dollars in revenues and trailed the top quartile of teams by \$41 million dollars. This revenue gap is a function of the lack of stadium revenue available at the Metrodome. This is an annual shortfall that is leading the Vikings organization toward financial crisis.

# Sources of Revenue for the Average NFL Team



## Shared Revenue

1. NFL Television Contract
2. NFL Properties (e.g. Merchandise, Sponsorships)
3. NFL Enterprises (e.g. Sunday Ticket, Internet)
4. Ticket Sales

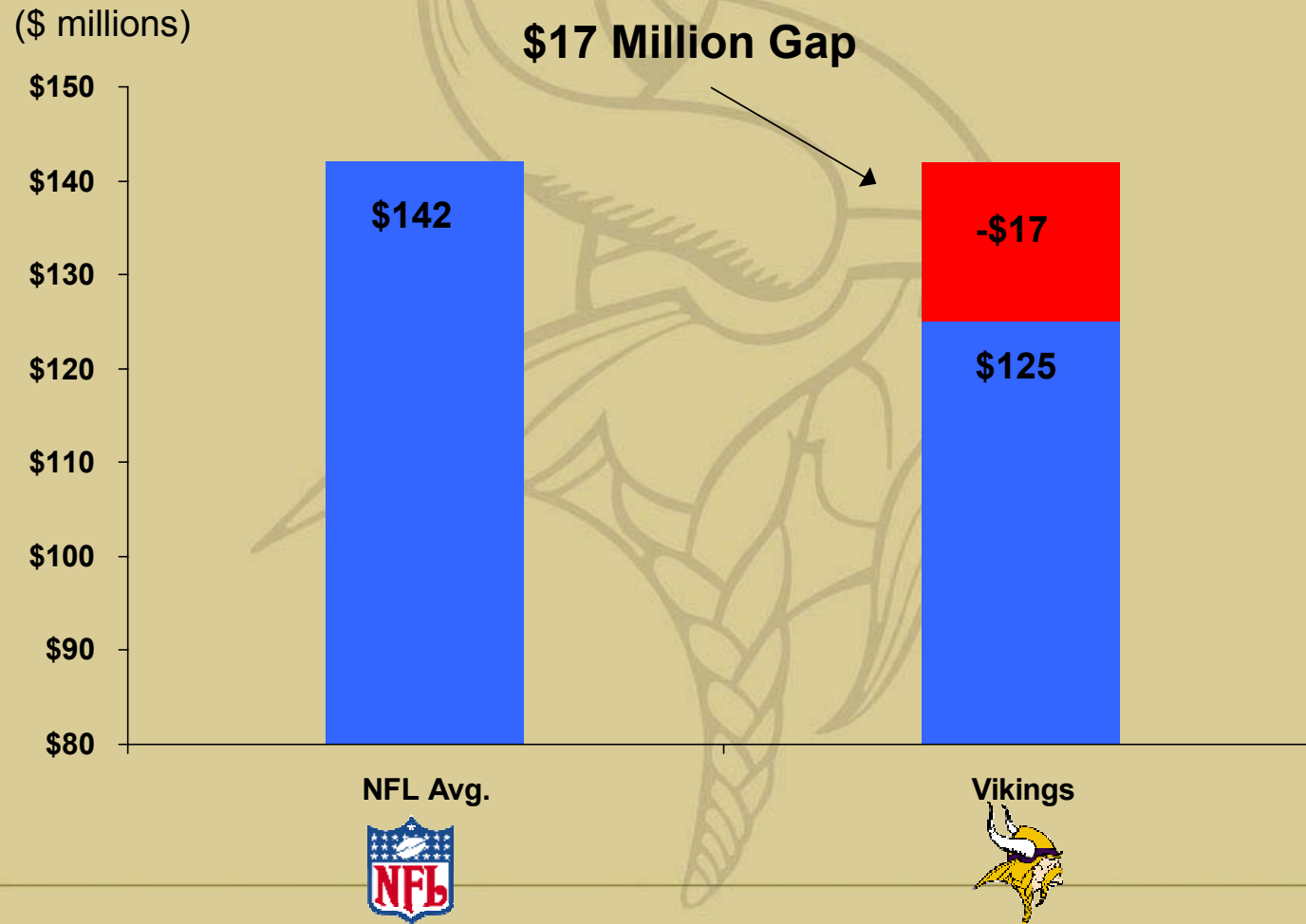
## Non-Shared Revenue

1. Local TV and Radio
2. Concessions
3. Luxury Suites
4. Club Seats and Lounges
5. Parking
6. Sponsorships/Naming Rights
7. Advertising/Signage
8. Novelties/Programs

The NFL is the only professional sports league that has revenue sharing, a hard salary cap and a commitment to markets of all sizes. This slide breaks down the average NFL teams' revenue into what is shared and what is not shared. Revenue sharing is tremendous for the sport, but non-shared revenues are what separates NFL teams. The Metrodome is deficient in virtually every one of the non-shared revenue categories.



# Vikings Revenue Gap



MINNESOTA VIKINGS

In 2002, the Vikings had a \$17 million dollar revenue gap as compared to the average team in the league. In the NFC North, the Vikings are falling even further behind as the Detroit Lions, Chicago Bears and Green Bay Packers have all built new stadiums or dramatically renovated their facilities in the last two years.

# The Minnesota Vikings Paid Nearly \$10 Million In Taxes In 2002

## DIRECT FISCAL IMPACT TO MN (2002 SEASON)

### TAXES

•Property Tax -----	\$258,029
•State Tax Withholding on Players and Staff-----	\$4,378,758
•Sales Tax on Tickets and Merchandise-----	\$2,083,571
•Admission Tax-MSFC-----	<u>\$3,145,047</u>
<b>Sub Total-----</b>	<b>*\$9,865,405</b>

\*This total does not include income tax collected from visiting players and franchises



The Vikings have a significant direct fiscal impact on the state of Minnesota's tax coffers. Not only does having the Vikings in this market add to our quality of life and increase our national visibility, but the team also directly contributes to the state's bottom line.

# Vikings To Generate An Estimated \$89 Million Per Year In Out-of-State Revenues Over Next 3 Years

- The Vikings will generate an estimated \$267 million in Out-of-State revenues over the next 3 seasons. This revenue, shared among all 32 teams in the NFL, originates from the NFL television contract, NFL Properties and NFL Enterprises.
- An average of nearly \$89 million per year is generated in Out-of-State revenues.
- This revenue is in addition to the money that is generated locally.



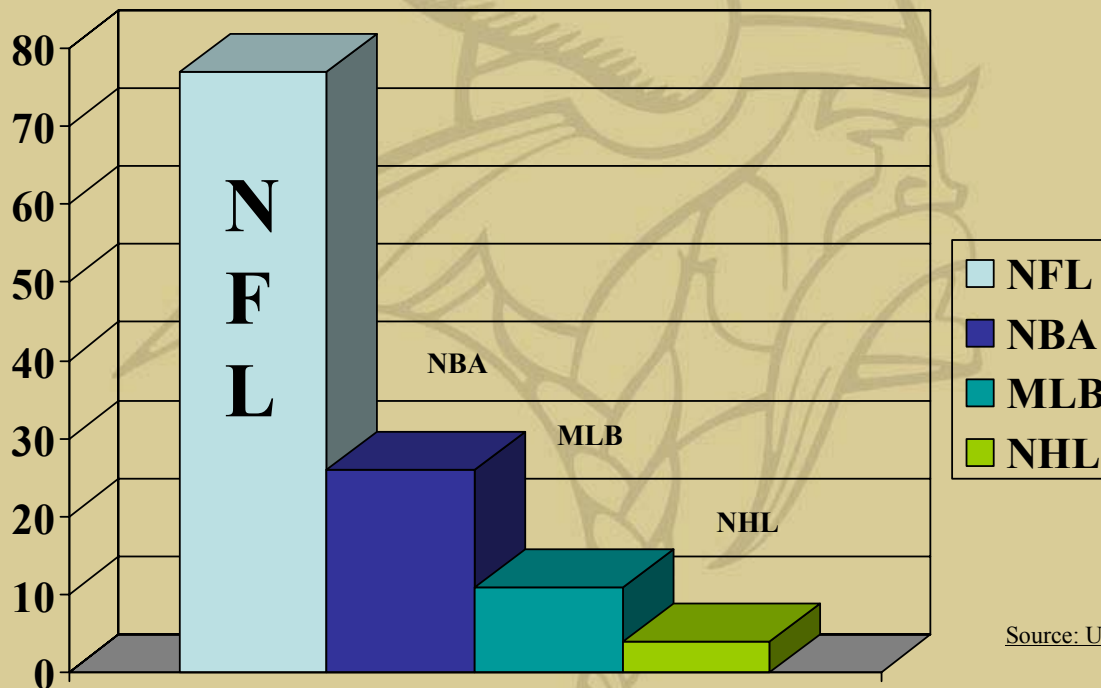
MINNESOTA VIKINGS

In addition to revenues and economic activities that are generated locally, the team brings in millions of dollars of out-of-state revenues that would not come to Minnesota without the Vikings in this market.



# National Television Contracts

The NFL's national television contract is nearly double those of the other three major sports combined. The NFL's average is \$77 million per year per club.



Source: USA Today

•The NFL is the one major sport where TV viewership has increased over the last few seasons.

According to *USA Today*, the NFL's television contract is twice that of all other major sports combined.

# Local Pro Sports Teams Market Ratings for 2002

	<u>RATING</u>
<b>1. MINNESOTA VIKINGS</b>	<b>31.1</b>
<b>2. Minnesota Twins</b>	
<b>KSTC</b>	<b>6.0</b>
<b>FSNO</b>	<b>5.4</b>
<b>3. Minnesota Timberwolves</b>	
<b>WFTC</b>	<b>3.8</b>
<b>FSNO</b>	<b>2.1</b>
<b>4. Minnesota Wild</b>	
<b>FSNO</b>	<b>0.7</b>
<b>KMSP</b>	<b>1.8</b>

Source: A.C. Nielsen

MINNESOTA VIKINGS

The Minnesota Vikings are, by far, the most popular professional sports franchise in Minnesota. For 2002, the Vikings averaged a 31.1 rating of television viewership -- which means that, during Vikings games, 31.1% of the televisions in this market were tuned in to Vikings football.



## America's Favorite Spectator Sport



27.8%



16.5%



14.6%



7.2%

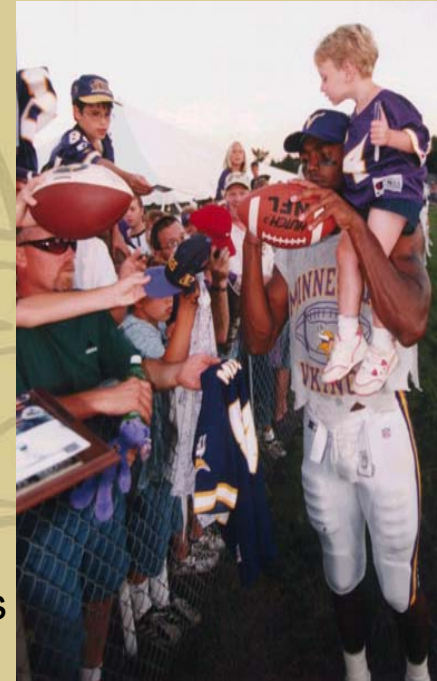
Source: ESPN Sports Poll, a service of TNS Intersearch  
Jan. 2002 –Dec. 2002

MINNESOTA VIKINGS

According to a recent ESPN public opinion survey, the NFL is America's favorite spectator sport.

# Vikings' Community Giving

- Vikings' charitable giving has exceeded \$6.6 million
- More than \$400,000 contributed annually to local charities from the football club and Viking Children's Fund (VCF)
- VCF has donated more than \$3.8 million to the University of Minnesota Department of Pediatrics
- More than 2,500 charitable and community partners receive player appearances or autographed merchandise each year
- Community Tuesday Program and community relations efforts total more than 1,000 volunteer hours per year



MINNESOTA VIKINGS

**The Vikings players, coaches and staff are among the most active in the NFL in terms of community involvement.**

# CONTINUING THE DRIVE

VIKINGS' FUTURE HINGES  
ON STADIUM SOLUTION

There was very little stadium discussion in St. Paul during the 2003 Legislative Session, as the debate was dominated by the state's \$4.2 billion budget deficit. That is beginning to change, however, as stadium backers are encouraged by the comments and actions of Governor Tim Pawlenty and State Legislative leaders.

The 2004 Legislative Session begins next February 2, and the Vikings, Twins and football Gophers are busy preparing for serious stadium discussions at the capitol. All three organizations are working with state leaders. All three teams experience the same problem—lack of stadium revenues have pushed the Vikings, Twins and Gophers to the bottom of their respective leagues in revenues. There is no longer a question that the Metrodome must be replaced. The time has arrived to resolve Minnesota's sports facilities problems.

## AN URGENCY TO ADDRESS VIKINGS REVENUE SHORTFALLS

The Vikings will continue to tell the positive story about our contribution to Minnesota's economy, community and quality of life. We will continue to work with Governor Pawlenty and legislative leaders to develop a fair and responsible financing solution. The Vikings are operating with an extreme sense of urgency as the organization falls further and further behind the rest of the National

Football League in stadium revenues. Minnesota needs to build a football stadium now, to keep the Vikings competitive and viable in this market.




## BENEFITS FOR FANS AND THE COMMUNITY

The Vikings stadium vision promises many important benefits for both football fans and the community. Fans will enjoy a much-improved game day experience that includes easier parking, more tailgating, increased capacity, more seating options, more rest-rooms and concessions, better sight-lines and wider concourses that reduce crowding. This world-class facility will also play host to hundreds of events year-around – including high school and

college sports, soccer and many other community events. A new stadium would provide the opportunity for the Twin Cities to host Super Bowls, NCAA Final Fours and give the community a world-class sports and entertainment venue.

## HOW YOU CAN HELP

The Vikings are urging fans and supporters to learn more about the football stadium issue and register your support with elected officials for a solution to this long-standing problem. For more information about the Vikings stadium campaign – and to find out how you can help – visit [vikings.com](http://vikings.com). 

Images by Crawford Architects,  
Kansas City, MO, [www.crawfordarch.com](http://www.crawfordarch.com).



# VIKINGS ANALYZE NEW STADIUM SITES

STADIUM FINANCING DEBATE LIKELY TO OCCUR FIRST

At a capitol news conference on November 4, 2003, Governor Tim Pawlenty outlined a plan and process to solve Minnesota's stadium problems. Governor Pawlenty announced the formation of a screening committee to evaluate stadium proposals for the Minnesota Vikings and Minnesota Twins.

Over the past few years, the Vikings have researched the best available locations for new stadiums in the Twin Cities Metro area. Governor Pawlenty and legislative leaders are expected to resolve the financing question before a site is selected. Following is a status report on football stadium site options.

## TWO STADIUMS IN ONE STADIUM DISTRICT

One proposal that is receiving serious consideration by state leaders is to combine two stadiums – one for the Vikings and one for the Twins – into one stadium district. This has worked very well in other major league cities like Seattle, Pittsburgh and Detroit. Developing a stadium district for two stadiums can save millions of dollars on shared parking, infrastructure, utilities and other efficiencies. There are also tremendous economic development opportunities – beyond

those generated by football and baseball games – that could be realized by putting two stadiums next to each other.

## POTENTIAL FOOTBALL STADIUM SITES

Sites that the Vikings consider viable options include:

- **St. Paul:** The Vikings have met with St. Paul business and community leaders to discuss potential stadium sites east of the Mississippi River. These leaders are definitely engaged in new stadium discussions. Viable St. Paul sites include land on or near the State Fairgrounds, Sheppard Road, and Energy Park Drive/Highway 280.
- **Minneapolis:** The Vikings are working with city planning officials and business leaders in Minneapolis. The primary site under consideration is the Farmers Market area, south and west of downtown Minneapolis. This site is behind the Target Center and next to the Rapid Park site behind, which is currently being considered by the Twins for a new baseball stadium. The current Metrodome site also has some potential, but there is no suitable place for the Vikings, Twins or Gophers to play

while a stadium is rebuilt at this site.

- **Anoka County:** A prominent group of business and community leaders have strongly courted the Vikings to move the

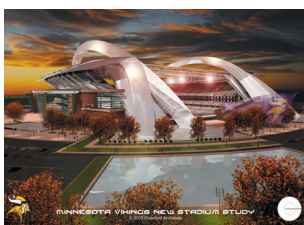
team's training facility and training camp to Blaine, in addition to building a new football/soccer stadium. The Anoka County group has proposed developing a 400-acre sports/entertainment and commercial complex 30 minutes north of the Twin Cities.

- **Eden Prairie:** This community has served the Vikings well as the current host of Winter Park, the team's headquarters and training facility. The proposed Eden Prairie site is in the heart of the "Golden Triangle" area and is well served by four major highways and existing parking.

## Other Twin Cities

**Sites:** Potential stadium sites have also been suggested in locales such as Eagan, Hastings, Rosemount, Shakopee and other Twin Cities Metro communities. The Vikings continue to meet with community leaders who are interested in hosting a new football stadium. **MV**

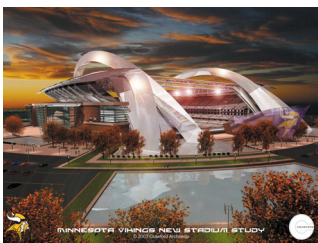
For more information on the Vikings stadium drive, visit [Vikings.com](http://Vikings.com).



# A LOOK AT NFL STADIUM TRENDS

**NEW STADIUM WILL ENSURE VIKINGS LONG TERM VIABILITY**

The past decade has been a time of dramatic change in NFL facilities. At the start of the 2003 football season, 26 of the 32 NFL teams are playing in facilities newly constructed or significantly renovated since 1992. This new generation of NFL stadiums is setting new standards for fan benefits and team revenue sources. As new facilities continue to open each season, the Twin Cities is virtually the last NFL market to address its football stadium challenge.



## THE DECLINE OF MULTI-SPORT FACILITIES

The last professional sports stadium built to house both an NFL and Major League Baseball team was the Metrodome. Shared facilities of this type have proven to be impractical in terms of fan accommodations and team revenues. Within two years, only

Minnesota, Oakland and Miami will share the distinction of having shared facilities for baseball and football.

## DOMES RENOVATIONS PROVE UNWORKABLE

The pace of change in NFL facilities has affected domes most significantly. A fixed footprint and permanent roof make bringing a facility like the Metrodome up to current NFL standards unworkable. Detroit, Houston and Seattle all considered renovating their existing domed facilities and concluded that renovation is neither practical nor economically feasible. Each of these cities opened a new stadium at the start of the 2002 season.

## A GROWING DISADVANTAGE

Stadium revenues have a significant impact on the health of NFL teams. For the Vikings, the lack of adequate stadium revenue is threatening the team's future. As more NFL cities build new football facilities with better sources of revenue, the Vikings fall further behind because the team's stadium revenue sources have been exhausted and cannot be adequately improved in the Metrodome. In addition, Vikings fans do not enjoy the conveniences and benefits a state-of-the-art facility provides.

## STADIUM FINANCING SOLUTIONS

Financing scenarios for new NFL facilities vary from market to market, but cooperation between teams and communities is the standard. In addition to contributions from team owners, recent stadium financing solutions have used a variety of sources, including public bonds, facilities admission and parking taxes, hotel and rental car taxes, alcohol/ cigarette taxes, lottery

revenues and gaming. There are many possible financing solutions that do not increase the burden of the average taxpayer, and the Vikings are committed to helping develop such a solution for Minnesota.

## HOW YOU CAN HELP

The Vikings need the support of our fans and friends across Minnesota, to solve this long-standing problem.



*For more information— and to find out how you can help—visit [vikings.com](http://vikings.com).*

# VIKINGS TRAIL IN A HEALTHY NFL

NEW STADIUM THE CURE

As difficult as managing the salary cap can be, the Vikings wouldn't have it any other way. The ceiling on the total salary each team can pay its players gives smaller-market teams like the Vikings a chance to compete. It prevents higher-revenue teams from collecting more than their fair share of top players. The salary cap and the league's revenue-sharing system make the NFL the most economically sound professional sports league in America.

**So if the salary cap helps teams compete, why do the Vikings need a new stadium?**

While the NFL's revenue structure is more equitable than that of other sports, the league's 32 teams are not financially equal. For the Vikings, the lack of adequate stadium revenue is taking a toll on the team's future. The NFL sets the salary cap each year at 63 percent of total team revenues. As more NFL cities build modern football facilities with better sources of revenue, total team revenues increase. As a result, the salary cap increases. This is where the Vikings are losing ground. As the salary cap rises each year, the Vikings fall further behind the rest of the league because the team's stadium revenue sources have been exhausted.

Playing in the Metrodome, the Vikings rank at or near the bottom of the league in every major stadium revenue category - including parking, available seating, concessions, deluxe

seating and advertising. Unless the stadium situation changes, the Vikings revenue shortfall will soon reach a crisis and prevent the team from signing and keeping our top players.

The Vikings are fortunate to play in a league that is committed to markets of all sizes. We are at the point where that alone won't be enough to keep the team competitive. Just as most other NFL communities have addressed their football stadium challenges, it's important that Minnesota and the Vikings work together now toward a fair and responsible solution.

NEW STADIUM VISION-MINNESOTA VIKINGS PROGRAM REQUIREMENTS

	VIKINGS PROGRAM	NFL AVERAGE	EXISTING METRODOME
Total Seating Capacity	68,500 *	71,500	64,121
Percentage of Seats on Sideline	58%	56.4%	45.7%
Club Seats	7,500	10,950	0
Suites	150	159	112
Suite Capacity	2,700	2,650	1,714
Stadium Club Area	90,000 gsf	126,738 gsf	NA
Concession Stands	52	50.4	33
Concession Points of Sale	390	390.4	243
Main Concourse Width	48 feet	40.8 feet	24 feet

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

**HOW TO HELP**

The Vikings are urging fans and supporters to learn more about the football stadium issue and register your support with elected officials for a solution to this long-standing problem. For more information about the Vikings stadium campaign, log on to [vikings.com](http://vikings.com) and join the *Vikings Now Newsletter*. 

STADIUM SOLUTION  
NEW STADIUM THE CURE

December 30, 2003

Commissioner Dan McElroy  
Chairman  
Minnesota Stadium Screening Committee  
400 Centennial Office Building  
658 Cedar Street  
St. Paul, MN 55155

Dear Commissioner McElroy:

We understand that the Minnesota Stadium Screening Committee recently has been established by Governor Pawlenty and the Minnesota Legislature for several reasons, including the evaluation of stadium proposals for the Minnesota Vikings. We further understand that such stadium proposals will be submitted to your Committee by January 15, 2004.

We strongly support and commend the stadium efforts currently underway in Minnesota, and remain optimistic that the result will be a long-term stadium solution for the Minnesota Vikings, the State of Minnesota, and all other interested parties.

We have attached some relevant background information on the NFL, which should be helpful to your Committee's evaluation and assessment of stadium proposals. Specifically, we have attached information relating to the NFL's popularity (Attachment 1), revenue sharing and Salary Cap economics (Attachment 2), and stadium development (Attachment 3).

We greatly appreciate your giving us an opportunity to provide information to your Committee. Please let us know if you have any questions, if you need additional information, or if we can be of further assistance in any way. I can be reached directly at 212-450-2024.

Sincerely,

NEIL GLAT

### Attachment 1 – NFL Popularity

- NFL football is the most popular spectator sport in the United States, according to all major surveys
- According to the most recent 2003 Harris Interactive Poll of U.S. adults, more people name NFL football (29%) as their favorite sport as compared to the second-ranked sport (Major League Baseball with 13%) and the third-ranked sport (NBA basketball with 10%) combined
- The Super Bowl is the most watched television program in the United States each year; the top 10 most watched programs in television history are all Super Bowls; Super Bowl XXXVII in January 2003 was the most watched program in television history with 138.9 million viewers
- ABC's Monday Night Football averaged an 11.5 rating in 2003 as compared to a 9.5 rating for the 2003 MLB All-Star Game and a 7.5 rating for the highest rated 2003 NBA Finals game (Game #6)
- ESPN's Sunday Night Football games accounted for nine of the top 10 most watched programs on basic cable in 2002

## Attachment 2 – League Revenue Sharing and Salary Cap Economics

### Revenue Sharing

- NFL teams share more than 80% of total League revenue, more than in any other major professional sports league in the United States
  - Teams equally share revenue from national television and radio, satellite television and radio, international television and radio, and postseason ticket sales
  - Teams equally share distributions from NFL Business Ventures (consumer products licensing, national corporate sponsorships)
  - Teams share revenue from preseason and regular season ticket sales (including club seat premiums) based on a 66%-34% home team-visiting team sharing formula
  - Teams do not share most non-ticket stadium revenues (e.g., suites, naming rights, advertising, concessions, parking) and local media revenue (i.e., radio, preseason television)
- As a result of League revenue sharing policies (mostly relating to the equal sharing of national television revenue, which currently averages more than \$70 million per Club annually and represents more than 50% of total League revenue), teams in larger markets effectively provide a subsidy to teams in smaller markets, which provides teams in smaller markets (e.g., Green Bay Packers) with an opportunity to compete economically and on-the-field
- In addition, because teams equally share national television revenue and other revenues, a team's stadium situation (not its market size) largely determines whether it is a higher-than-average revenue team or a lower-than-average revenue team

### Salary Cap Economics

- The NFL and the NFL Players Association have a strong partnership
- The NFL has not had a work stoppage since 1987, the longest period of labor stability of all the major professional sports leagues in the United States
- The NFL and the NFL Players Association have taken advantage of this labor stability to collaborate in many areas to grow the sport of football including stadium development (most notably, the G-3 stadium financing program), youth football, NFL Europe and other international initiatives, consumer products licensing, and charitable auctions
- The current Collective Bargaining Agreement (CBA) between the NFL and the NFL Players Association was originally signed in 1993 and will be in place through at least the 2007 NFL season. It has been extended four times.
- The Collective Bargaining Agreement provides for a Salary Cap, the maximum amount that each team can spend on player salaries and signing bonuses (The Collective Bargaining Agreement also provides for minimum amounts that each team can spend on player salaries and signing bonuses)
- The Salary Cap is calculated each year based on average team revenue for all 32 NFL Clubs
- Historically, NFL Clubs have spent at or very close to the Salary Cap in order to remain competitive on-the-field and attractive to fans

### Implications for Vikings

- The Vikings ranked 29th out of 32 NFL teams in total revenue in 2002; the Vikings' ranking is projected to fall to 31st out of 32 NFL teams in total revenue by 2006
- The Vikings are ranked near the bottom of the NFL in total revenue largely because the team plays its home games in the Metrodome, a facility with revenue-generating limitations, notwithstanding that Minneapolis-St. Paul is the 13<sup>th</sup> largest television market in the United States. As indicated above, a team's stadium situation (not its market size) determines whether it is a higher-than-average revenue team or a lower-than-average revenue team
- Moreover, absent an improvement in their stadium situation, the Vikings will likely find it increasingly difficult to compete economically and on-the-field going forward. Without improving their stadium situation, the Vikings will not be able to significantly increase team revenues, while their player costs (which are a function of the League-wide Salary Cap, which in turn is based on average team revenue for all 32 Clubs) will increase as other NFL teams continue to move into new stadiums and grow their revenues

## Attachment 3 -- NFL Stadium Development

### Overview

- During the period from 1992-2006, more than 20 NFL stadiums will have been built or substantially renovated; approximately \$7 billion in stadium-related construction costs
- NFL stadium project costs were on average in excess of \$300 million
- NFL stadium projects were on average 60-70% publicly-financed and 30-40% privately-financed
- NFL stadium projects in larger markets (versus in smaller markets) generally were funded with much larger amounts and percentages of private financing for the following reasons, among others:
  - Teams in top 6 television markets are eligible for greater financial support (G-3 loans) from the NFL
  - Teams in larger markets generally can generate significantly more stadium revenue (e.g., suites, club seats, PSLs, sponsorships, advertising, concessions, naming rights), which can be earmarked for larger amounts of debt service
- Each NFL stadium project was unique; in each case, community leaders balanced stadium needs against other public interests to put in place successful public-private partnerships and creative financing structures

### G-3 Stadium Financing Program

- The League has financially supported stadium construction since the mid-1980s
- The League renewed and increased its financial support for stadium construction in 1999 by approving Resolution G-3
- Resolution G-3 provides for loans to Clubs of up to 34% of the private contribution towards a stadium project in a smaller market (i.e., a non top 6 television market), and up to 50% of the private contribution in a top 6 television market, subject to the following conditions, among others:
  - League membership approves each individual G-3 loan based on a three-fourths majority vote (consistent with most League voting requirements)
  - NFL Players Association must agree to Salary Cap credits relating to individual stadium projects
  - G-3 loan cannot exceed \$102 million in a smaller market and \$150 million in a larger market
  - At least 80% of the G-3 loan in a smaller market must be repaid from club seat revenues generated in the new stadium and 50% of the G-3 loan in a larger market
  - Stadium projects must be the result of public-private partnerships



- G-3 loans have been approved for eight stadium projects; approximately \$650 million in G-3 loans has been committed to date by the League. Listed below are the G-3 loans approved to date and the approximate net loan amounts:
  - Arizona -- \$47 million
  - Chicago -- \$100 million
  - Denver -- \$56 million
  - Detroit -- \$102 million
  - Green Bay -- \$13 million
  - New England -- \$150 million
  - Philadelphia -- \$130 million
  - Seattle -- \$52 million
- The G-3 stadium financing program was extended in March 2003; it will sunset when annual television assessments relating to G-3 loans exceed \$1 million per Club. The G-3 stadium financing program has capacity for approximately one or two more stadium projects, depending on project specifics

#### Stadium Trends

- Many communities recently have decided not to build dual football-baseball stadiums (e.g., Cincinnati, Houston, Philadelphia, Pittsburgh, Seattle)
- Many communities recently have decided to build new stadiums rather than renovate existing stadiums, especially existing domed stadiums (e.g., Detroit, Houston, Seattle). The cited reasons for doing so have included:
  - New stadiums allow communities to build state-of-the-art facilities without making as many architectural and other compromises as compared to renovating existing stadiums
  - New stadiums allow communities to attract world class events (e.g., Super Bowls, MLB All-Star games, Final Fours)
  - New stadiums generally provide more fan amenities (e.g., improved sightlines, wider concourses, more points of sale, more restrooms, higher quality premium seating) as compared to renovated stadiums
  - Construction cost estimates for new stadiums generally are more reliable than construction cost estimates for renovated stadiums, thereby reducing overall project risk
  - Stadium operating costs and ongoing capital improvements generally are lower in new stadiums as compared to renovated stadiums
- Many communities have sought to leverage investments in stadiums by increasing stadium usage and by attracting additional tenants (e.g., college football teams, MLS teams)

December 30, 2003

Governor Pawlenty's Screening Committee  
c/o Commissioner Dan McElroy  
400 Centennial Office Building  
658 Cedar Street  
St. Paul, MN 55155

Dear Screening Committee Members:

The City of Minneapolis looks forward to participating in your Committee's deliberations. Pursuant to your staff's invitation to submit materials to you in preparation for your January 6th meeting, please find:

\*City of Minneapolis Resolution Authorizing Submittal of a Proposal for the Minneapolis Warehouse District Ballpark Site and Related to the Metrodome refurbishment

\*City Staff Report supporting adoption of the Resolution

\*Star Tribune Editorial of December 12, 2003

\*Hennepin County Resolution 03-12-804

If you have any questions on these materials, please do not hesitate to contact me at (612) 673-5125.

Sincerely,

Lee E. Sheehy, Director  
Community Planning and  
Economic Development (CPED)

cc: Mayor R. T. Rybak  
Council President Ostrow  
Council Member Benson  
John Moir

## **RESOLUTION OF THE CITY OF MINNEAPOLIS**

### **RESOLUTION 2003R-635**

By Ostrow, Johnson, Lane, Samuels, Johnson Lee

#### **Approving the adoption of a policy on a new ballpark.**

Whereas, the City of Minneapolis, home to the Minnesota Twins, Minnesota Vikings, the Minnesota Lynx and the Minnesota Timberwolves, has an interest in ongoing discussions among state and local leaders about professional sports facilities; and

Whereas, in 2002, the Minneapolis City Council developed a policy for considering proposals for new sports facilities which ensures that the city's infrastructure investments are fully maximized and protects the city's investment in professional sports; and

Whereas, in November the Governor created a Stadium Commission to address the stadium needs for professional baseball and football in Minnesota; and

Whereas, the City of Minneapolis recognizes the necessity of leveraging private investment in a new ballpark; and that the increasing pressure to "do more with less" hinders the City's ability to finance new sports facilities or rehabilitate existing facilities or sites; and

Whereas, the City of Minneapolis recognizes that a new ballpark is a benefit to the entire state; and

Whereas, the City of Minneapolis has a site that requires minimal public investment and infrastructure improvement and is close to the center of the metropolitan area fan base; and

Whereas, the City of Minneapolis recognizes the complex financial environment and the need to use scarce public dollars efficiently and effectively;

Now, Therefore Be It Resolved by The City Council of The City of Minneapolis:

That the ballpark solutions must:

- be built to leverage existing public infrastructure investments;
- be supported by and contribute to transit and transportation corridors;
- maximize the use of willing sellers of assembled sites as well as those existing as related development and;
- address potential neighborhood impacts productively.

Be It Further Resolved that the ballpark location must be in an area that makes the most sense for the team to remain competitive in the long run and that the team must agree to remain in the facility for at least the duration of the financing agreement.

Be It Further Resolved that the City of Minneapolis believes that the Minneapolis Warehouse District Ballpark site is the sole site in the metropolitan region that meets the needs of the state, region, fans, team and taxpayers for baseball and is therefore the best possible location for a ballpark.

Be It Further Resolved that staff is authorized to prepare that portion of a proposal concerning the Minneapolis Warehouse District Ballpark site which addresses site selection and site issues and to submit said proposal to the Governor's Screening Committee.

Be It Further Resolved that the City Council believes that refurbishment of the Metrodome meets the standards set above, would retain the Viking's status as a competitive football franchise, and staff is authorized to submit this refurbishment proposal to the Governor's Screening Committee.

Be It Further Resolved that if the Warehouse District Site is selected as the ballpark site, the City and Hennepin County will promptly confirm the feasibility of the ballpark design and the transit capacity within the adjacent corridor.

Adopted 12/29/03. Yeas, 11; Nays, 1 as follows:

Yeas - Colvin Roy, Zimmermann, Lilligren, Johnson Lee, Niziolek, Benson, Goodman, Lane, Samuels, Johnson, Ostrow.

Nays - Zerby.

Absent – Schiff

## **RESOLUTION OF HENNEPIN COUNTY**

### **RESOLUTION NO. 03-12-804 (2003)**

The following Resolution was offered by Commissioner Stenglein, seconded by Commissioner Koblick:

WHEREAS, the Governor has formed a Stadium Screening Committee for purposes of soliciting and assessing proposals for new ballparks and football stadiums; and

WHEREAS, under the leadership of Commissioner Mike Opat, the Hennepin County Board of Commissioners approved a preliminary financing plan for a new ballpark (Res. 02-2-152) and presented the plan to the legislature in 2002; and

WHEREAS, the Hennepin County Board of Commissioners desires to consider submitting a proposal to the Governor's Stadium Steering Committee

BE IT RESOLVED, that staff be directed to prepare a draft proposal for consideration by the Hennepin County Board of Commissioners

## Editorial: Stadiums/Clarity seems to be emerging

Published 12/12/2003

Minnesotans have lost track of the many commissions, task forces and blue-ribbon panels assembled over the last decade to resolve a stadium mess that grows more complex and expensive with each successive failure.

The point has now arrived at which highly principled opposition to Twins and Vikings stadiums will cost the state's taxpayers real money. After all, new stadiums with some share of public financing will eventually be built in line with the national pattern, either to house the Twins and Vikings or their successors. Minnesotans expect to stay in the major leagues. The question is not whether these stadiums will be built, but when, how and where.

Gov. Tim Pawlenty's new commission has begun to plot answers to these questions by entertaining local proposals by Jan. 15. That deadline, coupled with other recent developments, has already helped to inflict some clarity on the situation.

The University of Minnesota, for example, decided this week to pursue a new on-campus football stadium on its own terms. University President Robert Bruininks was right to reject a lead donation from a South Dakota banker and to ask the university's foundation to lead a fund drive aiming toward a collegiate-style stadium next to Mariucci and Williams arenas, with the state asked to pay for infrastructure and pollution cleanup.

Thus, by first rejecting a joint on-campus deal with the Vikings, and now by pursuing an on-campus stadium largely on its own, the university has clearly informed Pawlenty's commission and the public that *it knows what it wants and how to proceed*.

The Twins aren't as transparent, but their desires are increasingly plain. They prefer a metrowide financing package to build first their ballpark and then, in a second phase, a Vikings stadium. Legislation would allow the ballclub to negotiate with Hennepin County or St. Paul based on market considerations. The Twins want a downtown site.

Privately, team executives are increasingly enthusiastic about a retro-style ballpark next to Target Center. The business advantages of that site are overwhelming. Actually, so are the cost advantages to the general public, given that parking, transit and other infrastructure are already in place and that the site, in real estate terms, is "packaged and ready to go." Getting to weeknight games would be far simpler than fighting outbound rush-hour traffic to reach St. Paul or a suburban site. The idea of inserting the ballpark into a new village akin to Chicago's lively Wrigleyville is an attractive marketing idea because of its potential to build baseball as a larger experience than just the game.

Location is less important to the Vikings. With only 10 home games a year, a downtown site isn't so vital. Unlike baseball's intimacy, football tends to flourish in the midst of expansive, barbecue-scented parking lots. Blaine or Eden Prairie seem likely landing spots for the team, which also would prefer a metro-wide financing mechanism that would include football and baseball.

So, it's clearer by the day what the Gophers, Twins and Vikings want and how they'd like to proceed. What the governor wants is the big question. He has said he intends to keep the teams, but has also pledged not to raise taxes.

Realistically, Hennepin County is the only local government large enough to finance a stadium (or two) on its own, but it's reeling under budget and political pressures. In any case, parochial jealousies in the Legislature would prevent the county from acting alone.

While still murky, the stadium picture has become a bit clearer. Generous contributions from the teams and a metrowide financing mechanism that would

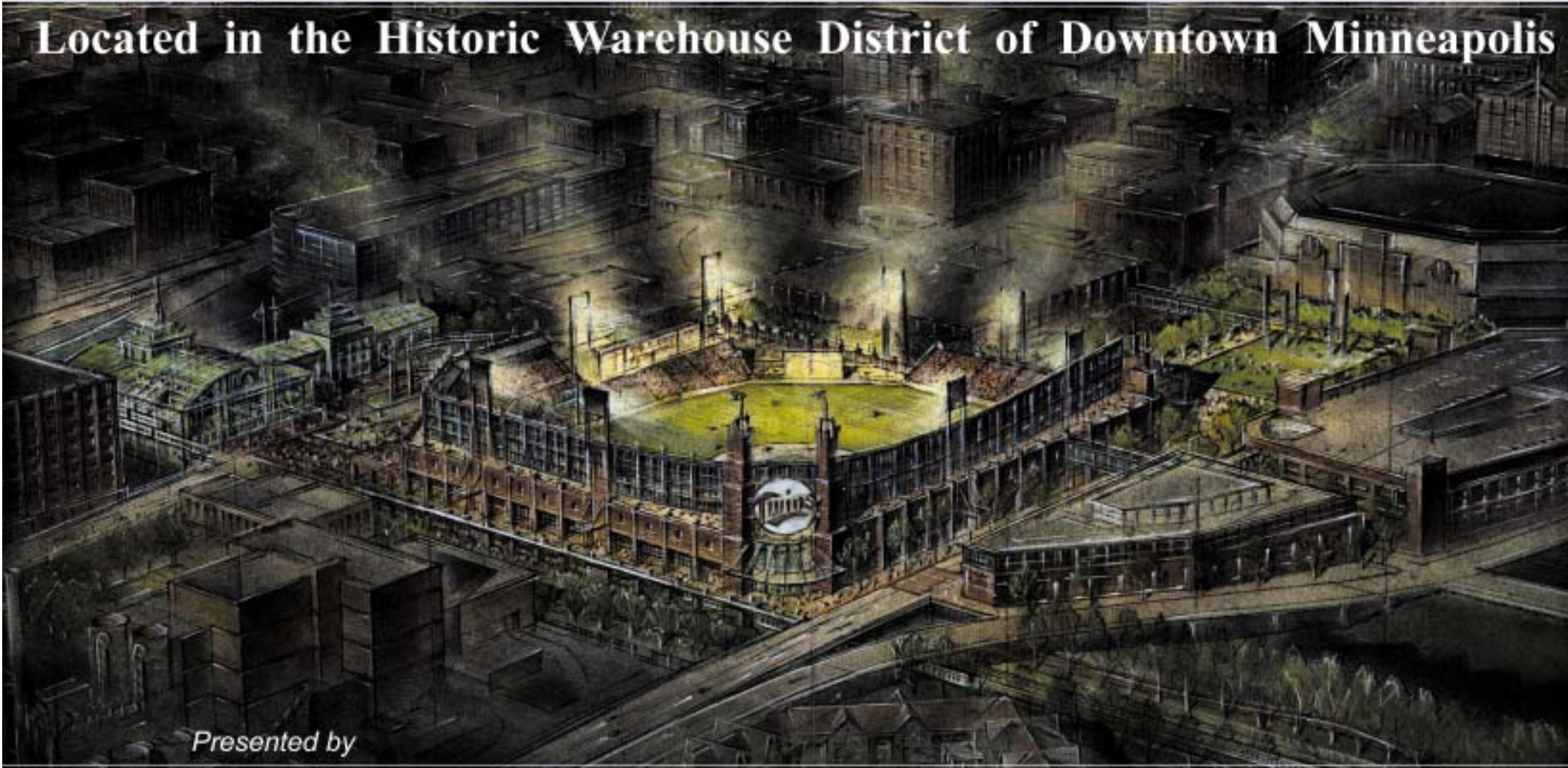
produce a downtown ballpark and then, as a second phase, a football stadium, possibly in the suburbs, while the university pursues a separate parallel track seems the likely scenario. But Pawlenty will have to find a way around his no-tax pledge and overcome opposition from powerful House committee leaders to keep the Twins and Vikings in Minnesota.

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# THE MINNESOTA URBAN BALLPARK

Located in the Historic Warehouse District of Downtown Minneapolis



*Presented by*



**Minneapolis**  
*City of Lakes*



**Hennepin County**

January 2004

prepared by: Albersman & Armstrong, Ltd.  
333 Washington Avenue North, Suite 411, Minneapolis, MN 55401



*“Minneapolis has every advantage for a new ballpark site and is the best use of taxpayer dollars. Our millions of dollars in infrastructure investment, adjoining Warehouse district and transportation hub make this the obvious choice for the team, fan base and the state. We are thrilled to be a part of this process!”*

R.T. Rybak  
Mayor  
Minneapolis

# Why the Minneapolis Warehouse District Ballpark Site?

## INFRASTRUCTURE ADVANTAGE

- Millions of Dollars in Existing Infrastructure Serving Fans Throughout the Region
- Unparalleled Accessibility via Freeway & Multiple Transit Options

## FAN ADVANTAGE

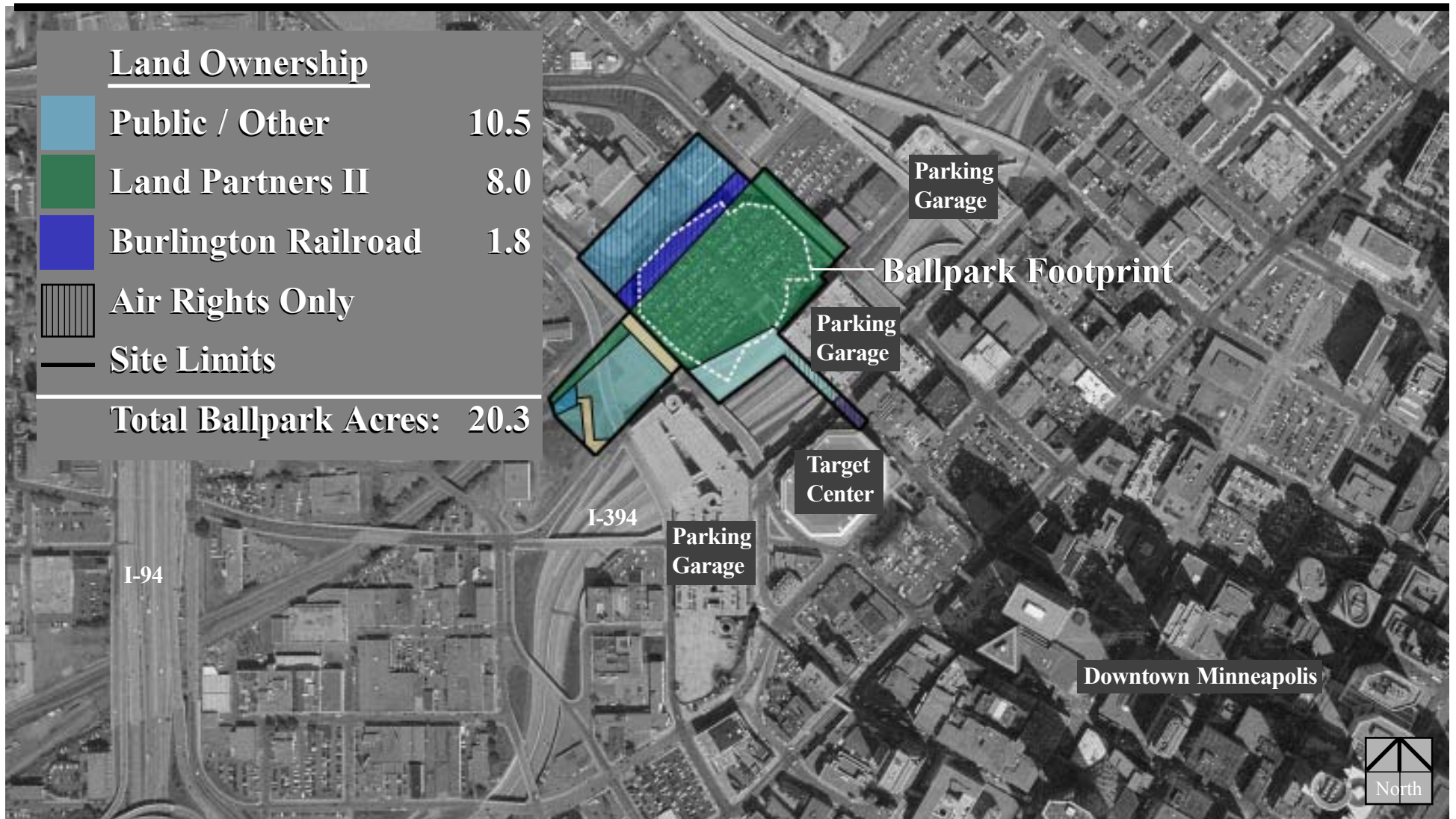
- Fan Amenities within Premier Entertainment District
- Central Business District with nearly 200,000 Potential Fans and Other Supporters
- Hospitality Headquarters for Visiting Fans

## SITE ADVANTAGE

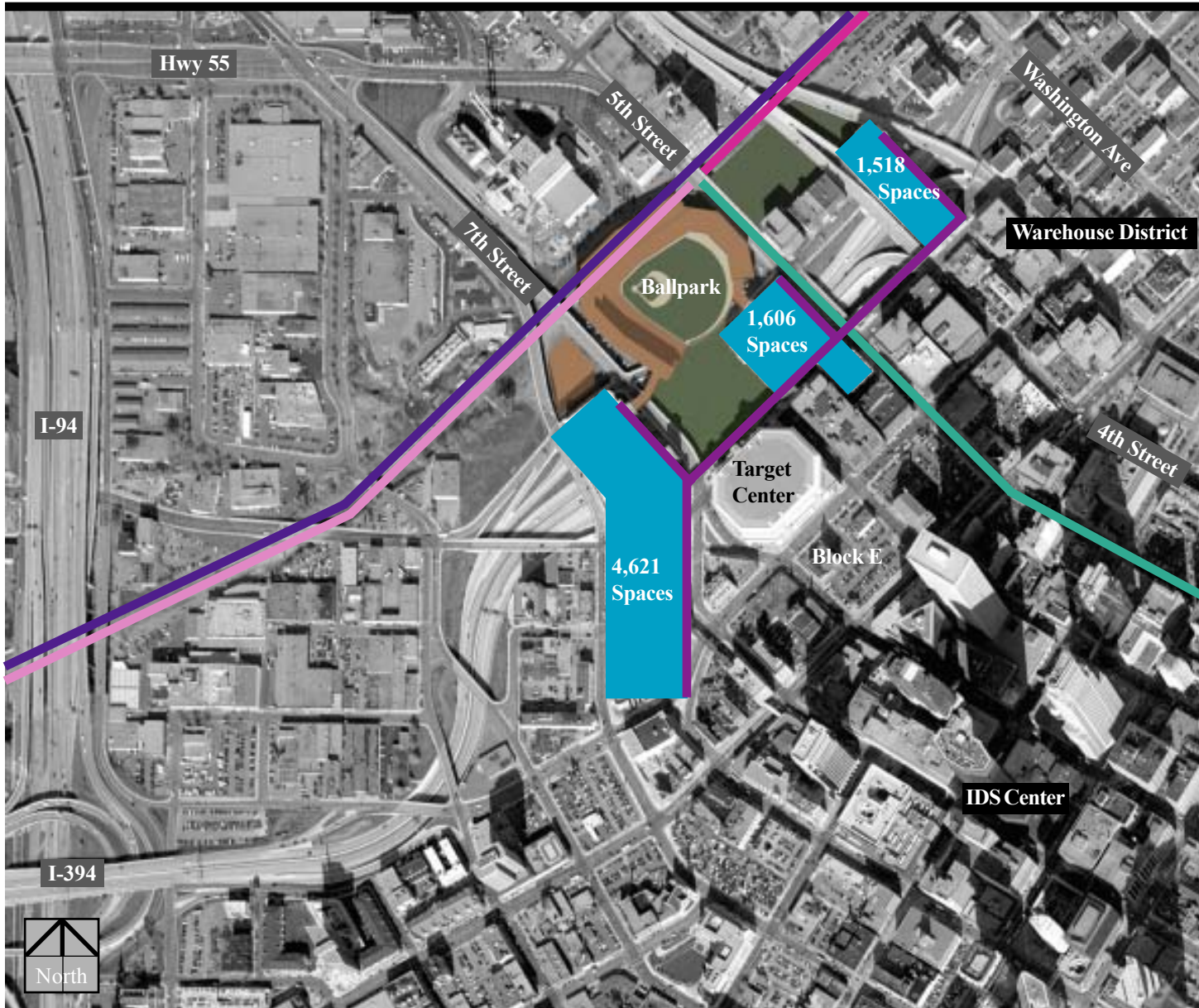
- Most Cost Effective, Developable Ballpark Site
- Willing Seller of Assembled Site
- Site Accommodates Twins Design Criteria

# Site Advantage

This site is perfectly suited for a ballpark and more, reinforcing existing and new development in this dynamic area of downtown Minneapolis. Situated near the neighboring Warehouse/Entertainment district, it will provide additional energy and vitality to the area.



# Infrastructure Advantage



This site is already a major center for transit in the region with more to come. The additional activity will enhance opportunities for business in and around the ballpark. Within five blocks of the ballpark site, there are over 20,000 parking spaces.

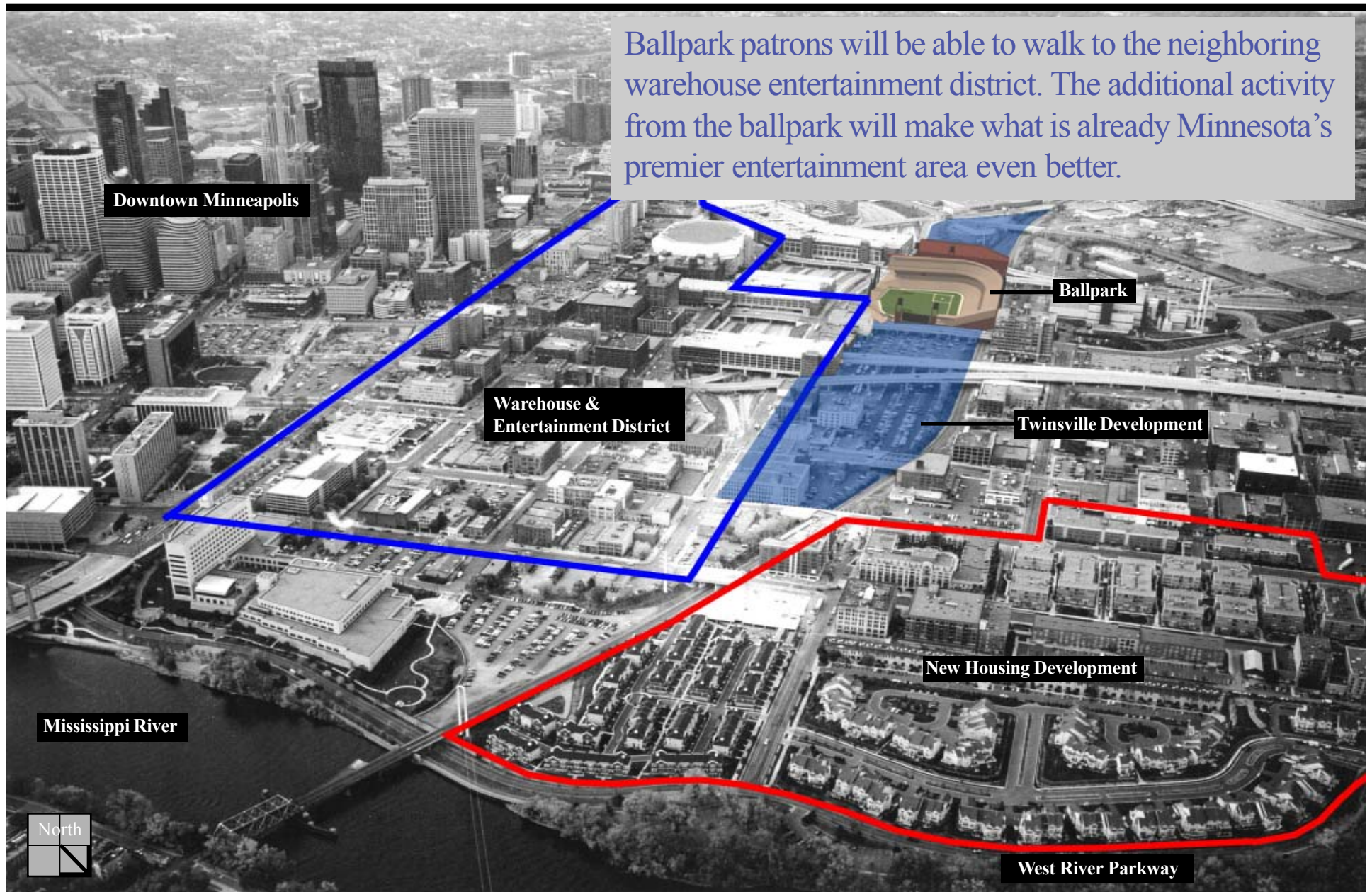
## LEGEND:

- Existing Parking Garages
- Hiawatha Light Rail Line
- Proposed Commuter Rail to St. Cloud & Hastings
- Proposed Commuter Rail to Savage / Edina
- Existing Skyways
- New Bicycle Path



# Stadium Related Development

Ballpark patrons will be able to walk to the neighboring warehouse entertainment district. The additional activity from the ballpark will make what is already Minnesota's premier entertainment area even better.



# Private Development Opportunities

The synergy created by the ballpark, new housing development, transit development and access to the river will make this area one of the most dynamic urban environments in the nation.



"The one constant through all the years has been...baseball. Baseball has marked the time. This field, this game, is part of our past. It reminds us of all that was once good, and that could be again."

*James Earl Jones*

# Ballpark Site & Orientation

The design includes a 1,050,000 square foot stadium with seating for 42,000 fans.



The orientation of the site provides a panoramic view of the Minneapolis skyline from the infield seats with sun angles ideally suited for the players in afternoon and evening ball games.





# Stadium Screening Committee

## Public Email Feedback

Following is a breakdown and summary of the 120 emails received from the public by the Stadium Screening Committee, via its email inbox as of December 31, 2003. Each email has been placed in one of six categories:

- A. General Support**
- B. Opposition**
- C. Finance Ideas**
- D. Committee Process and Member Issues**
- E. Stadium Location Suggestions**
- F. Stadium Design Suggestions**

Of these 120 emails, 73 (61%) can be considered of “in favor” of the committee’s mission in that categories A, C, E & F represent a positive lean from some angle. The subsequent summaries for each category and excerpts from the emails lend detail into the thoughts and tone of the public’s messages.

- A. General Support (21 emails; 18% of total emails):** The general theme of these emails is that the Twins, Vikings and Gophers are important contributors to the area’s economy and reputation, thus, the committee needs to work out a solution that facilitates the ongoing presence of these groups within the community.

*“I look forward to coming to the Twin Cities many more times and attending Twins and Vikings games in their new stadiums . . . as much as I enjoy going to St. Paul to see the Wild in their wonderful arena.”*

*“I am a registered voter in Minneapolis, and I am in favor of separate facilities for both the Vikings and Twins, and the Univ. of MN football team.”*

*“I am one MN tax payer who supports a new stadium for the Twins and another for the Vikings. I would also support an increase in my taxes to help pay for it. I feel the benefits we receive from these pro teams far outweigh the cost to keep them here. Please keep up a positive approach.”*

- B. Opposition (36; 30%):** It’s important to qualify “opposition.” For the most part, the opposition lies within the idea of using public money to finance any or all stadiums. A consensus is that there are numerous other areas (schools, health care, etc.) that money should be applied to. In addition, many writers express concern that state resources are once again being “wasted” on this fruitless discussion.

*“We don't need it, I don't want my tax money going for it.”*

*“NO TAX DOLLARS for a new stadium. I am a business owner and almost went bankrupt this year. Why didn't the state of MN help me out? I'd love it if the State of MN would build me a new office or buy me some new computers.”*

*“Let the people of Minnesota build schools, hospitals, and libraries. Let the extremely wealthy, whining, drug-using sports community build their own place of business.”*

*“Every year the state wastes my tax dollar discussing the stadium. Stop it.”*

**C. Finance Ideas (24; 20%):** Ideas run the gamut, with several receiving mentions from multiple citizens:

- Casino/racino/lottery, where the state taxes and proceeds would be applied toward financing new sport facilities.
- Creating a special license plate, one where a percentage of the fee for purchase would be applied toward the financing of new sport facilities.
- Increased taxes on player salaries.
- Creating a limited partnership, e.g., 2,000 investors provide \$50,000 each.
- Have the team owners pay for their own stadiums.

Other, individual ideas:

*“Minnesota State Fair Grounds: Convince the State Fair Board to sell the existing Grandstand area back to the State. Construct a Vikings/Gophers Football Stadium at the Grandstand site. Rent the Stadium back to the State Fair Board for use during the fair. Help pay for the Stadium by placing a tax on all State Fair vendors who wish to remain open during non-State Fair events. The State Fair board can use the money obtained from the sale of the Grandstand to repair and upgrade current facilities.”*

*“Player Income Tax + User's Fee = Stadium.”*

*“Have you considered using the tobacco money that is still at the Blue Cross of Minnesota as a possible funding source?”*

*“Idea: Build the stadium and then issue common/preferred stock so someone can actually say, “I own part of this stadium.” I estimate \$10,000,000 in revenue this way.*

*Idea: Rather than have a fancy architect design the thing, have a student competition from the great architecture program at U of M.*

*Idea: Have those purchasing tickets to Vikings games given the option of paying \$500 now for the right to purchase one season ticket once the new stadium opens, put into a trust. If within five years stadium does not open, refund the money at 5% interest (or trust growth rate). Estimated revenue: \$25–\$30 million.”*

*“Idea #1: State-run casino located in the Mall of America. This casino would attract visitors from all over the world. The argument that a state run casino*

would hurt Native American casino's is just not a reality, because these visitor's would have never been in Minnesota anyway.

*Idea #2: Ticket tax for Twins games \$1*

*Ticket tax for Vikings games \$5*

*Parking tax at stadium events for area parking lots on game days \$1*

*Idea #3: Tax on sports apparel of the current sales tax of 6.5%.”*

- D. Committee Process and Personnel Issues (11; 9%):** The underlying sentiment of these emails is that the committee is stacked with stadium supporters, thus a “fair trial” isn’t possible.

*“This whole stadium committee certainly appears to be made up of totally pro-stadium supporters! Fairness in government? What a farce.”*

*“I vehemently and strenuously object to the way this committee is structured—not one opponent of public funding amongst its membership.”*

- E. Stadium Location Suggestions (22; 18%):** There is support for building the stadiums within the city limits of Minneapolis or St. Paul, or in the outlying suburbs. In regard to the latter, more than one urges the committee to consider the overall development benefits of placing a stadium(s) beyond Minneapolis or St. Paul. Specific locations beyond Minneapolis or St. Paul include Anoka County, Northern Minnesota, Western Minnesota, and the Fort Snelling area:

*“The most logical site for a two stadium complex (within the metro area) would have to be Fort Snelling, by which I mean the unused land within the fort itself, and all that land nearby—from the old officers housing on the east, to points west, southwest, and south, along TH5 to the I-494 interchange itself. This might also include the domains of the MN Air Nat’l Guard immediately to the west, whose facilities could then be moved to Holman. Mayor Kelly, who I’m sure would rather have the stadium than the noise, might welcome the additional air traffic and business there (if not the residents on the nearby bluff.) Also, the Lindbergh & Humphrey Terminals could experience real regrowth from the plan as well, since a new stadium next door would surely increase pedestrian and air traffic in and out of the area, to say nothing about the increase in light rail business from the loops. The Mall of America would certainly benefit as well. And with the advantage of the light rail line, the 7<sup>th</sup> Street, Mendota, and I-494 bridge connections there, the Crosstown reconstruction in the works, multiple suburbs, freeways, and general access, well, you get the picture.”*

- F. Stadium Design Suggestions: (6; 5%):** Mentions in this category generally ask committee members to thoroughly examine and consider existing stadium success and failures before making a decision. Further, “retractable roof” is the catch phrase for this group of messages—the consensus is that such is a necessity for any venue.



January 2, 2003

Commissioner Dan McElroy  
Chairman  
Minnesota Stadium Screening Committee  
400 Centennial Office Building  
658 Cedar Street  
St. Paul, MN 55155

Dear Commissioner McElroy,

On behalf of the Minnesota Thunder professional soccer franchise, it is our desire to see soccer included in a new football stadium for the Vikings, Gophers or both, if a decision is made to build one.

There is an extremely active soccer community in this market and the potential to draw them into a facility like this for major soccer events is high.

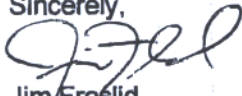
Not only does soccer lead all other sports in terms of local participation, but its growth potential in this market is significant. There are approximately 80,000 registered youth players in the state. The demographic trends (growth in Somali, Asian, Hispanic populations) and the size of the television market are extremely attractive to Major League Soccer (MLS), as they consider future expansion.

By building a football stadium that is co-designed for soccer, Minnesota could land an MLS franchise in the Twin Cities market. Major League Soccer has a 30-game season, with 15 of those games being "home" games. League-wide, the total attendance in the MLS during the 2003 season averaged 14,899 fans per game.

A new facility that is co-designed for soccer also has the potential to host touring European clubs (i.e. Real Madrid-Manchester United exhibition that filled football stadiums last spring), and host future World Cup Qualifier events and other soccer exhibitions. The last three years the Thunder has hosted US Soccer events that averaged more than 12,000 attendees.

I would appreciate the opportunity to come before the Committee on January 6 to talk about soccer's presence and potential in this market.

Sincerely,

  
Jim Froslid  
President and General Manager  
Minnesota Thunder  
651-917-2229 phone  
[jim@mnthunder.com](mailto:jim@mnthunder.com)

CC: Paul Ostrow  
Lester Bagley  
Bill George





## BOARD OF HENNEPIN COUNTY COMMISSIONERS

A-2400 GOVERNMENT CENTER  
MINNEAPOLIS, MINNESOTA 55487-0240

January 2, 2004

Stadium Screening Committee  
Minnesota Department of Finance  
400 Centennial Office Building  
658 Cedar Street  
St. Paul, MN 55155

Dear Chair McElroy & Screening Committee Members:

Since some of the committee members are new to the stadium debate, and have had limited time to get up to speed, I would like to provide input on certain issues that I believe are important to building a ballpark. The issues I think merit your consideration are:

- I. Provide a means whereby "respondents" can validate their financing proposals, submitted to your committee, as required by your Request of Submittals.
- II. Provide recommendations to the Governor as to the form of legislation that would actually result in a ballpark being built.
- III. Require the Twins to be specific on their position for a retractable roof.

With respect to these points I will briefly outline my thoughts:

- I. **Provide a means whereby respondents can validate their financing proposals, as required by your Request of Submittals.**

The Screening Committee, in their Request for Submittals, has requested "detailed sources and uses of funding. Cost estimates should be as thorough as possible. Responders (must) affirmatively state that it has the legal right to submit the enclosed information to the Screening Committee." This is to ensure the validity of responses. My understanding is that the Metropolitan Sports Facilities Commission (MSFC) has these plans and cost estimates in their possession.

In order for Hennepin County to submit a valid financing plan with "detailed sources and uses of funding", in which the respondents can state, "that it has the legal right to submit the enclosed information to the Screening Committee," the MSFC needs to make all plans and all costs estimates in its possession public through your committee.

The plans and cost estimates need to be brought forward at or before the Twins' presentation on January 6, 2004, to allow respondents time to develop financing plans that can accommodate the needs of the Twins. The Twins stated to me in their letter dated December 15, 2003, (see attached) "the Twins do not have authority to provide these plans to other parties." The Twins indicate that they have cost estimates but failed to answer whether they have the legal authority to provide these cost estimates to others.

While I appreciate the chair of the Screening Committee's letter of December 24, 2003 stating that "staff and consultants are open to discussing assumptions or providing feedback," I think that the submittal process should be expedited by making the existing plans and costs public.

**II. Provide recommendations to the Governor as to the form of legislation that would actually result in a ballpark being built.**

I was encouraged by the Twins' response regarding cost overruns in their letter to me, which states that they will be responsible for cost overruns if they control the construction, design and building process. I consider their request reasonable.

However, I believe that their requirements would require legislation to provide for a design build process. I believe that the prior bill passed by the legislature did not permit a design build process. This is but one example of issues with the prior legislation.

This raises larger issues about the previous legislation. It is clear to me that the prior bill that passed on the ballpark, even if it had provided for Hennepin County participation, would not have resulted in a ballpark being built.

I doubt that anyone can articulate these issues clearer than Patrick McCormack, the acting head of the Historical Society, who testified before you. I want to focus on two statements he made on this issue:

**“In my view, there are two kinds of stadium proposals:**

**Proposals that would have, enacted into law, actually built a stadium that you could play a game in; and**

**Proposals that would not build a stadium, even if passed, even if signed by the Governor.**

**Recent stadium proposals involving the Twins and Vikings have been the second kind, proposals and bill drafts that are interlarded with financial holes, legal fiction and implausible public policy schemes.”**

**“The major stumbling block with the legislative process to date is the level of involvement of the Legislature and the Governor. Stadium bills have been attempts to write all of the details of the final deal. This has led to frustration and negotiation by amendment, which is not workable in a complex deal of this sort”.**

I agree with his conclusions. While the fact that the previous legislation would not work is largely known in the “inner ballpark” circles, it has received little public discussion to date. If we are to go through all of this effort, why do it if we are not going to end up with legislation that actually works?

One of the most important functions your committee can perform is to solicit testimony from the Twins, various potential host communities, construction companies, bond counsel, and investment companies, on what form of legislation would be necessary to actually get a ballpark built.

I would hope that the result of this would be a recommendation to the Governor of the form of legislation that would actually result in a ballpark being built. Since no one has been able to do this in the 10 years this process has been going on, if you succeed in this one task, I believe your committee would be applauded for its accomplishment. Although left off the original request for proposals, this is, in essence, one of the most critical elements to getting a ballpark built.

**III. Require a clarification from the Twins on their position for a retractable roof.**

I am sure that the vast majority of Twins' fans, including myself, would like to see a new ballpark have a retractable roof. The problem is that no one wants to bear the cost of one. (The Twins have publicly stated the cost is approximately \$100 million).

Thus, I think it is critical to focus on the issue "Is it necessary, and can we afford it?"

The Twins stated to me in their letter dated December 15, 2003 that "A retractable roof does not provide a meaningful revenue return to the Team; however, we are convinced that for the fans, and most particularly those outside the metropolitan area, a roof is necessary to allow them to plan their attendance and enhance their experience in case of inclement weather."

Thus, the Twins admit that a retractable roof, while desirable, has no significant economic impact on the team. The roof primarily benefits fans from Greater Minnesota (out state) and out of state. I agree with the Twins that a roof will not impact them financially and that it mainly benefits fans out state.

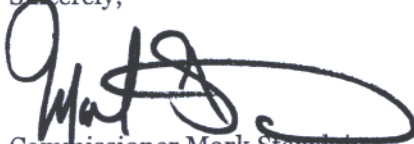
One of the first things the Screening Committee can do is ask the Twins if the roof need is a demand or a request, what facts "convinced" them that "for the fans" "a roof is necessary"? Do they have some statistics that show new stadiums with retractable roofs have more fans than those without? Do teams with roofs have better win/loss records than those without?

According to the Miami Herald, just last week the Florida Marlins' request for a new ballpark was dead until the Marlins backed off their request for a retractable roof, which significantly lowered the cost of the project. This development confirms my concerns and thoughts on this issue.

I think the best way to get a roof is to focus on getting a new ballpark and to look at the roof as an "add alternate" that, while desirable, is not foundational, to the process. My view on this is consistent with the prior legislation passed two years ago.

I thank you for your service and I hope my input helps you put focus to your questions and assists the committee in meeting its objectives.

Sincerely,



Commissioner Mark Stenglein  
Hennepin County Board of Commissioners

Attachments: December 1, 2003 Letter to Minnesota Twins  
December 15, 2003 Letter from Minnesota Twins

MJS/ms



December 15, 2003

WORLD CHAMPIONS 1987 & 1991  
AMERICAN LEAGUE CHAMPIONS 1965

Commissioner Mark Stenglein  
Hennepin County Board of Commissioners  
A-2400 Government Center  
Minneapolis, MN 55487-0240

Dear Commissioner Stenglein:

You have asked that we supplement our earlier response to your letter of December 1, 2003 regarding the construction of a Twins ballpark on the Rapid Park site. With respect to your questions, we are pleased to provide the following information:

Questions 1, 2, 3 and 4:

HOK Sports + Venue + Events has developed a ballpark design which would be suitable for several sites in the metropolitan area, including the Rapid Park site. The Twins do not have authority to provide these plans to other parties; however, we believe that HOK will be working with the Metropolitan Sports Facilities Commission ("MSFC) to provide further detail regarding the plans that they have developed. We do intend to provide information on an acceptable stadium design in our January presentation to the Governor's Stadium Screening Committee. This information will be generally consistent with the plans developed by HOK.

Questions 5, 6 and 9:

We have shown your consultants preliminary estimates for construction costs, including the cost of a retractable roof. This information was developed in consultation with HOK which has been retained as an advisor to the MSFC. We expect this data to be provided to the Screening Committee and other interested parties.

Question 7:

Final determination with respect to parking requirements will be dependent on development of additional details and final plans for a stadium; however, we believe that the Rapid Park site has sufficient parking available or land available for construction of on-site parking.

MINNESOTA TWINS BASEBALL CLUB

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Commissioner Mark Stenglein  
December 15, 2003  
Page 2

Questions 8, 10 and 11:

The financial participation of any owner, the method of payment of the amounts to be provided by an owner (whether paid as rent or in some other form), amounts available for operating costs including player payroll, as well as the contribution of the business community or from other private sources, cannot be determined except in reference to a specific proposal. Such proposals also need to provide detailed information on the site, construction costs and potential revenue sources. Payment from the Team may take the form of rent to facilitate participation by other non-public sources and satisfy MLB requirements. The Team will pay all operating costs (additional rent) which are estimated at \$10 million per year. A retractable roof does not provide meaningful revenue return to the Team; however, we are now convinced that for the fans, and most particularly those outside the metropolitan area, a roof is necessary to allow them to plan their attendance and to enhance the experience in case of inclement weather.

Question 12:

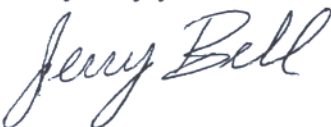
The Team would be responsible for any cost overruns, provided (i) that the Team has the authority to select the architects, engineers and contractors and manage all construction activities and (ii) that the host community delivers a site construction-ready with all infrastructure in place and paid for by the host community.

Question 13:

The stadium could be owned by a public or quasi-public entity if appropriate to provide the best financing vehicle; however, the Team would have all rights of operation and receive all revenue from the stadium.

I hope this information will be helpful as Hennepin County develops a proposal for the Governor's Stadium Screening Committee.

Very truly yours,



Jerry Bell  
President  
Twins Sports Inc.



BOARD OF HENNEPIN COUNTY COMMISSIONERS  
A-2400 GOVERNMENT CENTER  
MINNEAPOLIS, MINNESOTA 55487-0240

December 1, 2003

Mr. Jerry Bell  
Minnesota Twins  
34 Kirby Puckett Place  
Minneapolis, MN 55415

Dear Mr. Bell:

As you know, for the past two years, Hennepin County Commissioner Opat has taken the lead in working on a potential Minnesota Twins ballpark in downtown Minneapolis at the Rapid Park site. As a result of an ever-changing political climate, and the question of who will serve as Chair of the Hennepin County Board after January 6, 2004, Commissioner Opat has elected to refer ballpark matters to me.

You may also recall that two years ago Hennepin County passed resolution 02-2-152 providing a financing plan for a \$370 million ballpark to the state legislature. At the time there was no comment on this plan by either the Twins or the legislature. Now that Governor Pawlenty has appointed a Stadium Steering Committee to review proposals I anticipate that the City of Minneapolis, its staff, Hennepin County, or county staff may request to submit an updated financing plan to the Governor's screening committee.

With these facts in mind I have the following questions for the Minnesota Twins:

1. Have the Minnesota Twins and the architectural firm HOK Sports + Venue + Events collaborated on a ballpark design for the Rapid Park site in Minneapolis that is acceptable to the Minnesota Twins?
2. Please state whether or not the MN Twins have the authority from the author of the plans which would allow others, including Hennepin County and/or the City of Minneapolis, to use these plans in the public process as outlined by the Governor's directions in the request for proposals to the Stadium Steering Committee.
3. If so, please provide me with the latest set of plans (including any authorized modifications to the plans).
4. If they are not acceptable, please indicate why.
5. The Governor's proposal requests that "cost estimates which should be as thorough as possible." Do the Minnesota Twins have cost estimates for these plans or any set of plans? If so please provide the most recent estimates for the plans you are providing. Cost

- estimates should include both the source and the date of the estimates, as well as the author and date of the plans.
6. If the Twins do have estimates, are they for plans that are acceptable to the Twins? If not, please indicate what would need to be modified to make the plans acceptable and what the costs of these modifications would be, if available. If the cost is unknown, please indicate that as well.
  7. What are the Minnesota Twins requirements for parking spaces in proximity to any new ballpark? (Assume a 40,000 seat stadium)
  8. Two years ago, legislation was passed for a ballpark design that was "roof ready" with a Twins contribution of \$120 million. The current public position of the Twins has been that a retractable roof must be part of the plan. Please outline the benefits to the Twins and the community, of a retractable roof in terms of number of predicted rainouts per year, the impact on revenue generated, etc.
  9. What are the Minnesota Twins' cost estimates for a retractable roof?
  10. What additional financial contributions are the Twins willing to make for a retractable roof? If none, please state.
  11. In the Governor's proposal regarding private investment, it states, "Respondents should indicate the level and nature of private investment required by the team." Please summarize what financial contribution the Twins are willing to make for a new ballpark as designed by HOK (if applicable) for the Rapid Park site in Minneapolis. Please separate your financial proposal for a stadium with a roof, and a stadium without a roof. Please state what the Minnesota Twins' financial contribution will be, and in what form, including timing of the contribution. Please note the terms of the annual lease, and include rental payments.
  12. Please indicate who, in the Twins view, would be responsible for cost overruns on any potential construction.
  13. In the Governor's proposal he requests that, "Submissions should also include a plan for ownership and management of the stadium". Please indicate the Twins position, and what their view is, of governance and ownership of the ballpark.

Many of these questions may have already been asked and answered, but as you know the Hennepin County Board of Commissioners is on record in support of working with the Minnesota Twins and the State of Minnesota to assist in the construction of a ballpark. In order to ensure that Commissioners are able to make an informed decision as the debate progresses, and in light of the Governor's timetable, I would appreciate your responses no later than Tuesday, December 9, 2003. If you cannot respond by this date, please provide written notification of when you will respond.

Obviously, because of the nature of this process, I will require all responses in writing and please include verification that the responder is authorized to speak on behalf of the Minnesota Twins.

Thank you for your time and attention to this matter. I look forward to working together to find a solution to the "stadium question". Should you have any questions please contact me directly at (612) 348-7882.

Sincerely,

A handwritten signature in black ink, appearing to read 'Mark Stenglein', with a large, sweeping flourish extending to the right.

Mark Stenglein  
Hennepin County Board of Commissioners

Cc: Hennepin County Board of Commissioners  
The Honorable Tim Pawlenty, Governor of Minnesota  
The Honorable R.T. Rybak, Mayor of Minneapolis  
Lee Sheehy, Director of Office of Community Planning and Economic  
Development, City of Minneapolis  
Commissioner Dan McElroy, Minnesota Department of Finance