

2011

Stadium Proposal Risk Analysis



— in cooperation with —



Metropolitan Sports Facilities Commission

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October 2011

To our readers:

Governor Dayton believes the Minnesota Vikings are a very important asset to the State and he has worked closely with the team to advance the goal of building a new people's stadium in Minnesota. He asked the Metropolitan Council and the Metropolitan Sports Facilities Commission to review the Ramsey County/Vikings proposal to build a stadium in Arden Hills, and to identify risks with the goal of removing as many uncertainties associated with the proposal as possible.

This report makes a number of findings of risk and related measures to mitigate these risks. The following risks present the greatest challenges to the Stadium Proposal:

1. **Cost of Delay.** The transfer of 430 acres by the federal government to Ramsey County is a complex land transfer of the largest Superfund site in the state. Remediation of the site has significant uncertainties. The proposal sets forth an aggressive schedule that is unrealistic. It calls for opening the stadium for the 2015 season. An opening in 2016 is more realistic and in a worst case scenario, 2017. A one-year delay is estimated at \$46 million and a two-year delay could cost \$92 million. The project proposers should expect a minimum of \$46 million in additional costs to reflect at least a one-year delay.
2. **Unfunded Cost Gap.** Funding is not identified for \$39 million of project costs in the current \$1.111 billion proposal. While ongoing negotiations may resolve this gap, project participants will need to identify this \$39 million plus \$46 million in new revenue or cost reductions to fill a potential total gap of \$85 million or 7.6% of total project costs.
3. **Ramsey County Sales Tax.** The proposed 0.5% Ramsey County sales tax will result in St. Paul having the highest sales tax in the state. The presence of this tax may compromise the County's and the region's ability to finance other projects. The County has agreed to fund \$350 million of the project and annual operating costs from local sales and motor vehicle excise taxes. The County has also agreed to fund a potential additional \$58 million in cost overruns, bringing the total County share to \$408 million in a worst case scenario. The 0.5% sales tax and the \$20 motor vehicle tax are sufficient to fund the \$350 million in capital costs and the annual operating costs, but it appears likely that Ramsey County would need to find additional revenue sources to fund cost overruns.

We would like to thank the many agencies and communities for their assistance in preparing this report.

Sincerely,



Sue Haigh
Chair, Metropolitan Council



Ted Mondale
Chair, Metropolitan Sports Facilities Commission

EXECUTIVE SUMMARY

Ramsey County and the Minnesota Vikings organization have proposed a new stadium to be built at the site of the former Twin Cities Army Ammunition Plant (TCAAP) in Arden Hills. In August 2011, Governor Mark Dayton requested the Metropolitan Council and the Metropolitan Sports Facilities Commission (MSFC) to evaluate the stadium proposal to determine:

- The potential risks, if any, of State participation in the Stadium Proposal and necessary regional transportation improvements, and
- Potential ways to mitigate or eliminate any resulting exposure to the public.

This report presents the results of that evaluation. It includes information from several sources, including the consulting firm of Kimley-Horn and Associates, Inc., the Metropolitan Council, the MSFC, Ramsey County, the Minnesota Vikings, the Minnesota Department of Transportation, the City of Arden Hills, the City of Shoreview, the City of Mounds View, the City of New Brighton, the City of Blaine, the Minnesota Pollution Control Agency, U.S. General Services Administration, the U.S. Army, the Minnesota National Guard, and others.

The Stadium Proposal

The Minnesota Vikings envision the Stadium Proposal Property to be a mixed-use development initially consisting of a new stadium, parking for stadium events, and possibly team facilities. Sometime in the future, depending on the state of the economy, the property would include a mix of commercial (office, retail, hotel, restaurants) and residential space.

The Stadium Proposal Property would occupy 430 acres within the 2,400-acre TCAAP site (see Image 1 in the Scope of Analysis/TCAAP Site Ownership and Land Uses section of this report). Within this property, the stadium, parking areas, support facilities, and circulation roadways would be built on approximately 260 acres (the Stadium Parcel). The remaining 170 acres (Development Parcel) would be reserved for future residential and commercial development.

The 430-acre Stadium Proposal Property would be acquired by Ramsey County from the U.S. Army through the federal General Services Administration (GSA). The 260 acres of the Stadium Proposal Property (the Stadium Parcel), including the stadium facilities, would be conveyed to a Stadium Authority, to be established by the Minnesota Legislature. The Minnesota Vikings would enter

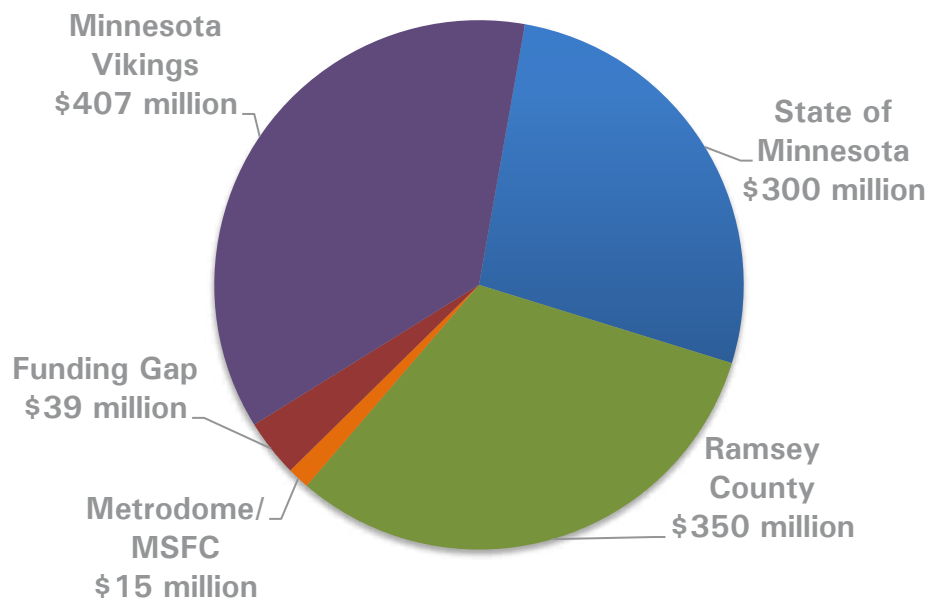
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into a long-term lease or use agreement for a term of 30 years, with options to extend the term, with the Stadium Authority.

The remaining approximately 170 acres (the Development Parcel) would be conveyed to the Minnesota Vikings or a related entity for future development once Ramsey County acquires the Stadium Proposal Property.

The estimated cost for the Stadium Proposal is \$1.111 billion, with the following proposed funding.

Chart 1 Funding of \$1.111 Billion Project Cost



The \$1.111 billion budget includes \$39 million for which a funding source is not yet identified. It is assumed that the State of Minnesota and Ramsey County shares will not change, but negotiations continue to address this funding gap.

The May 2011 agreement between Ramsey County and the Minnesota Vikings had proposed an estimate of \$1.072 billion. The budget was later revised to include \$101 million to pay for necessary offsite transportation improvements and a cost reduction for building a fixed roof instead of a retractable one. The \$1.111 billion budget includes \$39 million for which a funding source is not yet identified. It is assumed that the State of Minnesota and Ramsey County shares will not change, but negotiations continue to address this funding gap. Under the proposal, the Vikings would receive all revenue generated from NFL activities held at the stadium.

Land Transfer and Remediation

The land transaction like the one contemplated by Ramsey County and the General Services Administration (GSA) is complex because

of the related nature of site remediation responsibilities and land-use controls that restrict the use of the land. It is estimated that land acquisition and site demolition and remediation costs could range from \$23 million to \$70 million. The wide cost range is due primarily to uncertainty regarding the existing contamination, the development plan and the land appraisal. These uncertainties should be better understood in order to negotiate the land sale price with the GSA. In addition to completing an additional environmental site assessment, the County should have a plan in place for indemnification against the uncertainty of the site remediation costs.

Ramsey County has found that remediation stop-loss/cleanup cost cap insurance is not available in today's market, which means there may be no risk mitigation available in the insurance industry to address the primary risk of remediation cost overruns. The potential risk for increases in site remediation costs could be mitigated through the use of a fixed-price remediation contract, which, if available at a cost within project resources, passes the risk of cost overruns to the remediation contractor.

Ramsey County and the Vikings have proposed early 2012 for the start of environmental remediation, but site remediation cannot begin until the Minnesota Pollution Control Agency (MPCA) approves an action plan for remediation. Producing such a plan and obtaining MPCA approval could delay the start of site remediation by three to eight months.

Thereafter, the time required to complete site remediation depends on steps that MPCA needs to confirm. MPCA has indicated that a year to complete site remediation appears to be unrealistic considering the many factors that are difficult to predict. A year may be sufficient, but the project may incur increased costs to meet that schedule.

Ultimately, site remediation may take longer than proposed, posing a risk to the development schedule. While the risk to the schedule is significant, mitigation measures are limited. The primary mitigation action would be to accelerate the review process and begin obtaining as much soil information on the site as possible.

Environmental Review and Documentation Process

Federal and state laws requiring environmental analysis apply to the Stadium Proposal. The federal environmental review would be limited to the transportation improvements proposed for the Interstate highway system. The risk stemming from the federal process is that the environmental analysis could reveal the need for other improvements to the Interstate system not currently identified. The state environmental review would cover all environmental effects

Land transactions like this one are uncommon and complex. It is difficult to estimate remedial cleanup costs and schedule at this time. A strategy for limiting potential site remediation cost overruns should be developed.

MPCA has indicated that a year to complete site remediation appears to be unrealistic considering the many factors that are difficult to predict.

The Stadium Proposal includes a package of 13 transportation projects at a total net cost of \$101 million.

related to transportation improvements for state and federal facilities and the overall site development. For the state process, the transportation requirements of the future development could differ from those of the Stadium Proposal as currently defined, posing a risk to both cost and schedule of the project.

The federal and state processes pose differing risks depending on whether the entire parcel is evaluated or just the Stadium Parcel. The environmental review process on only the 260-acre Stadium Parcel preferred by Ramsey County and the Vikings could be allowable, but has a potential risk for legal challenge because it does not include the arguably connected action of the future 170-acre development.

Transportation

Significant levels of traffic will be generated by a new stadium at the TCAAP site. To accommodate the traffic, the Stadium Proposal includes a package of 13 transportation projects at a total net cost of \$101 million. Three bridge-related projects, totaling a projected \$20 million, were previously programmed and funded by MnDOT for the area as part of its normal transportation funded improvements program.

The regional travel-demand model shows that traffic congestion with the stadium and 13 transportation improvements would be negligibly worse than otherwise forecast for 2030 with the already programmed \$20 million transportation improvements. However, there is still a risk of increased congestion at some intersections and roads within the stadium area, which could, in turn, cause delays on some parts of the regional highway network.

Localized congestion may have a cascading effect on some segments of regional highway network, depending on the nature of the congestion. A more detailed peak-travel analysis for the stadium's major entrance and exit locations, as part of the environmental review process, would help in refining a response strategy for potential localized congestion. Traffic-behavior information could be collected during the first few major events and used to refine traffic management.

Rights-of-way or temporary construction easements are anticipated on some of the Stadium Proposal transportation improvements and possibly for stormwater management. Right-of-way needs have not yet been specifically identified or costs estimated for individual projects. Mitigation measures can add substantial costs to a project, but those measures will not be known until the environmental review process is complete. As a result, the costs cannot be determined at

this time. An additional risk is that the final design of a project may differ significantly from the current concept, requiring different or additional measures.

A range of \$91 million to \$111 million, providing for plus or minus 10 percent, should adequately address the uncertainties around surface transportation improvements needed for the Stadium Parcel.

Access from County Road I to the stadium for game-day events is a critical transportation need for the Stadium Proposal. Lack of this access will result in unacceptable congestion on the regional and local roads. Agreement must be reached by the National Guard and all Wildlife Corridor stakeholders on an acceptable design and alignment and operations responsibilities for a stadium access road connecting to County Road I. Until this agreement is reached, the project cannot be defined for purposes of environmental review. Delay in the environmental review process can be mitigated by including environmental advocacy groups early in the process.

Permitting and Approvals

The greatest risk associated with obtaining federal and state approvals is the impact on the project schedule. Federal approvals would involve the Army Corps of Engineers, the Environmental Protection Agency, the Department of Interior, and the Federal Highway Administration. State approvals and permits would be required from the MPCA and the Minnesota Department of Transportation (MnDOT).

These federal and state approvals are not typically regarded as high-risk processes. The highest-risk approval could be approval of the federal Environmental Assessment because it potentially involves the longest time frame. Coordination with the permitting and approving agencies will be important to minimizing the risk in delays to the overall schedule. State legislation could include measures to streamline permit reviews, but this would affect only state permits, not the federal reviews.

Among the regional approvals, a metropolitan significance review, if conducted, poses a major schedule risk to the project. Once a metropolitan significance review commences, the process could delay the project schedule by up to 12 months. However, the Legislature could take action to exempt this project from metropolitan significance review.

The Stadium Proposal would require a number of local permits and approvals from several municipalities, the Rice Creek Watershed District and Ramsey County. Presenting the most risk is obtaining

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Coordination with the permitting and approving agencies will be important to minimizing the risk in delays to the overall schedule. State legislation could include measures to streamline permit reviews, but this would affect only state permits, not the federal reviews.

Presenting the most risk is obtaining the municipal consent for trunk highway projects from affected cities.

Environmental remediation, land transfer, transportation and permitting tasks could pose risks for the schedule of delivering a stadium development.

the municipal consent for trunk highway projects from affected cities. In this case, if municipal consent is withheld, a possibly lengthy appeals process may be needed for the project to proceed. This appeal period may adversely affect the project schedule.

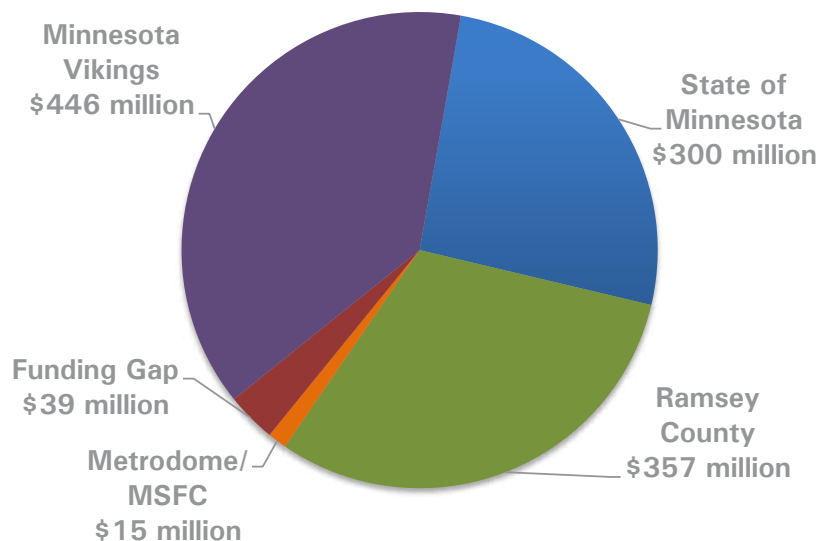
Schedule

Environmental remediation, land transfer, transportation and permitting tasks could pose risks for the schedule of delivering a stadium development. The Vikings schedule assumes a three-party agreement among Ramsey County, the Vikings and the State of Minnesota by October 2011 and a stadium open for use for the 2015 NFL season.

The Vikings proposed project schedule appears to be based on an assumption that the tasks necessary for completion will take a minimum or nearly a minimum amount of time. Some tasks lie within the Vikings control, but a majority of the tasks do not. If it is assumed that all tasks would take a maximum amount of time, **it is possible that the Vikings stadium could take until the 2016 or 2017 NFL season to open. Naturally, any schedule delays have associated cost impacts. The Vikings estimate the cost of delay to be in the range of \$35 million to \$57 million for each additional year the opening is moved back.**

Assuming a one year delay and a mid-range cost estimate of \$46 million, \$7 million for Ramsey County and \$39 million for Minnesota Vikings, the project cost would increase to \$1.157 billion.

**Chart 2: Funding of \$1.157 Billion Project Cost
Assumes 1 Year Schedule Delay**



Financial Analysis

The ability of the Minnesota Vikings to meet its funding commitment has not been evaluated and is considered beyond the scope of this review. Funding sources for the state's anticipated contribution have yet to be identified, and will require legislative review and approval.

To pay for its share of project costs, Ramsey County would issue \$350 million in tax-exempt revenue bonds. The bond issue would be supported by the combined net revenue from two tax sources: a half percent local sales and use tax and a \$20 excise tax on vehicle sales collected in the county.

An analysis of current market conditions suggests revenue from the sales and use tax and the vehicle excise tax would be sufficient to support a bond issue of the amount that the county proposes.

The May 2011 agreement between Ramsey County and the Vikings reduces the project cost by \$15 million based on proceeds from the sale of Metrodome property and MSFC reserves. State law governs the disposition of sales proceeds of such property and reserves, and further analysis would be needed to determine the marketability and costs involved in decommissioning the Metrodome. Use of these funds is subject to further negotiation.

For stadium operations, the Vikings would be the responsible party through a lease agreement with the Stadium Authority. Ramsey County would contribute \$1.5 million annually to pay incremental costs of civic, noncommercial public events. This amount is subject to an inflationary index but the amount is not to exceed the increase in net sales tax proceeds each year.

The Vikings would contribute \$150,000 annually for operations of a Stadium Authority, subject to an inflationary index. Ramsey County would have no funding responsibility for the authority.

The impact of the proposed half percent sales tax collected in Ramsey County would be to increase the tax rate on retail sales in the City of Saint Paul to 8.125 percent, making it the highest tax rate in the seven-county metro area. The sales tax rate on retail sales in suburban Ramsey County cities would increase to 7.625 percent, eclipsed only by the City of Minneapolis, at 7.775 percent.

It is not clear if a half-percent change in tax rate would significantly affect consumer spending habits or business retention and development. It may, however, compromise other public interests by limiting the county's and region's ability to finance other local or regional projects.

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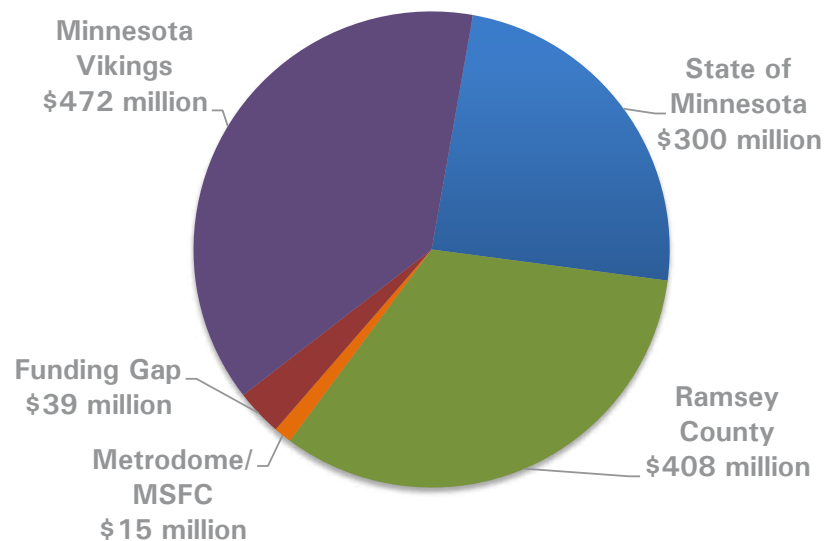
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Assuming a high-range cost risk outcome, the County would be responsible for funding cost overruns of greater than \$50 million. The County's excess net sales tax proceeds may not be a sufficient funding source for potential cost overruns.

Assuming both a one-year schedule delay and worst case scenario of a high cost range outcome would result in a \$1.234 billion overall project cost, and increasing funding for both Ramsey County (\$58 million) and the Minnesota Vikings (\$65 million).

**Chart 3: Funding of \$1.234 Billion Project Cost
1 Year Schedule Delay & High Cost Range**



BACKGROUND

In a letter dated Aug. 3, 2011, Governor Dayton requested the Metropolitan Council (the Council) and the Metropolitan Sports Facilities Commission (MSFC) to evaluate the Ramsey County/ Minnesota Vikings proposal for a new stadium at the former Twin Cities Army Ammunition Plant (TCAAP) site. The purpose of the evaluation is to determine the potential risks, if any, of the stadium proposal and suggest ways to mitigate or eliminate any exposure to the public resulting from State participation in the stadium and necessary regional transportation improvements.

The Council was identified as the lead agency for the evaluation, in cooperation with MSFC. The Council issued a Request for Proposals on Aug. 15, 2011, for consultant services to assist in the evaluation. Kimley-Horn and Associates, Inc. (Kimley-Horn) was selected and executed a contract with the Council on Aug. 26, 2011.

The Council and MSFC do not intend that this report or any portion of this report constitutes legal advice.

SCOPE OF ANALYSIS

Ramsey County/Minnesota Vikings Stadium Proposal

The Ramsey County/Minnesota Vikings Principles of Agreement for the Development of a New Multi-Purpose Stadium¹ (Agreement), dated May 10, 2011, is the primary information source for the Stadium Proposal. Ramsey County and the Minnesota Vikings provided subsequent clarifications to the Agreement. The Stadium Proposal consists of the following elements, which are critical to this evaluation.

Stadium

The stadium, as proposed, will seat 65,000 spectators, with the ability to expand to a total of 72,000 spectators using temporary seating. It will include up to 150 suites and approximately 7,500 club seats. The stadium is estimated to be 1.6 million gross square feet. It is proposed to have general footprint dimensions of 932 feet by 810 feet, with a fixed roof that at its highest point would be approximately 300 feet above ground level. The use of savings identified during the design process to possibly provide a retractable roof or other project components is the subject of ongoing negotiations between the parties. The stadium would house a Minnesota Vikings Museum and Hall of Fame, retail merchandise/gift shop retail venue, themed concessions and restaurants, and space for Stadium Authority offices. Parking space is planned for up to 21,000 cars and trucks, including tailgate parking and a premium parking area with separate entrance/exit.

The stadium will be owned by a public Stadium Authority. The Minnesota Vikings will enter into a long-term lease or use agreement for a term of 30 years, with options to extend the term, with the Stadium Authority.

Land Acquisition

Approximately 430 acres of the TCAAP site, marketed by the General Services Administration (GSA) as Northern Pointe, will be acquired from the U.S. Army by Ramsey County. Approximately 260 acres would be conveyed to the Stadium Authority for the stadium (Stadium Parcel) and the remaining approximately 170 acres would be conveyed to the Minnesota Vikings, or a related entity, to redevelop (Development Parcel). The boundaries of the Stadium Parcel and Development Parcel would be expected to evolve over a multi-year period. According to the Agreement, these boundaries would be dependent on the extent of demand for land in the Development Parcel in response to market conditions.

The boundaries of the Stadium Parcel and Development Parcel would be expected to evolve over a multi-year period.

¹ Appendix A. Ramsey County/Minnesota Vikings Principles of Agreement for the Development of a New Multi-Purpose Stadium. May 10, 2011.

Mechanisms for public access across the Development Parcel and land swaps between the Stadium Parcel and Development Parcel would be part of the definitive transaction documents for the purposes of locating the Stadium Parcel and Development Parcel. These mechanisms are to be mutually agreed upon by the Minnesota Vikings, Ramsey County and other key stakeholders. Pursuant to the Agreement, the Minnesota Vikings would retain development rights for the Development Parcel for at least eight years following opening of the stadium. If the Minnesota Vikings do not commence development of the Development Parcel or provide Ramsey County with a reasonably acceptable plan to develop the parcel within eight years after opening of the stadium, Ramsey County would have the option, but would not be required, to purchase the Development Parcel at the current fair market price. This purchase price has been the subject of ongoing negotiations subsequent to the Agreement. The Stadium Parcel development is intended to act as the catalyst for the redevelopment and revitalization of the entire 430 acres.

Development of 170-acre Development Parcel

The Minnesota Vikings' expectations of the entire 430-acre site is that a mixed-use development will occur, initially consisting of the new stadium, parking for stadium events, and possible team facilities. Then, according to the Agreement, over a time period that is difficult to project given the state of the economy, the mixed-use development would grow to include commercial space (office, retail, hotel, restaurants) and residential space. The Minnesota Vikings have not yet studied the economic impact of this additional development, nor have they worked together with the City of Arden Hills in their master planning and land-use process to accommodate such future growth and provide reasonable growth assumptions. The Minnesota Vikings have stated that it is premature at this time to speculate as to specific square footage and unit mix assumptions.²

Rehbein Ryan Land Development Partnership, LLC (RRLDP) completed an intensive study of the TCAAP property prior to the economic downturn, and created a development plan for the entire 430-acre site, documented in a draft Alternative Urban Areawide Review dated Sept. 4, 2007. The Minnesota Vikings suggest using one-third of RRLDP's planned development as an approximation of the potential for the development of the 170-acre parcel.

Site Remediation

The environmental conditions of the entire 430-acre site will be remediated in accordance with the requirements of the U.S. Army. Ramsey County and the Minnesota Vikings an-

² Appendix B. Letter to Pat Born (Metropolitan Council) from Mark Wilf (Minnesota Vikings). Sept. 14, 2011.

ticipate that the site will be remediated to a commercial/industrial standard by some combination of U.S. Army remediation activity and Ramsey County remediation activity (depending on the details of the land transfer). It is the opinion of Ramsey County and the Minnesota Vikings that approximately 400 acres of the entire 430-acre site are not contaminated or have already been remediated to commercial/industrial standards and do not require additional remediation. Thus,

the Minnesota Vikings believe there is no cost associated with the “clean” portion of the site to remediate to a commercial/industrial standard.

For the remaining 30 acres that do require remediation, the intentions of Ramsey County and the Minnesota Vikings are to complete the remediation prior to the opening of the new stadium. Further, to the extent possible, Ramsey County and the Minnesota Vikings hope to be able to remediate the contaminated portions of the site to a residential standard. However, it will not be known if this is possible until after a remediation plan is completed and approved by the State. Under the Agreement, if it is possible to clean any portion of the site to a residential standard and the Minnesota Vikings decide to do so, the Minnesota Vikings would pay for any additional costs associated with

such remediation. Ramsey County’s contribution will be limited to its proportionate share, based on acreage, of the amount necessary to remediate to the commercial/industrial standards.



Existing infrastructure on the TCAAP site.

The intentions of Ramsey County and the Minnesota Vikings are to complete the remediation prior to the opening of the new stadium.

Project Development

Under the Agreement, the Minnesota Vikings will manage the design, development (including permitting and approvals) and construction of the stadium, in cooperation with the Stadium Authority. Ramsey County will have a representative participate in the design, development and construction of the stadium. Per the Agreement, the Minnesota Vikings will have final decision-making authority with respect to the design, development and construction of the stadium. However, this has been the subject of ongoing negotiations between the parties.

Regarding the environmental review process, it is the position of Ramsey County, as stated by its legal counsel,³ that an Environmental Impact Statement (EIS) is required for the proposed

³ Appendix C. Letter from Tom Johnson (Gray Plant Mooty) to Pat Born (Metropolitan Council) and Mark Wilf (Minnesota Vikings), Sept. 20, 2011.

Minnesota Vikings stadium and related on-site infrastructure (Stadium Parcel), but that this review need not include the potential private development on the land adjacent the stadium (Development Parcel) and that the EIS cannot include this potential development since detailed, site-specific plans and specifications have not yet been developed. Ramsey County's position is that the county will be the Responsible Government Unit (RGU) for the stadium environmental process.

Off-Site Transportation Improvements

Off-site transportation improvements are not specifically identified in the Ramsey County and Minnesota Vikings documents, although the Stadium Proposal Agreement acknowledges that "redevelopment of the TCAAP site requires significant off-site transportation infrastructure improvements."

MnDOT, working with Ramsey County and the Minnesota Vikings, has developed a package of off-site transportation improvements necessary for a Sunday afternoon Minnesota Vikings football game. The package of improvements includes \$20 million in programmed/funded improvements as well as additional improvements needed for the stadium, estimated at an additional \$101 million. These improvements are further detailed in the Transportation section of this report.

Schedule

The Minnesota Vikings provided a preliminary schedule⁴ proposing how the stadium could be constructed in time for the 2015 NFL season. The schedule assumes legislative approval by the end of October 2011, land acquisition completed by June 2012, environmental remediation commencing in February 2012, stadium construction beginning in December 2012.

Costs

Subsequent to the Agreement, the estimated cost for the Stadium Proposal was revised to \$1.111 billion⁵. The funding contributions have subsequently been the topic of ongoing negotiations between the Vikings, Ramsey County and the State. Per the Agreement, the Minnesota Vikings would contribute \$407 million, Ramsey County would contribute \$350 million and the State would be asked to contribute \$300 million. The Agreement calls for cost overruns for the stadium to be borne by the Minnesota Vikings. Cost overruns for certain on-site and off-site infrastructure improvements, including surface parking and related interior circulation, would be borne by Ramsey County. The Minnesota Vikings and Ramsey County would

The Stadium Proposal Agreement acknowledges that "redevelopment of the TCAAP site requires significant off-site transportation infrastructure improvements."

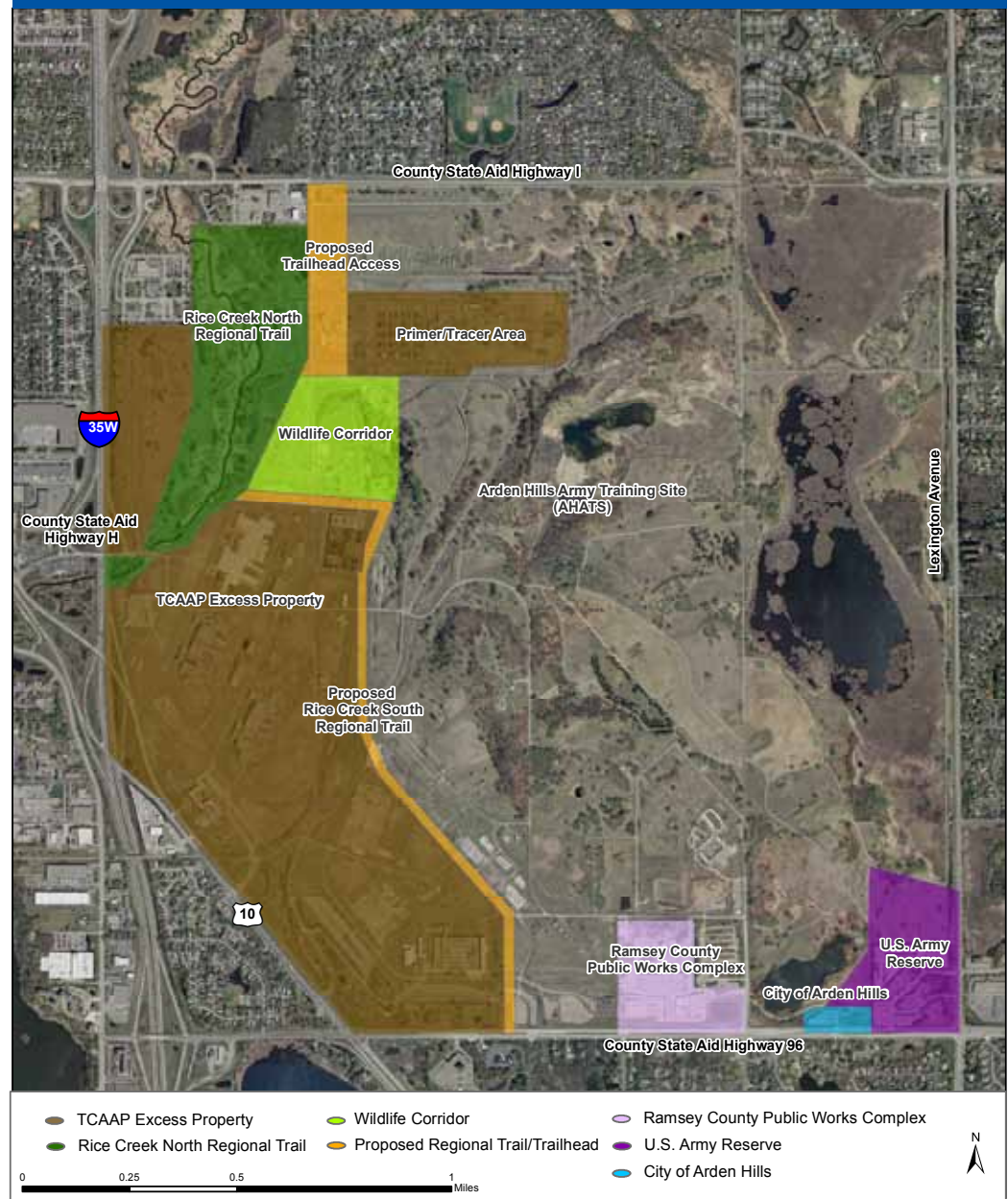
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⁴ Appendix D. Minnesota Vikings Stadium Project Preliminary Schedule. Sept. 14, 2011

⁵ Appendix E. Multi-Purpose Stadium Executive Summary. Sept. 23, 2011.

share in cost overruns associated with site acquisition, remediation and on-site street improvements. The Agreement states that the Minnesota Vikings would receive the first \$41 million in net project savings if total expenditures are less than \$1.111 billion. Ramsey County and the Minnesota Vikings would share equally in the next \$100 million in net project savings. Ramsey County, the Minnesota Vikings and the State would share equally in any net project savings

Image 1: TCAAP Site



DISCLAIMER OF ACCURACY: This map is for general reference purposes only. The TCAAP excess property and wildlife/trail corridor areas shown are approximate. The Metropolitan Council does not warrant or represent that the GIS data are error-free, complete, current or accurate. See complete disclaimer: <http://gis.metc.state.mn.us/notice>

greater than \$141 million. This has also been the topic of ongoing negotiations between the parties.

Termination of the Agreement

Either Ramsey County or the Minnesota Vikings may terminate the Agreement due to:

- Timing, terms and costs associated with acquisition or remediation.
- Provision for sufficient funding and a reasonably acceptable plan for completing off-site transportation infrastructure improvements.
- Financing terms and conditions.
- Timing and level of business community support acceptable to the Minnesota Vikings.

The parties may also terminate the agreement if State legislation has not been passed by July 1, 2011, or if the Governor publicly opposes State financing of the project or other significant elements of the project, including off-site transportation infrastructure improvements. The legislative deadline has passed. This and the other termination clauses have been the subject of ongoing negotiations between the parties.

TCAAP Site Ownership and Land Uses

The preceding map shows the entire nearly 2,400-acre TCAAP site located in Arden Hills. The TCAAP site was acquired by the Department of Defense for the purpose of manufacturing and testing ammunition. The TCAAP facility was constructed in 1940 and 1941 and now consists of a complex of existing buildings, former buildings and related infrastructure. In 2000, the Army declared 774 acres of TCAAP as excess federal land for sale, some of which has been transferred to property owners as described below.⁶ A majority of the remaining TCAAP property remains in Army ownership and is licensed to the National Guard.

The 430-acre portion of TCAAP being considered for transfer to Ramsey County and the Minnesota Vikings for the Stadium Proposal includes most of the small arms ammunition production and warehousing buildings and the former TCAAP family housing area.

The 430-acre portion of TCAAP being considered for transfer to Ramsey County and the Minnesota Vikings for the Stadium Proposal includes most of the small arms ammunition production and warehousing buildings and the former TCAAP family housing area.

The site has the following owners and uses.

⁶ U.S. General Services Administration, Northern Pointe Arden Hills Property Overview.
<http://www.northernpointeardenhills.com/propertyoverview.html> (accessed Oct. 5, 2011).



Existing infrastructure on the TCAAP site.

The training area is the majority of the AHATS site and serves as a weekend training facility for National Guard personnel. Since the training area is in an urban setting, no live fire training is performed at this location.

National Guard. The National Guard uses this property to fulfill its federal, state and community missions, including training, emergency preparedness, wildlife conservation and management, Superfund guidance and land-use remedial controls.

AHATS consists of a cantonment area (permanent military installation) and a training area. The cantonment area consists of an armory and a field maintenance shop. A cantonment master plan has been developed which includes numerous facilities including headquarters facilities, a replacement to the existing field maintenance shop and an additional armory. Joint Forces Headquarters, a Field Maintenance Shop, a State Emergency Operations Center, and a second armory are currently being planned or designed for the cantonment area.

The training area is the majority of the AHATS site and serves as a weekend training facility for National Guard personnel. Since the training area is in an urban setting, no live fire training is performed at this location. Drill weekends are usually the first weekend of the month and may start on Friday evening. Usual arrival time is 6-7 a.m. and departure time is 3-4 p.m. Arrival and departure times are at the discretion of the National Guard and could be adjusted for game days. Personnel on site for both weekend training and regular duty at the military installation could total up to 1,500 personnel,

TCAAP Excess Property

The excess property totals 478 acres that the Army/GSA desires to sell or transfer. It includes 430 acres that the Army intends to sell as a package; this is the Stadium Proposal Property. I-35W and US Highway 10 road easements are also located in this excess property. The Army/GSA is in the process of transferring those portions to the Federal Highway Administration, which may, in turn, transfer the property to MnDOT. The Primer/Tracer Area excess property east of the Wildlife Corridor is not part of the Stadium Proposal Property.

Arden Hills Army Training Site (AHATS) Approximately 1,500 acres are licensed⁷ to the

⁷ The land known as AHATS is currently owned by the U.S. Army. The Army Corps of Engineers (CoE), Omaha District, is charged with supervision and management of land for the U.S. Army. The land is currently under a license between the Minnesota National Guard, as agent for the State of Minnesota (licensee or grantee), and the CoE, as agent for the U.S. Army (licensor), for use of the land by the National Guard for an indefinite period within the terms of the license. In an email from Colonel Bruce Jensen, Minnesota Army National Guard, to Dan Coyle, Kimley-Horn, dated Oct. 4, 2011.

although 200 is typical at present.

U.S. Army Reserve

This 52-acre parcel contains administrative offices for the Army Reserve. Military equipment and vehicles are stored on the site.

Rice Creek North Regional Trail

This approximately 114-acre parcel is the Rice Creek North Regional Trail Corridor. This trail corridor is owned and operated by Ramsey County and is part of the Metropolitan Regional Parks System, which is overseen by the Council. The multi-use paved trail creates a loop on both sides of Rice Creek and continues north along the creek via an easement on MnDOT property. The trail extends between County Road H and County Road I through the Stadium Proposal site.

Approximately 47 acres of the 170-acre Development Parcel is located west of the trail corridor. The balance of the Development parcel and the entire Stadium Parcel are located south of the trail corridor. The regional trail ultimately leads north to Rice Creek Chain of Lakes Park Reserve in Lino Lakes and south to Long Lake Regional Park in New Brighton. For security purposes, the National Guard currently maintains a seven-foot chain link fence along the eastern edge of the trail.

Wildlife Corridor/Trail Corridor

The Wildlife Corridor consists of approximately 49 acres and was an area identified in the 1996 Vento Reuse Plan to maintain and enhance the long-term ability for wildlife to freely move between the designated Rice Creek North Regional Trail Corridor and the open space to the east at the AHATS area. The Council approved an amendment to the boundary of the Rice Creek North Regional Trail Corridor in 2003 to include the 49-acre Wildlife Corridor. Although Ramsey County does not currently own the Wildlife Corridor parcel, it is considered an inholding to the Rice Creek North Regional Trail Corridor and a future component of the Metropolitan Regional Parks System. Ramsey County plans to have the parcel transferred to the county at no cost from the National Park Service (NPS) through the Federal Lands to Parks Program. In 2002, Governor Ventura requested that the GSA transfer the 49 acres to Ramsey County at no cost and that the Army be required to complete cleanup before the transfer to the County occurs⁸. The Arden Hills 2030 Comprehensive Plan Update guides the future land use of the Wildlife Corridor for parks and open space.

In addition to the Wildlife Corridor, Ramsey County has a proposed regional trail (approximately 30 acres) and trailhead access (about 29 acres) within the TCAAP property. The proposed Rice Creek South

In addition to the Wildlife Corridor, Ramsey County has a proposed regional trail (approximately 30 acres) and trailhead access (about 29 acres) within the TCAAP property.

⁸ Letter dated Dec. 17, 2002, from Governor Ventura to U.S. General Services Administration..

Regional Trail will run along the eastern boundary of the Stadium Parcel site, connecting the Rice Creek North Regional Trail and Wildlife Corridor to County State Aid Highway 96. The proposed trailhead access is located at County Road I, adjacent to the east side of the Rice Creek North Regional Trail Corridor. The County plans to use this area in coordination with the National Guard as a trailhead and staging area for access to the AHATS site for winter recreational activities.

The Council's 2030 Regional Parks Policy Plan acknowledges the proposed trailhead and Rice Creek South Regional Trail; therefore, they will become part of the Metropolitan Regional Parks System once developed. The Arden Hills City Council passed a resolution of support for these proposed facilities in December 2009 ⁹. The Ramsey County Board of Commissioners passed a resolution in January 2010 which approved the addition of approximately 108 acres, including the Wildlife Corridor, the Rice Creek South Regional Trail and the trailhead access, and authorized staff to seek transfer of these properties from the GSA to the County. ¹⁰

Ramsey County Public Works Complex

The Ramsey County Public Works multi-use facility occupies 35 acres. The property is fully built out providing office space, materials storage areas and fleet maintenance facilities for Ramsey County Public Works, the Ramsey County Sheriff, Arden Hills Maintenance, Ramsey Soil and Water Conservation District and Mounds View School District 621. Ancillary development within the site also supports activities related to hazardous waste collection, waste oil disposal, and a variety of public meetings and training venues.

City of Arden Hills

In 2001, the City of Arden Hills acquired a 6.9-acre site and built a new City Hall. The Arden Hills City Hall is used for general government operations as well as for parks and recreation activities and community activities and events.

Risk Assessment Work Scope

The scope of this analysis encompasses the 260-acre Stadium Parcel, 170-acre Development Parcel, and necessary regional transportation improvements. The major components of the work scope are listed in the following paragraphs.

Land Transfer and Remediation

- Understand the process Ramsey County and the Army/GSA have agreed to for remediation and transfer of 430-acres of excess

⁹ City of Arden Hills Resolution 2009-043. Dec. 21, 2009.

¹⁰ Ramsey County Board of Commissioners. Minutes. Jan. 19, 2010.

federal property (Northern Pointe) at TCAAP.

- Identify potential unresolved issues/risks/costs associated with the remaining remediation needs and land transfer.

Environmental Review Process

- Examine the varying requirements of state and federal laws that impact the Stadium Proposal and associated infrastructure, and identify and analyze areas of potential risk/delay/cost, including those associated with the selection of which environmental process to use, consideration of connected and phased actions, level of documentation required, major impacts anticipated and potential mitigation measures.

Transportation

- Determine the adequacy of proposed improvements (improvements to both state and county roads have been identified to serve the traffic generated by the Stadium Proposal), and if they are not adequate, the cost of additional transportation improvements.
- Prepare 2030 planning level forecasts of travel demand for the proposed stadium site, as well as non stadium development on the remainder of the site. This forecast work does not include any operational modeling tasks.
- Review off-site roadway and access, on-site circulation, access and parking, taking into account transit, local airport, pedestrians and bicyclists.
- Discuss right-of-way acquisition needed to accommodate transportation improvements.

Other Issues for Consideration

- Comment on private utilities; water, sanitary sewer and storm-water; soils and foundations; regional parks and trails; wildlife corridor; public services, including security, police and fire; and ongoing maintenance of public improvements, like local streets and sewers.

Permits and Approvals

- Identify permits required from local, state, regional and federal jurisdictions for the Stadium Proposal and associated off-site infrastructure, and any approval issues/risks associated with obtaining those permits. Approvals and permits for MnDOT, MPCA, Metropolitan Council, Rice Creek Watershed District, Parks, City of Arden Hills, Ramsey County, City of Mounds View,

Identify potential unresolved issues/risks/costs associated with the remaining remediation needs and land transfer.

Determine the adequacy of proposed improvements (improvements to both state and county roads have been identified to serve the traffic generated by the Stadium Proposal), and if they are not adequate, the cost of additional transportation improvements.

Identify any additional unresolved issues/risks around project delay or scheduling issues, in addition to those specifically identified in the environmental, remediation, land transfer, transportation or permitting tasks.

City of Shoreview, and City of New Brighton will be considered.

Schedule

- Identify any additional unresolved issues/risks around project delay or scheduling issues, in addition to those specifically identified in the environmental, remediation, land transfer, transportation or permitting tasks.

Financial Analysis

- Perform limited order-of-magnitude cost estimates to compare to the Stadium Proposal estimated costs. Evaluate stadium financing, including costs and cost-overrun exposures and funding projections.

Assumptions

Number and Distribution of Vikings Home Games

The Vikings typically play two preseason and eight regular-season home games annually. (A post-season home game occurs roughly once every four years.) The two preseason games are played on a Friday or Saturday night at 7:30 p.m. Typically, the eight regular-season games are scheduled such that seven of the games are played either noon or 3:15 p.m. on Sunday; the remaining home game is played at 7:30 p.m. on a Sunday, Monday, or Thursday. Night games depend upon matchups, team performance, and television network desires. In 2011, the Vikings are scheduled to play one Sunday night and one Monday night game; however, this year these evening games will be road games. Late in the season the NFL can change game times based upon matchup/current performance to provide for better TV ratings, at the networks' request.

170-acre Development Parcel

To assess the potential improvements and impacts related to the development of the additional 170 acres of the Stadium Proposal, this report uses "one-third of [the RRLDP] planned development as an approximation of the potential for the 170-acre private development," as suggested by the Vikings.¹¹ The RRLDP development proposal¹² consisted of 585 acres including the 430 acres currently offered for sale, the Wildlife Corridor, the Primer/-Tracer Area and the regional trail corridor additions contemplated for future transfer to Ramsey County.

With the RRLDP planned development, 353 acres were designated for residential and commercial/office uses, with the remainder allocated toward public uses, open spaces, wildlife and Rice Creek corridors, and right-of-way. This report uses one-third of the planned

¹¹ Appendix B. Letter to Pat Born (Metropolitan Council) from Mark Wilf (Minnesota Vikings). Sept. 14, 2011.

¹² Twin Cities Army Ammunition Plant (TCAAP) Redevelopment Project DRAFT Alternative Urban Areawide Review (AUAR). Prepared for the City of Arden Hills. Sept. 4, 2007.

commercial/office and residential uses as a basis for preliminary analysis. This preliminary assessment does not have a sufficient level of detail to account for intensity of uses due to the current lack of a development plan for the site. As shown in the following table, this is a total of one million square feet of commercial/office space and 850 residential units at varying densities.

One-third of the RRLDP development proposal acreage results in about 118 acres for the Vikings proposal, rather than 170 acres. For the purposes of this preliminary analysis, it is assumed that the difference in acreage would be utilized to accommodate the level of commercial/residential development spread across the site and/or for other purposes, such as right-of-way, stormwater management, parks/open space, or other uses. Land-use designations were not modified for this analysis, but were taken from the RRLDP planned

This preliminary assessment does not have a sufficient level of detail to account for intensity of uses due to the current lack of a development plan for the site.

Table 1: Future Land Development Density Assumptions

Land Use Designation	2007 DRAFT "RRLDP" AUAR		1/3 "RRLDP" Stadium Proposal	
	Total Acres	Max Build Development Scenario (Residential units, commercial sq ft)	Total Acres	Development Scenario (Residential units, commercial sq ft)
Low Density Residential (single family homes)	84.0	307.0	28.0	102.3
Medium Density Residential (manor homes/townhomes)	50.0	644.0	16.7	214.7
High Density Residential (senior, condominiums, apartments)	30.0	1,600.0	10.0	533.3
TOTAL RESIDENTIAL	164.0	2,551.0	54.7	850.3
Retail	75.0	700,000.0	25.0	233,333.3
Office	69.0	1,650,000.0	23.0	550,000.0
Office Showroom/Warehouse	45.0	650,000.0	15.0	216,666.7
TOTAL COMMERCIAL	189.0	3,000,000.0	63.0	1,000,000.0
TOTAL DEVELOPMENT ACREAGE	353		117.7	

NOTE: The draft RRLDP AUAR plan included a total of 585 acres. This table does not include the public uses, open spaces, parks, rights-of-way, or Rice Creek and wildlife corridors that were detailed in that plan.

THE STADIUM PROPOSAL: CRITICAL RISK FACTORS

Land transactions like the one contemplated by Ramsey County and the GSA are uncommon and complex.

As stated by the MPCA, attempting to evaluate the remediation costs and risks in a situation that is still evolving is very challenging.

It is estimated that land acquisition and site demolition/remediation costs could range from \$23 million to \$70 million.

development proposal.

THE STADIUM PROPOSAL: CRITICAL RISK FACTORS

Land Transfer and Remediation

Land transactions like the one contemplated by Ramsey County and the GSA are uncommon and complex. The transaction is complex due to the connected nature of site remediation responsibilities and land-use controls that restrict the use of the land. As stated by the MPCA, attempting to evaluate the remediation costs and risks in a situation that is still evolving is very challenging.¹³

It is estimated that land acquisition and site demolition/remediation costs could range from \$23 million to \$70 million. The wide cost range is primarily driven by uncertainty regarding the existing contamination, the development plan, and the land appraisal. These uncertainties should be better understood in order to negotiate the land sale price with the GSA. In addition to completing an additional environmental site assessment, the County should have a plan in place for indemnification against the uncertainty of the site remediation costs.

Uncertainties on the duration of the site remediation process, approvals and implementation also present schedule risk.

Given the complexity of the land transfer and remediation situation at the TCAAP site, this report relies heavily upon information provided by various external sources; in particular, the following documents, which are provided in the Appendices:

- Appendix B: Letter to Pat Born (Metropolitan Council) from Mark Wilf (Minnesota Vikings). Sept. 14, 2011
- Appendix F: GSA Understanding of Land Transfer and Remediation Approach for Northern Pointe. Oct. 5, 2011
- Appendix G: MPCA Response to Questions on the Stadium Proposal Risk Assessment. Sept. 23, 2011
- Appendix H: Order of Magnitude Limited Estimate of Site Construction Costs for Arden Hills TCAAP Minnesota Vikings Stadium Location – Letter from Kimley-Horn to the Council. Sept. 30, 2011

The Council and MSFC do not intend that this report or any portion

¹³ Appendix J. Letter from Michelle Beeman (MPCA) to Arlene McCarthy (Metropolitan Council). Oct. 7, 2011.

of this report constitutes legal advice.

Site Investigation History

In 2002, the U.S. Army Base Realignment and Closure Office contracted with Plexus Scientific Corporation (Plexus) of Columbia, Maryland, to conduct a limited Phase I and Phase II¹⁴ Environmental Site Assessment (Plexus Phase I and II ESA, dated Feb. 20, 2004) of portions of TCAAP that included the Stadium Proposal Property. The Phase I assessment portion was completed in August and September 2002. In January and February 2003, Plexus conducted Phase II assessment activities at the site. In 2003, U.S. environmental protection agency (EPA) and MPCA both commented on the inadequacy of the Plexus Phase II assessment in regard to the potential removal of land-use restrictions after transfer of the excess property. Additionally, the City of Arden Hills (in 2003) and the TCAAP Restoration Advisory Board (in 2004) published comments regarding the assessment's inadequacy. The comments were noted but not completely addressed in the final Phase II ESA report.

In 2007 and 2008, additional site assessment activities were completed by RRLDP, LLC¹⁵ on 585 acres of the excess property at TCAAP (which included the 430-acre Stadium Proposal property). Soil, groundwater and soil-vapor samples were collected for analysis of contaminants of concern; however, the RRLDP data is not publicly available.

On Aug. 30, 2011, Ramsey County submitted to the MPCA a Field Sampling Plan for the 430-acre Stadium Proposal property. The stated goal of the plan is to "delineate the extent of remaining soil contamination of the 430 acres" being considered for transfer. The Field Sampling Plan identified additional investigation activities needed to achieve the following objectives:

1. Obtain better understanding of the potential environmental liabilities associated with the Stadium Proposal property.
2. Supplement data collected by Plexus, Wenck and previous Army work to delineate the extent and magnitude of identified contaminant impacts.
3. Obtain data adequate to manage uncertainties regarding under-assessed areas of the Stadium Proposal property and to assess the financial implications of the transfer.

¹⁴ The Phase II assessment focused on targeted locations on the Stadium Proposal Property with the highest assumed potential for soil and groundwater contamination resulting from previous site activities. Plexus did not assess those portions of the property that were being actively investigated or remediated under the Department of Defense Installation Restoration Program.

¹⁵ RRLDP, LLC is the name of a development partnership between Ryan Companies US, Inc., and Glen Rehbein Companies, selected in 2002 by Arden Hills as the developers for the excess TCAAP property.

4. Obtain data to evaluate site redevelopment issues related to potential land-use restrictions based on identified contaminants and the feasibility of remediating identified contaminants to specific land-use scenarios.

5. Develop Response Action Plans and Construction Contingency Plans to appropriately manage contamination on the Stadium Proposal property during future redevelopment activities.

Ramsey County has acknowledged the need for further investigation beyond the submitted Field Sampling Plan.

MPCA is currently reviewing Ramsey County's Field Sampling Plan. According to the MPCA, data generated by implementing Ramsey County's pending plan will be used to further characterize soil conditions at the site in order to support the desired change in land use. The MPCA will evaluate the data and determine if the extent and magnitude of soil contamination has been defined, or whether additional soil data is needed. The soil data will also be evaluated relative to the MPCA's risk-based Soil Reference Values for the desired land use(s), to determine the need for soil remediation above and beyond the known areas of impact (based on Army data), and/or the need for special soil management procedures during site redevelopment activities. Ramsey County has acknowledged the need for further investigation beyond the submitted Field Sampling Plan.¹⁶

Remediation Standards

For the purpose of this report, these standards will be referred to as the FFA site-specific standard.

The soil cleanup standards established for TCAAP in the Army's 1987 Federal Facilities Agreement (FFA)¹⁷ and the 1984 Record of Decision (ROD) for the New Brighton-Arden Hills Superfund Site are site specific for future military industrial land use. For the purpose of this report, these standards will be referred to as the FFA site-specific standard. The FFA site-specific standard is not equivalent to any MPCA standard. For example, lead cleanup levels in soil under the FFA site-specific standard were established at 1,200 milligrams per kilogram (mg/kg). The MPCA's Industrial Soil Reference Value (SRV) for lead is 700 mg/kg, and for residential is 300 mg/kg. The table below illustrates differences between MPCA standards and the FFA site-specific standards:

Table 2: Remediation Standards

Remediation Standard	Metals (mg/kg)			DRO (mg/kg)
	Arsenic	Antimony	Lead	DRO
MPCA Residential SRV	9	12	300	
MPCA Recreational SRV	11	16	300	
MPCA Industrial SRV	20	100	700	
MPCA PBP DRO Guideline*				ND
FFA Site Specific Standard	10	67.2	1200	NA
DRO = Diesel Range Organics; SRV = MPCA Soil Reference Value; ND = No established minimum standard; NA = None established				

¹⁶ TCAAP Ramsey County (Sept. 27, 2011) responses to Council questions (Sept. 23, 2011).

¹⁷ TCAAP Federal Facilities Agreement as amended December 1987.

Of the 430 acres being considered for purchase by Ramsey County, the Army has completed remediation of 400 acres to the FFA site-specific standard. The remaining 30 acres are currently under Army obligation to remediate to FFA site-specific standards. These remaining 30 acres are depicted on the June 2010 Northern Pointe Environmental Condition map ¹⁸ and consist of:

- Three building footprints (103, 501 and 502) where the building foundations serve as an engineering control that the MPCA wants to have further characterized and remediated (as necessary) before allowing alternative land uses.
- Nineteen areas with known exceedances of MPCA industrial soil standards, 18 estimated to be 90 feet by 90 feet and one estimated 90 feet by 270 feet (actual extent undefined), totaling just over four acres.

Land Transfer

The 430 acres appraisal process will estimate fair market value, based on highest and best use, most likely assuming vacant land suitable for mixed use development. The appraisal will not be based on the proposed improvements of a stadium or any other elements of the Ramsey County/Vikings proposal. Both Ramsey County and the GSA anticipate receiving their respective appraisals by Friday, October 14, 2011.

The estimated cost of demolition and remediation to achieve vacant land suitable for mixed used development will be an “offset” or credit to the appraised value to determine the final sale price. Both the fair market value and offset are subject to negotiation. While the estimated offset will be for the highest and best use, the GSA/Army will require Ramsey County and the Vikings to remediate only to the standards required by the FFA.

According to the GSA, the property is proposed to be transferred to Ramsey County under the guidance of a Lease in Furtherance of Conveyance. In this option, a deed would be conveyed for 400 acres that the Army has remediated to the FFA site-specific standard and Ramsey County would enter into a lease agreement for the 30 acres still requiring remediation. For the 30 acres, the County would perform the remediation to meet the Army’s obligations to FFA site-specific standards. The 30 acres would be subdivided such that once a parcel is remediated to the FFA site-specific standard, or higher, the deed for that parcel would be conveyed to the County. The GSA noted that all of the deeded property will have a CERCLA¹⁹

The remaining 30 acres are currently under Army obligation to remediate to FFA site-specific standards.

The estimated cost of demolition and remediation to achieve vacant land suitable for mixed used development will be an “offset” or credit to the appraised value to determine the final sale price.

¹⁸ Appendix I. Northern Pointe Environmental Condition, Wenck Associates. June 2010.

¹⁹ Comprehensive Environmental Response, Compensation and Liability Act. 1980. 42 USC 103. Commonly known as the Superfund law.

The MPCA has commented that license or lease mechanisms for ownership transfer pose complications, and possibly legal barriers, under state law for the final cleanup

warranty and the County is investigating the extent of statutory protections. When the remaining acres have been adequately remediated, the lease will be terminated and the remaining acres converted via a “fee simple absolute deed.” The MPCA has commented that license or lease mechanisms for ownership transfer pose complications, and possibly legal barriers, under state law for the final cleanup.²⁰

The GSA noted that deed restrictions limiting land use may still be required on portions of the entire 430 acres until sufficient site characterization and/or cleanup has been completed to satisfy the Army, EPA and MPCA. The GSA indicated that the Army would not require financial assurances from Ramsey County as surety to complete the Army’s remedial actions to meet the FFA site-specific standard. According to the GSA, the MPCA would oversee and approve the remediation activities undertaken by Ramsey County. It should be noted that while the Ramsey County would serve as the Army’s agent with respect to remediation of the 30 acres, the county is not prohibited from designating or contracting with a third party to complete that work.

In the event that during remedial action a discrete new area of contamination is found within the 400 acres already categorized for industrial use, the Army would be responsible under the CERCLA warranty to remediate to industrial level. However, if “new” contamination is determined to be an extension of a previously identified contamination area in the 30 acres still requiring remediation, the risk and cost of the remediation would be born solely by Ramsey County, as stated by the GSA. Furthermore, Ramsey County would be solely responsible to conduct any additional investigation to determine the scope of work beyond the remedial obligations of the Army to meet the FFA site-specific standard.

The MPCA has directed that prior to designing and implementing a cleanup plan, the existing buildings and slabs need to be demolished (with pre-demolition hazardous material abatement as needed), additional investigation of soil must be completed, and a final site redevelopment plan must be available,

Site Remediation

Once the MPCA and EPA determine that the data collected at the Stadium Proposal property is sufficient to define the nature, magnitude and extent of contamination affecting stadium and mixed use development at the site, the data can be used to develop a Response Action Plan and Construction Contingency Plan for the site. These plans will be reviewed and approved by the MPCA.

The MPCA has directed that prior to designing and implementing a cleanup plan, the existing buildings and slabs need to be demolished (with pre-demolition hazardous material abatement as needed), additional investigation of soil must be completed, and a

²⁰ Appendix J. Letter from Michelle Beeman (MPCA) to Arlene McCarthy (Metropolitan Council). Oct. 7, 2011.

final site redevelopment plan must be available, and include the location of the stadium, paved areas, green space, stormwater features, buried utilities, areas requiring geotechnical correction and/or grade changes, etc. Ramsey County would act as a “contractor” to fulfill the Army’s remedial responsibilities for the 30 acres.

To the extent possible and financially feasible, the Vikings will further clean any portion of the 170 acres to a residential standard, at the Vikings’ cost. However, the Vikings acknowledge this possibility will not be known until after a site plan is developed and a remediation plan is completed and approved by the MPCA. The Vikings have estimated that approximately 30 acres may not be feasible to remediate to a residential standard. The site development plan will then account for and accommodate these exception areas with acceptable land use plans.

Certificates of Completion

Typically the MPCA will generate the Certificates of Completion after complete characterization of soil and groundwater at a site, followed by successful implementation of approved response actions. This may be done for the site as a whole (one certificate), or in a phased approach (several certificates) as different portions of the site are addressed. Prior to issuing a Certificate of Completion, the MPCA must approve the Response Action Implementation Report for the area in question.

The Certificate of Completion is the highest level of liability release assurance that the MPCA’s Voluntary Investigation and Cleanup (VIC) unit issues, and as such, requires the highest level of site characterization and contamination management. It may require several iterations of assessment to satisfy the MPCA that sufficient data have been generated to adequately characterize the site. Because of this, the MPCA cannot commit to any specific timeline for its review process. The MPCA can issue partial Certificates of Completion for soil or groundwater (which includes soil vapor) if response actions are only implemented for one media, such as for soil at the transfer property.

It may require several iterations of assessment to satisfy the MPCA that sufficient data have been generated to adequately characterize the site. Because of this, the MPCA cannot commit to any specific timeline for its review process.

Groundwater Remediation

The Army has established groundwater remediation systems on the TCAAP site and has continuing responsibility for all groundwater remediation. A deep groundwater recovery system is part of the Army’s required cleanup operations, which first began in the mid-1980s. An extensive network of monitoring wells, groundwater extraction wells, pump houses and associated piping is present on the Stadium Proposal property and is operated

The Army will own and operate the system until 2041, regardless of land ownership changes that occur as a result of GSA disposal of excess Federal property

The treatment facility currently operates under an air emissions permit for volatile organic compounds (VOCs) which assumes that the nearest human receptors are located at the western boundary of the proposed Stadium Proposal property. This assumption would no longer be valid after the proposed redevelopment occurs.

continuously, pumping more than 1,500 gallons of contaminated groundwater per minute to a groundwater treatment facility located immediately adjacent to the eastern boundary of the Stadium Proposal property. The system has historically pumped and treated more than 900 million gallons of groundwater each year since that time. The Army will own and operate the system until 2041, regardless of land ownership changes that occur as a result of GSA disposal of excess Federal property.

Modifications to the Groundwater Recovery System

Both the Vikings and Ramsey County have indicated that development plans will not require modifications to any of the elements of the groundwater recovery system. As such, there is not a risk identified with the groundwater recovery system.

In the event that development plans change and modifications to the groundwater recovery system are needed, a contingency plan for this situation occurring would minimize schedule delays. A clear procedure for obtaining approval from the Army, the MPCA and the EPA should be established. This should include the procedural requirements, technical requirements (such as modeling of new system components) and any necessary public involvement requirements.

The potential costs and timeline impacts associated with modifying the groundwater recovery system need to be carefully considered, because the Army is obligated to operate the system essentially without interruption until groundwater remediation objectives are obtained. For this reason, it is unlikely that the groundwater recovery system could be significantly modified without sufficient guarantees that the modifications would not affect current system operation, and would maintain the current level of performance of the system.

Also, it is not clear if off-site stakeholders such as the cities of Arden Hills, Shoreview, Mounds View, New Brighton and St. Anthony would agree to a significant modification of the groundwater recovery system without some challenge. If a legal challenge is brought by a stakeholder, it could significantly delay the implementation of any changes to the groundwater recovery system.

Groundwater Recovery System Treatment Plant Emissions

The treatment facility currently operates under an air emissions permit for volatile organic compounds (VOCs) which assumes that the nearest human receptors are located at the western boundary of the Stadium Proposal property. This assumption would no longer be valid after the proposed redevelopment occurs.

It is not clear if the current water treatment facility can be retrofitted with additional pollution control equipment, if necessary.

A contingency should be considered for modifying the existing facility permit, or the possibility that additional air emissions restrictions will be applied, which could lead to pollution-control modification requirements. If the facility needs to be relocated to accommodate future land use, the time and cost involved should be considered.

Soil-Vapor Mitigation

Groundwater beneath the transfer property is known to be contaminated with VOCs, which present an ongoing source of soil-vapor contamination. There are known and suspected source areas for VOC impacts to soil and groundwater within the Stadium Proposal property, such as beneath the production buildings on the southern end of the property where the proposed stadium is to be constructed. Vapor intrusion occurs when chemical vapors, such as the VOCs at TCAAP, migrate from contaminated groundwater through the soil into the basements or foundations of buildings. In enclosed structures, vapor intrusion can degrade indoor air, sometimes to the point of causing risks to human health.

The U.S. EPA and MPCA have indicated that vapor intrusion is an important issue in environmental cleanups. Long-term exposure can, in some cases, increase the risk of respiratory issues. Health risks may be present even if there are no detectable odors. In the past, contaminated sites at TCAAP were viewed in terms of their effects on groundwater, not their ability to contaminate indoor air. For sites where vapor concentrations are a potential health risk, mitigation measures can include vapor extraction and treatment systems, as well as sub-slab depressurization and vapor barrier systems. Installation and maintenance of these systems are project costs that will need to be considered as part of any redevelopment alternative that includes enclosed structures, such as the stadium, at TCAAP.

Risks

Cost Risk: The uncertainty regarding the cost for remediation poses a significant risk. It is difficult to approximate remedial cleanup costs at this time, based on the lack of a development plan, the need for additional site investigation, the uncertainty regarding groundwater treatment, air emissions permit changes, and the lack of better estimates of costs for demolition, underground utility removal, soil-vapor intrusion mitigation and remediation cost overrun indemnification. The document in Appendix H, Order of Magnitude Limited Estimate of Site Construction Costs report, provides assumptions about costs and potential cost ranges for site remediation and land acquisition. It is estimated that site acquisition and cleanup costs could range from \$23 million to \$70 million.

The uncertainty regarding the cost for remediation poses a significant risk. It is difficult to approximate remedial cleanup costs at this time,

That the FFA site-specific standard is not equivalent to the desired cleanup standards for MPCA defined industrial or commercial re-use contributes to cost uncertainty.

That the FFA site-specific standard is not equivalent to the desired cleanup standards for MPCA defined industrial or commercial re-use contributes to cost uncertainty. While there are likely to be areas within the Stadium Proposal property that are currently acceptable for MPCA defined industrial, commercial or potentially residential re-use without further remedial cleanup, the data available to the MPCA to date is inadequate to define those areas.

In addition, contaminants exist that the Army is not obligated to remediate or address under CERCLA or the FFA, such as petroleum, and site-wide concerns, such as contamination around railroad tracks, lead-based paint in soil around current and former structures, and removal of asbestos-wrapped steam line piping. There could be obligations under State law that address petroleum releases. However, these and other potential contaminants will need to be considered by Ramsey County, assessed for and remediated to levels acceptable to the MPCA to accommodate the stadium and mixed development land uses.

Cost Risk Mitigation: Ramsey County and the Vikings should provide a rationale for their \$30 million site acquisition and demolition/remediation budget. They should also provide a strategy for limiting potential cost overruns to remediate the 430-acre transfer property to its intended use.

Ramsey County has obtained a conceptual pricing and coverage proposal for liability insurance.²¹ The liability insurance proposal states that remediation stop loss/cleanup cost cap insurance is not available in today's market, which means there is no risk mitigation available in the insurance industry to address the primary risk of remediation cost overruns. The proposal does indicate that pollution liability and contractor's liability insurance is available, but these coverages do not address Ramsey County's cleanup liability prior to transferring land to a third party.

The potential risk for increases in site remediation costs could be mitigated through the use of a fixed-price remediation contract, which in essence passes the risk of encountering increased volumes or types of contaminated material on to the remediation contractor. The cost of a guaranteed, fixed-price contract would be dependent upon the level of assessment completed at the site.

The uncertainty of the remediation timeline poses a significant risk to the project schedule.

Schedule Risk: The uncertainty of the remediation timeline poses a significant risk to the project schedule. The stadium project is subject to delay if Certificates of Completion cannot be issued by

²¹ Appendix K. Pollution Liability Insurance Program: Conceptual Pricing and Coverage Proposal. Willis. Oct. 3, 2011.

MPCA to Ramsey County due to insufficient remedial investigation and incomplete remedial actions. Several rounds of assessment may be required to satisfy the MPCA that sufficient data have been generated to adequately characterize the site. Because of this, the MPCA cannot commit to any specific time for its review process. The time to secure a water treatment facility emissions permit, if needed, is also uncertain.

The MPCA cannot commit to any specific time for its review process.

Based on the schedule provided by the Vikings dated Sept. 14, 2011, the proposed timeline for the stadium development at the Arden Hills site indicates that environmental remediation will start in early 2012, and will be completed by early 2013. However, remediation cannot be initiated until a Response Action Plan has been approved by the MPCA. Several tasks that must be completed prior to the initiation of site remediation activities include:

- A. Completion of site assessment activities sufficient to define the nature, extent and magnitude of contaminants present at the site.
- B. Preparation of a Response Action Plan and associated Construction Contingency Plan for review by the MPCA and EPA.
- C. Formal approval of the Response Action Plan and Construction Contingency Plan for implementation.

Because the amount of additional assessment time necessary to satisfy Task A, above, is uncertain, and is very likely to involve multiple rounds of work plan preparation, field investigation and report preparation, a specific timeline is difficult to estimate. It would not be unreasonable to expect this task alone to take 6 to 12 months. Completion of Tasks B and C, above, could be expedited with cooperation from the MPCA and EPA, but would still be expected to take 1 to 3 months to complete. The overall impact of adding these prerequisite tasks to the remediation process would be to push the initiation of site remediation back a minimum of 3 to 8 months.

The actual time needed to complete site remediation will be dependent upon the final site assessment results, final development plans, approved response actions (including the potential need for soil-vapor mitigation systems and modifications to the groundwater recovery system) and the contracting mechanism used to facilitate remedial activities. A year may be sufficient to accomplish site remediation activities, but there may be an increased cost to the project (in the form of increased labor costs or implementation of more costly response action alternatives) to meet that schedule.

The actual time needed to complete site remediation will be dependent upon the final site assessment results, final development plans, approved response actions (including the potential need for soil-vapor mitigation systems and modifications to the groundwater recovery system) and the contracting mechanism used to facilitate remedial activities.

We understand that Army ammunition plants have different, and lesser, protections under CERCLA than base relocation and closure

(BRAC) sites. We understand that an Army ammunition plant in Indiana is requesting the same CERCLA protections afforded BRAC sites. It appears that a Congressional action would be required to make the changes in Indiana. This issue highlights that there are legal and legislative issues that govern the contemplated transaction between Ramsey County and GSA that this risk assessment is unable to identify or address.

While the risk to the schedule is significant, mitigation measures are limited.

Schedule Risk Mitigation: While the risk to the schedule is significant, mitigation measures are limited. The primary mitigation action would be to accelerate the review process and begin obtaining as much soil information on the site as possible.

Environmental Review and Documentation Process

This section outlines the requirements of the federal and state environmental review processes that are required for the stadium project and associated infrastructure, along with potential risks associated with the respective processes.

A federal environmental review document will be required for the proposed transportation improvements on the Interstate, a federal facility. A state environmental review document will be required for the proposed stadium, and identified connected actions

A federal environmental review document will be required for the proposed transportation improvements on the Interstate, a federal facility. A state environmental review document will be required for the proposed stadium, and identified connected actions (e.g. roadways and infrastructure, and other actions by any proposer that are closely connected to the initial stadium project).

Based on review of the project, a federal Environmental Assessment (EA) and a state Environmental Impact Statement (EIS) are anticipated to be the required level of environmental review. Risks under the federal and state environmental review processes are considered in the following areas:

- Definition of the Responsible Governmental Unit (determines environmental documents/process are adequate)
- Definition of the proposed action/project
- Inclusion of potential connected or phased actions
- Level of significance of environmental issues
- Alternatives evaluated in the EIS
- Changes to the project definition during and after the environmental review phase
- Legal challenges to the environmental process and decisions.

Risk could be minimized by including language within state legislation specific to the definition of the RGU, the alternatives to be

evaluated in the state EIS, and the environmental review requirement for future private development that at this time cannot be adequately defined and evaluated.

In addition to the legislation, the least risky approach to the project definition that provides the greatest disclosure, defensibility specific to “connected actions,” and that provides the greatest flexibility for future development, would be the scenario under the state process that defines the proposed action as the full 430 acres and required transportation improvements, while deferring detailed analysis of the 170 acres of private development to a later date.

Overview of Federal and State Environmental Review Process/Requirements

Both federal and state laws require environmental analysis of proposed actions that meet specific “thresholds” or levels of significance.

The National Environmental Policy Act (NEPA) applies to projects that are defined as “Federal Actions,” either through funding, permitting and/or involving a federal facility. In the case of the Stadium Proposal, the transportation improvements to the Interstate System that are required to adequately accommodate the stadium would need to comply with the requirements set forth under NEPA, as the Interstate System is considered a federal facility.²²

Minnesota law and administrative rules also apply to the Stadium Proposal.²³ Under state rules,²⁴ the purpose of an EIS is to provide information for the governmental unit, the proposer of the project, and other persons to evaluate the project’s potential for significant environmental effects, to consider alternatives to the proposed project, and to explore methods for reducing adverse environmental effects.

As stated in the Minnesota EQB Guidance Document (May 2010): “One of the main purposes of an EIS is to examine potential impacts of project alternatives. The EIS must include the no-build alternative and at least one alternative of each of the following types or provide a concise explanation of why no alternative is included in the EIS: (1) site; (2) technologies; (3) modified designs or layouts; (4) modified scale or magnitude; or (5) an alternative incorporating reasonable mitigation measures identified through comments on the scope of the Draft EIS.”

The transportation improvements to the Interstate System that are required to adequately accommodate the stadium would need to comply with the requirements set forth under NEPA

²² The Council on Environmental Quality (CEQ) has issued regulations for carrying out NEPA in 40 CFR 1500-1508. The Federal Highway Administration (FHWA) has issued regulations in compliance with CEQ regulations (23 CFR 771).

²³ Specific to the state process, the Minnesota Environmental Review program, pursuant to Minnesota Statutes, section 116D.04 and 116D.045 and the administrative rules adopted by the EQB as Minnesota Rules, Parts 4410.0200 to 4410.7070 are the governing documents.

²⁴ Minnesota Rule 4410.200, Subpart 1.

Minnesota Rules²⁵ define a project as follows: “Project means a governmental action, the results of which would cause physical manipulation of the environment, directly or indirectly. The determination of whether a project requires environmental documents shall be made by reference to the physical activity to be undertaken and not to the governmental process of approving the project.”

A 2002 Minnesota Court of Appeals ruling²⁶ clarified the distinction between projects and plans relative to required environmental review. Specifically, the court stated that a project “is a definite, site-specific action that contemplates on-the-ground environmental changes, including changes in the nature of the use.”²⁷ Plans or other governmental actions that do not match this description are too broad and speculative to provide a meaningful basis for environmental review. Review must wait until a later stage of approval when there is an actual project to review.

The definition of the “project” or proposed action must also take into consideration what is termed connected and/or phased action.

Connected actions are actions by any proposer that are closely connected to the initial project, while phased actions are future actions by the same proposer.

The definition of the “project” or proposed action must also take into consideration what is termed connected and/or phased action.²⁹ Connected actions are actions by any proposer that are closely connected to the initial project, while phased actions are future actions by the same proposer.

Connected Action – Under the state review process, two projects are connected actions if a Responsible Governmental Unit (RGU) determines they are related in any of the following ways:

- One project would directly induce the other.
- One project is a prerequisite for the other and the prerequisite project is not justified by itself.
- Neither project is justified by itself.

Whenever two or more projects are related in any of these ways, they must be considered as one project, regardless of ownership or timing.³⁰

Phased Action – A phased action under the state environmental review process means two or more projects to be undertaken by the same proposer that an RGU determines:

²⁵ Minnesota Rule 4410.0200, Subpart 65.

²⁶ *Minnesotans for Responsible Recreation vs. DNR*, 651 N.W. 2d 533 (Minn. Ct. App. 2002)

²⁷ *Id.*, at 540.

²⁸ *Id.*

²⁹ Minnesota Rules 4410.0200, Subpart 9 (c) and Subpart 60, respectively.

³⁰ Minnesota Rules 4410.1000 and 4410.2000, Subpart 4.

- Will have environmental effects on the same geographic area; and
- Are substantially certain to be undertaken sequentially over a limited period of time.

Minnesota Rules³¹ also state: “In connected actions and phased actions where it is not possible to adequately address all project components or stages at the time of the initial EIS, a supplemental EIS must be completed before approval and construction of each subsequent project component or stage. The supplemental EIS must address the impacts associated with the particular project component or stage that were not addressed in the initial EIS.”

Project Identification for Environmental Review

The following documents/statements have been considered in defining the proposed action for evaluation.

The Principles of Agreement for the Development of a New Multipurpose Stadium³² (Agreement), dated May 10, 2011, states the following:

“The development of the Private Land [Development Parcel] is an important element of the redevelopment and revitalization efforts for the broader TCAAP site. The stadium project is intended to act as the catalyst for the redevelopment and revitalization of the site. The Team shall retain development rights for at least eight years following the opening of the stadium.”

The stadium project is intended to act as the catalyst for the redevelopment and revitalization of the site.

and

“The County shall acquire from the U.S. Army approximately 430 acres for the overall project. The Team shall acquire approximately 170 acres from the County immediately after the County has closed on its purchase transaction from the Army. A mechanism will be provided in the definitive transaction documents that will allow for public access between the Stadium and the Private Land. A mechanism will also be included in the definitive transaction document to provide the Team with flexibility in determining the final composition of the Private Land for purposed of locating the Stadium land and development in the future, to be mutually agreed upon by the Parties and other key stakeholders, as appropriate.”

³¹ Minnesota Rule 4410.2000, Subpart 4.

³² Appendix A. Ramsey County/Minnesota Vikings Principles of Agreement for the Development of a New Multi-Purpose Stadium. May 10, 2011.

The anticipated level of environmental review under the federal process is assumed to be a federal Environmental Assessment (EA).

As stated in the letter dated Sept. 14, 2011 from Mark Wilf³³:

“Nonetheless, our expectations of the development potential of the entire 430-acre site is that a mixed-use development will occur, initially consisting of the new stadium, parking for stadium events, and possible team facilities. Then, over a time period that is difficult to project given the state of the economy, the mixed-use development will grow to include commercial space (office, retail, hotel, restaurants) and residential space... We think it is premature at this time to speculate as to specific square footage and unit mix assumptions.”

Given the requirements for federal and state environmental reviews, and the location and scale of the Stadium Proposal, the following sections outline the processes that could be followed to adequately address and comply with both the federal and state requirements.

Federal Review Process

Based on the definition of the required transportation improvements at this time (see Transportation section for a listing of proposed transportation improvements), the anticipated level of environmental review under the federal process is assumed to be a federal Environmental Assessment (EA). As stated in MnDOT’s guidance document, “The primary purpose of an EA is to help the Federal Highway Administration (FHWA) and MnDOT decide whether an EIS is needed. Therefore, the EA should address only those resources or features which the FHWA and MnDOT decide may have likelihood for being significantly impacted.”³⁴ The following are examples of actions that normally require an EIS:

- New controlled access freeway
- New highway project of four or more lanes on a new location
- New construction or extension of fixed-rail transit facilities
- New construction or extension of a separate roadway for buses or high-occupancy vehicles not located within an existing highway facility.

State regulations³⁵ allow for joint federal and state environmental documents. Similar to the “typical” EIS actions defined by the federal

³³ Appendix B. Letter to Pat Born (Metropolitan Council) from Mark Wilf (Minnesota Vikings). Sept. 14, 2011.

³⁴ Minnesota Rule 4410.3900 allows for joint federal and state environmental documents. The state threshold for transportation projects is found in Minnesota Rule 4410.4300, Subpart 22. and Minnesota Rule 4410.4400, Subpart 16.

³⁵ Minnesota Rule 4410.3900 allows for but does not mandate joint federal and state environmental documents. As defined in 23 CFR 771.115 (a) (Classes of Action) – Actions that significantly affect the environment require an EIS (40 CFR 1508.27).

process, the state EIS transportation threshold³⁶ is “Construction of a road on a new location which is four or more lanes in width and two or more miles in length.”³⁷ The federal and state³⁸ environmental review processes are assumed to be conducted at the same time. Under the federal environmental review process, the FHWA would be the lead federal agency and the MnDOT would be the local lead agency. This assessment assumes that the defined federal action would be limited to required transportation improvements associated with the proposed action on the Interstate System.

Risks: The defined transportation improvements to serve the proposed stadium facility do not meet the threshold for a federal EIS. Under the federal process there is a provision that, “If, at any point in the EA process, the Administration determines that the action is likely to have a significant impact on the environment, the preparation of an EIS will be required.”³⁹

The defined transportation improvements to serve the proposed stadium facility do not meet the threshold for a federal EIS.

As noted above, the federal process allows for the consideration of “significance” in determining the required level of environmental review for projects that do not specifically meet a defined EIS threshold. The risk is low that an EIS level of analysis for the project-specific transportation improvements on the Interstate System would be required.

Specific to the project definition, the risk would be if further transportation and/or on-site analysis indicate the need for other improvements to the federal Interstate system not currently identified/contemplated. The risk for this possibility is low as well.

In the event a significant risk is identified, the analysis/action could be managed through the development of mitigation measures that appropriately reduce the defined impact to a “non-significant” level.

State Review Process

The definition of the proposed stadium in the Agreement in and of itself both meets and exceeds the threshold for requiring a mandatory state EIS.⁴⁰

³⁶ The state thresholds for transportation projects are found in Minnesota Rule 4410.4300, Subpart 22 (State Environmental Assessment Worksheet) and 4410.4400, Subpart 16 (State Environmental Impact Statement).

³⁷ Minnesota Rule 4410.4400, Subpart 16.

³⁸ As presented in greater detail under the state environmental process section, below, all required transportation improvements for the Stadium Proposal (including both local and federal facilities) would also be defined and addressed under the state environmental review process, including required improvements to the Interstate System. This approach/disclosure/evaluation is assumed to adequately address the required on- and off-site transportation improvements defined as part of the proposed action (through the definition of a connected action in Minnesota Rule 4410.0200, Subpart 9).

³⁹ 23 CFR 771.119(i).

⁴⁰ Minnesota Rules, 4410.4400, Subpart 22.

The next question relates specifically to the potential future private development on the 170-acre Development Parcel. Based on the specific elements outlined in the Agreement, there are two scenarios for consideration, each with its own risk value.

SCENARIO 1 – Define Proposed Action as Full 430 Acres and Required Transportation Improvements; Defer Detailed Analysis of 170 Acres of the Development Parcel to Later Date

Under this scenario, it is assumed that the action is defined as the full 430 acres, including the 260 acres for the proposed stadium, the 170 acres for future private development, and the required on- and off-site transportation improvements. Under this scenario, it is assumed that the future private development on the 170 acres is a connected action, as it meets the state definition noted above. However, as the details of the 170-acre Development Parcel are “not ripe for analysis/decision,” the EIS impact evaluation would be limited to the defined 260 acres required for the proposed stadium and required infrastructure improvements, with the clear statement that a future environmental process/document would be completed and committed to by the Minnesota Vikings and/or the private developer/land owner for the 170 acres in compliance with Minnesota Rule 4410.2000, Subpart.4.

As stated above, the required transportation improvements for the 260-acre stadium facility would be included in the EIS. As the on- and off-site improvements are considered connected actions to the proposed stadium facility, both the improvements to the local and Interstate facilities would be included under the state EIS (this assumes that the federal action would also be cleared through the federal process, as described above).

A key assumption in this scenario is that the footprint for the 260 acres required for the proposed stadium can be clearly defined, so that the environmental analysis can accurately and adequately assess and mitigate impacts specific to the 260 acres. As stated in the letter from Mr. Thomas Johnson to Mr. Pat Born and Mr. Mark Wilf, Sept. 20, 2011:⁴¹

“In order to properly conduct an EIS, Ramsey County will need to know the basic design features of the proposed stadium including its general location on the TCAAP site, its approximate size (footprint) and the details for the on-site infrastructure necessary to support the stadium, such as the parking lots for game attendees and associated roadways. It

A key assumption in this scenario is that the footprint for the 260 acres required for the proposed stadium can be clearly defined so that the environmental analysis can accurately and adequately assess and mitigate impacts specific to the 260 acres.

⁴¹ Appendix C. Letter from Tom Johnson (Gray Plant Mooty) to Pat Born (Metropolitan Council) and Mark Wilf (Minnesota Vikings). Sept. 20, 2011.

is our understanding that these features either have been or will soon be defined to the degree of specificity required to provide the basis for meaningful environmental review.”

Additionally, under this scenario, it is assumed that if the definition of the land use/configuration of the 260-acre site changes based on future plans for the remaining 170 acres (assumed to be deferred to a later time when more details are developed appropriate for environmental review), then the required environmental evaluation (Supplemental EIS or AUAR) would need to adequately disclose and evaluate both the change to the original 260 acres and the future private development.

Responsible Governmental Unit (RGU) Designation Under Scenario 1

The RGU is the governmental unit that oversees the preparation and analysis of the state environmental review document. Generally, the RGU is the governmental unit determined to have the greatest authority to approve or disapprove a project. Under Minnesota rules, the RGU for sports or entertainment facilities is defined as the local governmental unit.⁴²

The Agreement indicates that Ramsey County will acquire approximately 430 acres for the overall project from the Army. Approximately 260 acres would then be conveyed to the Stadium Authority for the stadium (Stadium Parcel) and the remaining approximately 170 acres would be conveyed to the Minnesota Vikings, or a related entity to redevelop (Development Parcel).

Given the above, it is assumed in this assessment that the local/responsible unit of government for the state proposed action would be Ramsey County.

Assuming that the stadium EIS would define the full 430 acres as the proposed action but defer the detailed evaluation of the 170 acres until the appropriate level of detail could be developed, the subsequent environmental document will also need to define an appropriate RGU. Assuming the future private development is a mixed use of residential and commercial land use, Minnesota Rules 4410.4400, Subpart 21, would need to be followed. Specifically, the City of Arden Hills could serve as the RGU for a future development environmental document, as the city would be the primary entity for review and approvals for the mixed-use development that would occur around the stadium.⁴³ Based on the Vikings guidance of future development⁴⁴ at one-third

The RGU is the governmental unit that oversees the preparation and analysis of the state environmental review document. Generally, the RGU is the governmental unit determined to have the greatest authority to approve or disapprove a project.

⁴² Rule 4410.440, Subpart 22.

⁴³ This is consistent with Minnesota Rule 4410.4400, Subpart 21 (mixed residential and industrial/commercial projects).

⁴⁴ Appendix B. Letter to Pat Born (Metropolitan Council) from Mark Wilf (Minnesota Vikings). Sept. 14, 2011.

the previous RRLDP plan,” the future development also is anticipated to exceed the threshold for requiring a mandatory state EIS⁴⁵ on the 170-acre Development Parcel.

Project Proposer Under Scenario 1: Under this scenario, there could be multiple project proposers, including: the Stadium Authority, the Minnesota Vikings, Ramsey County and MnDOT. The Stadium Authority and Minnesota Vikings would be specific to the stadium development, while Ramsey County and MnDOT would be proposers specific to the required transportation improvements included as connected actions to the proposed stadium facility.

Under this approach, there is complete disclosure that the development in the Development Parcel is a connected action. A commitment would be made to fully study the private development at the time a master plan for the future development is prepared.

Risk Assessment for Scenario 1: Under this approach, there is complete disclosure that the development in the Development Parcel is a connected action. A commitment would be made to fully study the private development at the time a master plan for the future development is prepared.

In compliance with the definition of a connected action, the proposed action would include the transportation improvements required to accommodate traffic for the Vikings Stadium and, to the degree possible, the 170-acre private development. Under this scenario, the Vikings will need to clearly define the boundary for the 260 acres required for the stadium-specific action. While the analysis will, to the extent possible, evaluate potential future development on the overall 430-acre site (for example, future traffic associated with private development), there is the risk that future transportation/infrastructure improvements needed for the future development could change from those defined specifically for the defined stadium project. This risk can be minimized to some degree by a robust cumulative-effects evaluation in the stadium EIS.

Under this scenario, it is assumed that the action is limited to the 260 acres required for the proposed Vikings Stadium along with required transportation/infrastructure improvements to accommodate the proposed stadium facility. The future 170 acres would not be defined as either a connected or phased action.

Under this scenario, potential changes to the 260-acre site at the time the 170-acre future development is defined would also be appropriately addressed through the subsequent environmental review conducted in compliance with Minnesota Rule 4410.2000, Subpart 4.

SCENARIO 2 – Limit Defined Action to the 260-Acre Stadium Facility and Required Transportation Improvements

Under this scenario, it is assumed that the action is limited to the 260 acres required for the proposed Vikings Stadium along with required transportation/infrastructure improvements to accommodate the proposed stadium facility. The future 170 acres would not be defined as either a connected or phased action. This

⁴⁵ Minnesota Rule 4410.4400, Subpart 21.

scenario is most consistent with the assessment outlined in the letter from Mr. Thomas Johnson, legal counsel to Ramsey County. In this letter, the following statement is made: “Accordingly, the potential private development is neither a phased nor a connected action. As such, it is not legally required to be included as part of the defined ‘project’ for purposes of the stadium EIS.”

As in Scenario 1, the RGU for the stadium facility would be Ramsey County, and there would be multiple project proposers. Additionally, the RGU for the future 170-acre private development would be defined at a later date based on the specific proposal. As in Scenario 1, the local unit of government (City of Arden Hills) could serve as the RGU for the private development.

Risk Assessment for Scenario 2: Under this approach, there is a higher potential for legal challenges specific to the definition and applicability of the private development on the 170 acres of land as a connected action. The legal challenge specific to the elements of the proposed action could result in significant schedule delays and costs to address potential legal challenges.

As stated under Scenario 1, the Vikings will need to clearly define the boundary for the 260 acres required for the stadium-specific action. Without the clear definition of the project boundaries, there is a risk that the EIS would not adequately disclose and evaluate the potential impacts associated with the proposed action.

Similar to Scenario 1, there is the risk that future transportation/infrastructure improvements required to address requirements of the future development could change from those defined specifically for the defined stadium project. This risk can be minimized to some degree by a robust cumulative effects evaluation in the stadium EIS.

Alternative Urban Areawide Review (AUAR) Process

Another alternative for environmental review of the stadium project and/or the related development is the Alternative Urban Areawide Review (AUAR) process. Minnesota Rules ⁴⁶ require that “the content and format [of an AUAR document] must be similar to that of an EAW, but must provide for a level of analysis comparable to that of an EIS for impacts typical of urban residential, commercial warehousing, and light industrial development and associated infrastructure.”

The Vikings will need to clearly define the boundary for the 260 acres required for the stadium-specific action. Without the clear definition of the project boundaries, there is a risk that the EIS would not adequately disclose and evaluate the potential impacts associated with the proposed action.

⁴⁶ Appendix C. Letter from Tom Johnson (Gray Plant Mooty) to Pat Born (Metropolitan Council) and Mark Wilf (Minnesota Vikings). Sept. 20, 2011.

Environmental Quality Board guidance states that:

“The AUAR is designed to look at the cumulative impacts of anticipated development scenarios within a given geographic area. The AUAR is a planning tool that local governments can use to understand how different development scenarios will affect the environment of their community. It is a way of performing an environmental analysis in advance, before major development occurs in an area, and to use the information to guide local planning and zoning decisions. Future projects included in the study area will not require individual EAW and EIS documents as long as they are consistent with the development scenarios discussed in the AUAR and project proposers implement the mitigation measures required by the AUAR Mitigation Plan.”

An AUAR is intended for large-scale development or redevelopment projects that may have multiple properties/owners or may be phased in over a longer period of time than a typical single-project development.

An AUAR is intended for large-scale development or redevelopment projects that may have multiple properties/owners or may be phased in over a longer period of time than a typical single-project development.

Facets of the AUAR process are beneficial to the type of development anticipated on this site. A single review process would address both the public infrastructure needed as well as the potential density of future residential and commercial development that could occur over a period of years. By examining multiple development scenarios (including the maximum development allowed under the Comprehensive Plan) through the AUAR process, the RGU can evaluate how much development can be accommodated within the area without significant environmental impacts, and what mitigation measures are required to prevent significant impacts.

On the other hand, preparing a proper AUAR without a proposed development plan can be complicated because of the multiple scenarios that may be developed and evaluated. Additionally, the RGU could require a scoping process similar to that for an EIS which involves public comment on the scenarios defined for evaluation in the AUAR. As a result, the time savings generally thought to be offered by an AUAR over an EIS are not likely to materialize. If development is proposed after an AUAR is approved differs from that evaluated by the AUAR, supplemental environmental review must be completed for that development. Additionally, regardless of any significant changes, the AUAR must be updated every five years until all development in the area studied has been approved.

The mitigation plan is another way an AUAR document differs from an EIS. It not only describes physical mitigation measures, but also the legal and financial measures and institutional arrangements to ensure mitigation is implemented. It is a commitment by the RGU and

other agencies to take action to prevent impacts that otherwise could occur from project development. Failure to develop and implement an adequate mitigation plan could leave projects exposed to legal action under the Environmental Rights and Environmental Policy Acts for causing “pollution, impairment or destruction” of the environment for which there are “feasible and prudent” alternatives.

The AUAR process is supposed to be completed in 120 days from the RGU’s order for the AUAR to adoption of the final document or mitigation plan. To maximize the likelihood of meeting this deadline, an RGU should not officially order the review until it is ready to actually begin the analysis (after scoping or definition of alternatives).

Risks: The risks for an AUAR would be similar to those described for the EIS scenarios. However, an AUAR is designed to address unknown development plans by evaluating potential worst case alternatives. The risk is that if the future development is different than what was evaluated, additional evaluation would still be required prior to that development. The stadium, because it would have a specific design plan, could be better addressed via an EIS. The future development could be addressed by an AUAR or EIS, depending on which process the RGU determines would best evaluate the development plans when a master plan for development is brought forward. Similar to the EIS process, this would ensure that a comprehensive evaluation of the full development is completed.

Risk Mitigation: Legislation could dictate the level of environmental review to be completed for each component (stadium and future development) as well as defining the RGU for each component. It could also require cursory evaluation of the cumulative effects of full development as part of the stadium EIS to minimize the potential of missing cumulative impacts for critical issues such as traffic and other infrastructure improvements.

Legislation could dictate the level of environmental review to be completed for each component (stadium and future development) as well as defining the RGU for each component.

Legislative Streamlining

Chapter 4 – House File 1 was signed by Gov. Dayton on March 3, 2011. The new law allows that “the proposer of a specific action may include in the information submitted to the responsible governmental unit a preliminary draft environmental impact statement on that action for review, modifications, and determination of completeness and adequacy by the responsible governmental unit.”

The legislation also amends Minnesota Statutes 2010, section 116D.04, subdivision 3a to read: “Within 30 days after final approval of an EIS, [a] final decision shall be made by the appropriate governmental units on those permits which were identified as required and for which information was developed concurrently with the

preparation of the EIS, provided, however, that the 30-day period may be extended where a longer period is permitted by Section 15.99 or required by federal law or state statute, or is consented to by the permit applicant.”

Legislative Influence

Using House File No. 2480 (Twins Ballpark legislation) as a precedent-setting document for the proposed action, the following areas are provided for consideration relative to the environmental review process:

- Define the RGU for the proposed stadium action
- Define specific exemptions to the state environmental review process to streamline the decision-making. More specifically:
 - Indicate that the EIS shall not be required to consider alternative sites, and
 - While the EIS must be determined adequate before commencing work on the foundation of the stadium, other governmental actions/decisions may be made and taken to advance the stadium project.

In addition to the above-noted legislative elements, the following is offered:

- Require the owner of the 170 acres of private land to conduct the appropriate level of state environmental review (AUAR or EIS). A Master Plan of the site is defined at a level required for analysis.
- Define the RGU for the 170-acre future development. If a change in the RGU is required from the stadium to the private development action, specifically outline a process that will be followed to identify and change the RGU if a Supplemental EIS is to be prepared (under Scenario 1).
- Mandate development of a Memorandum of Understanding (MOU) with the joint project proposers for the proposed stadium EIS. The MOU would outline the roles and responsible of the joint project proposers (Vikings, Stadium Authority, Ramsey County, MnDOT).

Schedule

Two separate environmental reviews must be completed for the stadium project, a federal EA for the interstate road improvements and a state EIS for the stadium. Each document would be prepared concurrently but have different document requirements, review paths,

and approval agencies that may result in different start and completion dates. The minimum timeframe for each process is typically 12 months, but can vary widely by project. A more typical timeline for complex development projects may be closer to 18 months and can be longer. Significant factors in managing to shorter timelines are an understanding by the developer of the regulatory requirements and clear definition of the project, allowing for early completion of the necessary technical studies (such as traffic, noise, infrastructure/utilities, and remediation).

The state environmental review process (Minnesota Statute 116D.04, Subdivision 2b and Minnesota Rule 4410.3100, Subpart 2) prohibits any action that may prejudice the decision prior to a completed environmental review. This prohibition includes the acquisition of property, if prejudicial to the decision. A variance allows for limited approval and construction to begin prior to document completion. Therefore, without a variance, the state EIS must be completed before any permits or development specific decision/approvals are made for the project by governing agencies. Similar restrictions on decisions are required under NEPA until after the federal EA approval has been obtained. Therefore, generally the environmental approvals need to occur before the permits and other approvals can be made. The development of the permit applications and agency coordination, however, can occur concurrent with the environmental review process.

Transportation

Two event scenarios were modeled for regional traffic impacts, a Sunday NFL game (65,000 attendees) and a weekday evening major event (28,000 attendees), assuming the package of planned and proposed transportation improvements. The forecasted traffic congestion for the weekday evening event arrival was the most significant congestion situation. Overall, the forecasted congestion can be categorized as negligibly worse with stadium traffic and the additional transportation improvements than otherwise forecast for 2030 with the already programmed improvements. While congestion would continue to exist, the benefits of the transportation improvements will reduce congestion on non-event and small-event days.

However, congestion on County State Aid Highway 96 was identified as needing mitigation estimated at \$500,000 to \$1 million. This mitigation cost is not provided in the proposed transportation improvement package. Additionally, the potential for congestion on local roads was identified.

However, congestion on County State Aid Highway 96 was identified as needing mitigation estimated at \$500,000 to \$1 million. This mitigation cost is not provided in the proposed transportation improvement package. Additionally, the potential for congestion on local roads was also identified.

The Council's analysis for the purposes of the risk analysis used the regional travel demand model to assess both the effectiveness of the proposed road improvements to deal with the stadium traffic and the impacts on the remainder of the region's road system

While the construction schedule would be aggressive, the primary risk associated with the transportation improvements is cost risk. This risk is associated with the projects being only at the concept level, unknown right-of-way needs, the uncertainty of mitigation to be identified through the environmental process, as well as the bidding climate and an aggressive schedule. The risk can be mitigated by applying a plus-or-minus 10 percent range to the net \$101 million in additional transportation improvements needed for the Stadium Proposal. This results in a \$91 million to \$111 million estimate range. Agreement on the funding source and/or responsible party for any cost overruns with the proposed net \$101 million transportation improvements for the stadium should be secured.

Off-Site Roadways and Access

Significant levels of traffic will be generated by a new stadium in Arden Hills. Previous work by the Minnesota Vikings in conjunction with the Minnesota Department of Transportation (MnDOT) identified a list of road improvements (capital and operational) designed to mitigate the impacts of the traffic increase. However, that previous work was based on earlier forecasts prepared for MnDOT for the I-694/County State Aid Highway 51 project currently under construction, and the effects of the stadium traffic were evaluated through a site impact traffic evaluation.

The Council's analysis for the purposes of the risk analysis used the regional travel demand model to assess both the effectiveness of the proposed road improvements to deal with the stadium traffic and the impacts on the remainder of the region's road system to determine if there were any impacts more removed from the immediate stadium environment. The Council's analysis also assumed traffic generated by the development of the 170-acre Development Parcel as described in the Assumptions section of this report.

Scenarios Evaluated

Two scenarios were evaluated:

1. Sunday Game Day

The first scenario assumes a game starting at noon on a Sunday and a capacity crowd of 65,000 attendees (3,250 by chartered bus, non-chartered bus, or non-motorized, and 61,750 by auto in 20,583 auto trips). Sixty percent of the attendees would arrive in one hour between 10:30 a.m. and 11:30 a.m. Season ticket holders would be directed to specific entrance points to balance traffic. After the game, 90 percent of the attendees would depart in the hour after the game ends. For a noon game, this would be between 3:30 p.m. and 4:30 p.m.

Background regional traffic was based on the regional travel demand model traffic. However, as this model is calibrated to generate average traffic for the year and is based on survey data collected on weekdays, certain adjustments were made to better reflect Sunday travel. Data from a MnDOT automatic traffic recorder on I-35W in the vicinity of Lexington Avenue was used to identify the average relationship between weekday traffic and Sunday traffic in the fall months. Adjustments based on data from the 2009 National Household Transportation Survey that supported the assessment of change in trip purposes on a weekday versus a Sunday were also made to the base model data.

2. Weekday Major Event

The weekday major event scenario was developed based on event history at the Metrodome during 2009. This scenario assumes a major weekday event starting at 6 p.m. with approximately 28,000 attendees occurs three to four times a month on average. For a weekday major event, such as a concert or professional soccer game coincident with the evening peak rush hour, it was assumed all attendees would arrive in 9,333 vehicles between 4:30 p.m. and 5:30 p.m. and all would depart between 10:00 p.m. and 11:00 p.m. Neither the U.S. 10 entrance/exit nor the County Road I access road were assumed to be available for these events.

Highway Network

For the regional travel demand modeling, the highway network that was assumed to exist is consistent with the Council's Transportation Policy Plan adopted in November 2010. Additionally, Ramsey County and the Vikings worked with MnDOT to develop a package of projects necessary to mitigate the traffic impacts of the stadium. The projects were designed to hold the region harmless from the impacts of the stadium, not to address all existing and future congestion in the vicinity of the stadium. Nevertheless, the region and all users would benefit from the stadium mitigation improvements year round. This package of projects was included in the highway network used in the travel demand modeling.

The transportation improvement package consists of 13 projects estimated at a total cost of \$121 million. The cost estimates include a 30 percent contingency to the concept level design. The projects are summarized in Table 3 and the following map. Three of the projects (#6, #8 and #10) include bridge replacement components that were previously programmed for construction no later than 2018 with a total budget of \$20 million. The three bridge replacement projects were modified in the proposed \$121 million transportation

The transportation improvement package consists of 13 projects estimated at a total cost of \$121 million. The cost estimates include a 30 percent contingency to the concept level design.

The net cost increase for improvements to accommodate the stadium traffic, after crediting the \$20 million programmed for the bridge replacements, is estimated at \$101 million.

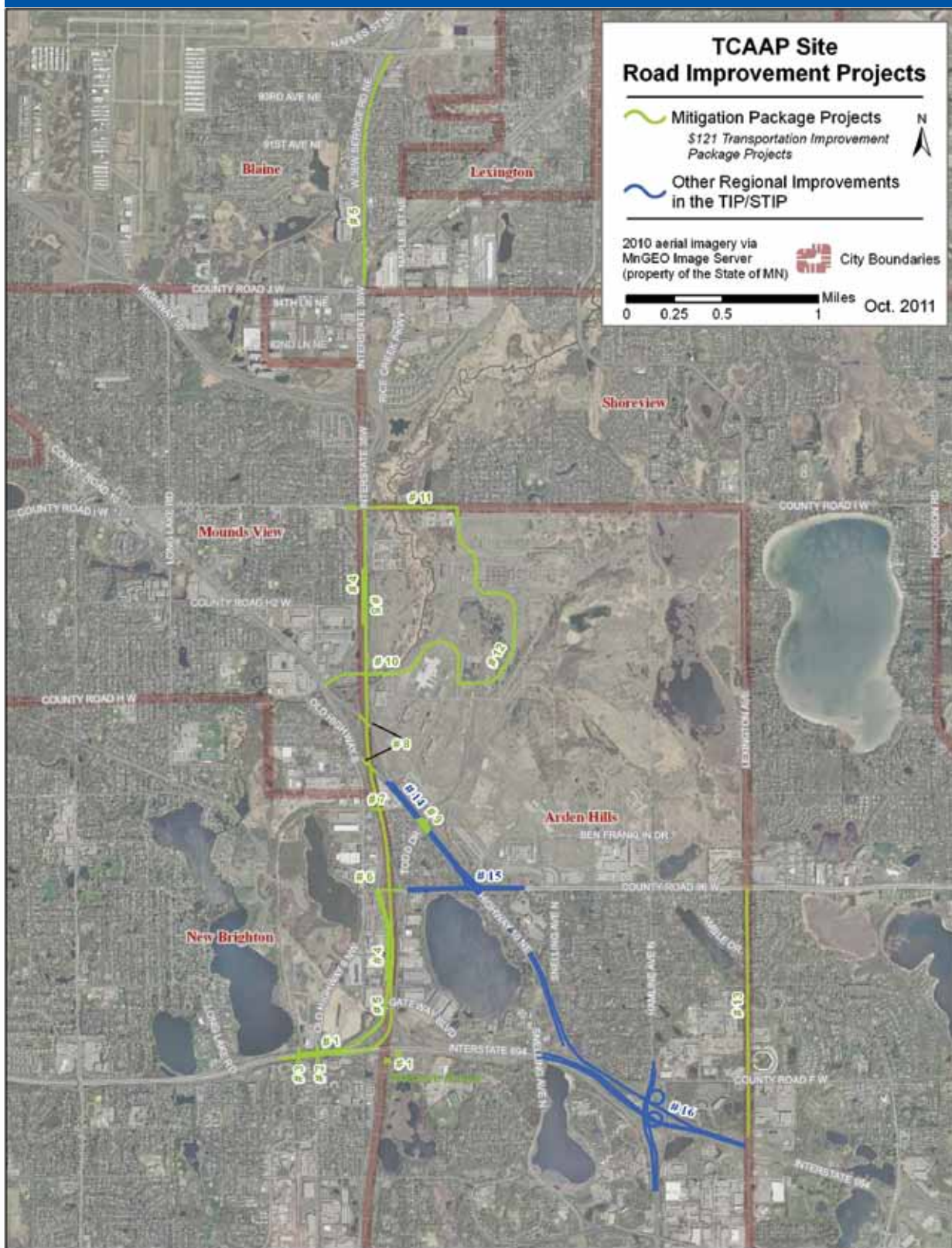
improvement package for the stadium. The net cost increase for improvements to accommodate the stadium traffic, after crediting the \$20 million programmed for the bridge replacements, is estimated at \$101 million.

Table 3: Transportation Improvements Summary

Map ID #	Lead Agency	Project Title and Description	Est. Cost
\$121 million Transportation Improvement Package			
1	MnDOT	I-694 Improvements: Construct auxiliary lane from Long Lake Road on ramp to I-694 eastbound to off ramp to I-35W southbound. Construct one-lane flyover bridge for I-694 eastbound to I-35W northbound, and remove existing loop. Construct auxiliary lane from flyover bridge to I-35W northbound to exit to CSAH 96. Provide additional capacity to the I-35W southbound to I-694 westbound ramp to allow two lanes of traffic on this ramp instead of the single lane of traffic that exists today.	\$31.31 M
2	MnDOT	Old Highway 8 Bridge Replacement: Replace Old Highway 8 (CSAH 77) bridge over I-694 with longer and wider structure to accommodate additional width on I-694 and address the needs of bicyclists and pedestrians.	\$4.09 M
3	MnDOT	RR Bridge over I-694: Replace railroad bridge over I-694 with longer structure to accommodate additional width on I-694.	\$5.99 M
4	MnDOT	I-35W Improvements: Construct I-35W southbound auxiliary lane between County Road I (CSAH3) and County Road H (CSAH 9). Construct I-35W southbound auxiliary lane between CSAH 96 and the ramp to I-694 westbound including the ramp.	\$3.41 M
5	MnDOT	I-35W Managed Lane Segments: The proposed managed lanes use a combination of pavement rehabilitation (replacing shoulder pavement with main line pavement) and technology. The technology will allow the managed lane to be controlled similar to the managed lanes (MnPASS) recently completed south of downtown Minneapolis on I-35W, while the pavement replacement will allow the pavement to physically carry daily and event traffic. Three managed lane sections are proposed: 1) on I-35W northbound from the CSAH 96 exit to US 10; 2) on I-35W northbound from Lake Street to 95th Avenue; and 3) on I-35W southbound from the CSAH 96 entrance ramp to westbound I-694 just prior to the Long Lake Road exit.	\$22.24 M
6	MnDOT	CSAH 96 / I-35W Interchange: Replace CSAH 96 bridge (BR 9577) over I-35W with a longer and wider structure to accommodate additional width on I-35W and additional lanes on CSAH 96. North side ramps will be reconstructed to one lane while south side ramps will be reconstructed to accommodate two lanes. Bridge will provide for sidewalk and trail. Note: CSAH 96 bridge deck replacement previously planned / programmed by MnDOT in \$20 million package.	\$12.3 M
7	MnDOT	RR Bridge over I-35W: Replace railroad bridge over I-35W with longer structure to accommodate additional width on I-35W.	\$6.41 M
8	MnDOT	US 10 Bridge Replacements: Replace the I-35W southbound to US 10 eastbound bridge over I-35W (BR 9585), and the US 10 over I-35W to CSAH 10 bridge (BR 9586) including approach roadway and drainage improvements. The I-35W southbound to US 10 eastbound bridge will be constructed wide enough for three lanes in the future, but will open as two lanes initially. These bridges over I-35W are proposed to be reconstructed as part of this project partially due to the proposed widening of I-35W for managed lanes, but also because they are programmed for reconstruction due to their age and deterioration. Note: The bridge replacements previously planned / programmed by MnDOT in \$20 million package.	\$9.63 M

9	MnDOT	US 10 Main Access: Construct turn lanes, modify median cross-over, and construct pads for game day event traffic management equipment. Advance advisory signing may be included. Permanent signal with swing-away mast arms will be provided.	\$2.15 M
10	MnDOT	County Road H (CSAH 9): Reconstruct County Road H (CSAH 9) from CSAH 10 to the new County Road H (CSAH 9) to County Road I (CSAH 3) Connection (project # 12) upgrading to a four-lane facility with turn lanes. Replace County Road H (CSAH 9) bridge (BR 9582) over I-35W to accommodate additional width for County Road H (CSAH 9) and additional length for I-35W and address Complete Streets policy. Replace County Road H (CSAH 9) bridge over Rice Creek. Provide intersection and signal upgrade at County Road H (CSAH 9) / CSAH 10 intersection. Note: The County Road H (CSAH 9) bridge (BR 9582) replacement previously planned / programmed by MnDOT in \$20 million package.	\$10.84 M
11	Ramsey County	County Road I (CSAH 3): Construct four-lane section on County Road I (CSAH 3) between the new County Road H (CSAH 9) to County Road I (CSAH 3) Connection (project # 12) and the I-35W southbound ramp / loop to County Road I (CSAH 3). Replace the County Road I (CSAH 3) bridge over Rice Creek to accommodate four lanes.	\$5.39 M
12	Ramsey County	County Road H (CSAH 9) to County Road I (CSAH 3) Connection: Construct a three-lane reversible roadway between County Road H (CSAH 9) and County Road I (CSAH 3). The alignment is on both the 230-acre Stadium Parcel as well as Army/Minnesota Army National Guard property. The alignment was established to skirt the Wildlife Corridor and follow the existing gravel roadway alignment to the extent possible. This roadway is intended to be used only for significant events at the stadium, as well as maintenance access for the Minnesota Army National Guard. The northerly portion of this roadway could also be used as access to the future Rice Creek Trail Corridor parking area anticipated near CSAH I.	\$5.72 M
13	Ramsey County	Lexington Avenue (CSAH 51) Event Management Improvements: Event Management Improvements will include signing and signalized intersection improvements with game day police management.	\$1.63 M
		Transportation Improvement Package Estimate Total	\$121 M
		MnDOT Programmed Bridge Improvements Credit	(\$20 M)
		Net Stadium Proposal Transportation Improvements Estimate	\$101 M
Other Regional Improvements			
14	MnDOT	US 10 (I-694 to I-35W): Construct unbonded concrete overlay and drainage. May 2013 bid opening planned.	\$4.0 M
15	Ramsey County	US 10 / CSAH 96 Interchange: Construct a grade-separated interchange, two bridges, ramps, retaining walls, and drainage structures. Late 2012 bid opening planned.	\$12.5 M
16	MnDOT	I-694 / US 10 / CSAH 51: Replace nine bridges on I-694, reconfigure interchange, reconstruct pavement, and build storm water facilities. Eliminate ramp westbound I-694 to northbound Hamline Avenue (CSAH 50) and ramp from southbound Hamline Avenue to eastbound I-694. Bids opened June 2011.	\$42.5 M

Image 2: Road Improvements Proposed to Area Surrounding TCAAP



Event Traffic Management Strategies

The analysis conducted during this component of the Risk Analysis did not include several other factors that have been shown through previous experience at stadium locations around the country to be useful in mitigating event-related traffic. These factors include:

- Shifts that occur in the peak travel periods for individuals who are avoiding the regional network around the stadium location because they are aware that an event is occurring.
- Targeted outreach efforts that make use of online tools to help patrons determine the best parking location based upon their direction of approach.
- Reversible lane configurations for local access roads to be used for larger events.
- The use of Dynamic Message Signs to provide site access recommendations for those patrons less accustomed to accessing the site.

Each of these elements will likely be included in an Event Traffic Management Plan. The Vikings' traffic consultant for game-day events, PB Sports, used their Event Traffic Management Plan checklist to develop some elements of a preliminary event traffic management plan for Sunday game traffic, like reversible lanes on Lexington and assigned parking for season ticket holders. However, the challenge in developing an Event Traffic Management Plan is that the solutions that may be necessary to accommodate traffic patterns for a Sunday game event could differ substantially from those necessary for a weekday major event, given that the background traffic levels will be higher for the weekday major event and the regional network is more congested if the timing of such events concurs with the evening peak-travel period. The realities of operating a stadium at the confluence of several regional transportation facilities require that the Event Traffic Management Plan be comprehensive in detailing how congestion effects associated with localized access constraints will minimize cascading congestion effects onto the regional travel network.

MnDOT currently manages the trunk highway system with dynamic shoulders, ramp metering, managed lanes (MnPASS), ride sharing and other strategies, not all of which are implemented in the Arden Hills area. Additional capacity anticipated by Event Traffic Management Plans needs to take into consideration which traffic management strategies are already implemented in the area.

The realities of operating a stadium at the confluence of several regional transportation facilities require that the Event Traffic Management Plan be comprehensive in detailing how congestion effects associated with localized access constraints will minimize cascading congestion effects onto the regional travel network.

Analysis of the impacts of event traffic on County State Aid Highway 96 along the southern boundary of the site indicates that the road will experience significant levels of congestion during event peak arrival hours for both Sunday games and major weekday events.

Modeling Results

A weekday major event with arrivals overlapping with the evening rush hour has a greater impact on the road network than a Sunday capacity crowd event. Overall, the forecasted congestion is negligibly worse with stadium traffic and the additional transportation improvements than otherwise forecast for 2030 with the already-programmed improvements. While congestion will continue to exist, as noted previously, the benefits of the transportation improvements will reduce congestion on non-event and small-event days.

However, the modeling identified increased congestion on County State Aid Highway 96, described below. Additionally, the potential for congestion on local roads was identified, also described below.

County State Aid Highway 96 Traffic Management Measures

Analysis of the impacts of event traffic on County State Aid Highway 96 along the southern boundary of the site indicates that the road will experience significant levels of congestion during event peak arrival hours for both Sunday games and major weekday events. This is due to a combination of the number of lanes available to traffic and the single ingress/egress point. A possible mitigation to reduce congestion levels on County State Aid Highway 96 would be the implementation of reversible lanes or the use of the road's shoulders as additional lanes and a second access point onto the site from the south. This analysis is consistent with recommendations by PB Sports, the Vikings traffic consultant, that County State Aid Highway 96 be widened to three lanes in each direction and that an additional access point be developed off Ben Franklin Street. No cost analysis has been prepared for this possible mitigation measure.

Similar mitigation measures are proposed for Lexington Avenue (County State Aid Highway 51) at an estimated cost of approximately \$1.5 million. Given that a project is already scheduled for a large portion of the pertinent section of County State Aid Highway 96, the incremental cost of the possible mitigation (particularly if shoulder use is the chosen alternative) is less than that estimated for Lexington Avenue. The Council, after consulting with MnDOT, estimates that upgrading the shoulders for event traffic use could be implemented for \$500,000 to \$1 million. Any necessary operational improvements (changeable message signs, control signals, etc.) would be additional costs.

However, while PB Sports considers these improvements to be in the contingency for the transportation improvement package, MnDOT and the Council concur that the package does not include congestion mitigation for County State Aid Highway 96. The risk associated with these improvements is addressed in the Cost Risk section below.

Likelihood of Localized Congestion

The improvements illustrated above were examined through the use of the regional travel demand model for a future year scenario. The improvements noticeably alter the projected congestion levels within the immediate areas surrounding the stadium site; however, given the macroscopic nature of the regional travel demand model, and the manner in which roadway capacities from the model do not reflect the intricacies of the intersection operations, there is still risk of localized traffic congestion that will be observed specifically at intersections within the study area.

Risk: Localized traffic congestion that has a cascading effect throughout selected segments of the regional network could cause delays on adjacent roadways, depending upon the specific nature of the congestion.

Risk Mitigation: A more detailed peak travel operation analysis should be conducted for the major entrance and exit locations for the stadium site. This analysis needs to be conducted by Ramsey County and the Minnesota Vikings for the state environmental process. It should be recognized that refinements are likely to occur throughout the construction phase and into the first few major events held at the stadium location. At such time as enough event specific information can be collected, additional refinements will be needed to any event traffic mitigation strategies.

Right-of-Way-Needs

Right-of-way and/or temporary construction easements are anticipated for some of the Stadium Proposal transportation improvements. Stormwater management may also require right-of-way. However, right-of-way needs have not been specifically identified or costs estimated for individual projects at this time. The risk associated with right-of-way is discussed in the Cost Risk section below.

Schedule

MnDOT indicates that the anticipated schedule to deliver the projects is aggressive and based on a design-build delivery method. Assuming a start in November 2011, and with parallel work on the environmental assessment, project layouts, right-of-way acquisition and design-build procurement, design would start in February 2013 and construction would start in April 2013 with construction finishing in August 2015.⁴⁷

MnDOT may consider packaging the proposed projects that are on or over I-694 and I-35W (9 of the 13 projects) as one design-build

A more detailed peak travel operation analysis should be conducted for the major entrance and exit locations for the stadium site. This analysis needs to be conducted by Ramsey County and the Minnesota Vikings for the state environmental process.

⁴⁷ Appendix L. Letter from Tom Sorel (MnDOT) to Sue Haigh (Metropolitan Council) and Ted Mondale (Metropolitan Sports Facilities Commission). Sept. 29, 2011.

The 13 projects totaling \$121 million were developed by SRF, a consultant to the Minnesota Vikings, working with MnDOT. MnDOT has advised that it is confident in the 30 percent project contingency added to the base project estimates to derive the estimated project costs.

project. This would be expected to be advantageous from a cost perspective to provide economies of scale, project coordination and efficient project oversight. MnDOT is receptive to other projects led by Ramsey County being included in a design-build package if the County is interested.

The road improvements schedule will also need to be coordinated with the stadium construction schedule to ensure that new pavement is not prematurely damaged by heavy construction traffic to and from the stadium construction site.

Cost Risk

Risks: The 13 projects totaling \$121 million were developed by SRF, a consultant to the Minnesota Vikings, working with MnDOT. MnDOT has advised that it is confident in the 30 percent project contingency added to the base project estimates to derive the estimated project costs. However, traffic management costs for County State Aid Highway 96, estimated at between \$500,000 and \$1 million, are not included in the \$121 million cost estimate.

While some of the projects will likely come in lower than their estimate, others can be expected to come in higher. As noted earlier, right-of-way costs have not been identified for individual projects. Right-of-way tends to be a high-risk project cost component. Mitigation measures will not be known until the environmental process is complete. Mitigation measures such as noise walls can be significant costs to a project. See the Other Issues for Consideration - Noise section of this report.

Additionally, the final project design may differ significantly from the current concept. For example, MnDOT staff recently advised that the updated cost estimate for the US 10 Bridge Replacements (Project #10) has increased by approximately \$3 million from the earlier \$9.6 million estimate. This increase is in response to more detailed design identifying the need to elevate the bridges and extend their length. The bidding climate is another variable affecting actual project costs as compared to their estimates. While the bidding climate has been quite favorable in recent years, uncertainty in material prices and general inflation does exist.

Finally, the schedule is admittedly aggressive. A tight project schedule with Minnesota's weather conditions will generally result in higher costs in response to the increased risk to deliver the project by the required completion date.

Risk Mitigation: Given the uncertainty as described above, a cost estimate range is appropriate for the Stadium Proposal transportation improvements with a +/- 10 percent range recommended for the net

\$101 million package of projects to accommodate the stadium. This results in a cost estimate range of \$91 million to \$111 million. The funding of potential increased costs for the identified Stadium Proposal transportation improvements package, plus County State Aid Highway 96 traffic management improvements and any other improvements that may result from the environmental review process, in excess of \$101million needs to be identified and agreed upon as part of a stadium funding package.

Given the overall cost pressures on the stadium project, to ensure that all off-site transportation improvements, including those led by Ramsey County, are designed and constructed as necessary to mitigate the impacts of stadium traffic on regional roads, MnDOT must have final approval authority on the projects.

I-35W Managed Lanes

The region's long-range Transportation Policy Plan and MnDOT's plans call for a managed lane system vision (MnPASS) for the metropolitan highway system. Construction of a MnPASS managed lane on I-35W between downtown Minneapolis and the 95th Avenue exit in the left lanes (both northbound and southbound) is one of three Tier 2 priority corridors in this regional plan. Initial cost estimates for the I-35W managed lane are \$180-\$300 million. MnDOT recently began a corridor study, which will further refine this design and cost. The I-35W managed lane project is not fully funded in the fiscally constrained Transportation Policy Plan, although the plan does set aside \$35 million to \$70 million toward implementing Tier 2 managed lanes in the region in the 2015-2020 timeframe.

The \$121 million package of off-site transportation infrastructure improvements in the Stadium Proposal includes construction of I-35W managed lane segments. These lanes are not the I-35W managed lanes called for in the Transportation Policy Plan and are viewed as interim or additional managed lane improvements. The concept of operation for these lanes will be established as a part of project development after more rigorous traffic modeling is completed. The interim managed lanes will consist of three relatively short segments: 1) on I-35W northbound from the County State Aid Highway 96 exit to County State Aid Highway 10, 2) on I-35W northbound from Lake Street to 95th Avenue, and 3) on I-35W southbound from the County State Aid Highway 96 entrance ramp to westbound I-694 just prior to the Long Lake Road exit.

The future left-lane managed lanes (MnPASS) called for in the Transportation Policy Plan may replace the interim managed lane segments with those interim managed lane segments becoming a general purpose lane. MnDOT has advised that the future of managed lanes (MnPASS) on I-35W will be protected. MnDOT further

The funding of potential increased costs for the identified Stadium Proposal transportation improvements package, plus County State Aid Highway 96 traffic management improvements and any other improvements that may result from the environmental review process in excess of \$101 million, needs to be identified and agreed upon as part of a stadium funding package.

When more detailed site plans are developed, the internal circulation roadways and the ingress/egress points to the site will need to be fully analyzed for the ability of the internal roadway to adequately handle event traffic, particularly during event arrival peaks.

advised that the concept of operation for the interim managed lane segments will be established as part of project development after more rigorous traffic modeling is completed.⁴⁸ It should be noted that the City of Mounds View stated a concern that the Stadium Proposal may delay or negatively impact larger regional improvements. Based on the assurance from MnDOT, the ability to implement future managed lanes in the corridor is not identified as a risk.

On-site circulation

The provision of adequate on-site circulation to accommodate event traffic is critical. Because the site plan available at this time is only conceptual in nature, an evaluation of the internal circulation and access roads cannot be conducted. When more detailed site plans are developed, the internal circulation roadways and the ingress/egress points to the site will need to be fully analyzed for the ability of the internal roadway to adequately handle event traffic, particularly during event arrival peaks. The analysis should address both full-attendance Sunday football games and partial attendance weekday evening events, and be prepared in support of the required state Environmental Impact Statement for the Stadium Proposal. The internal roadway system and ingress/egress points must be demonstrated to provide sufficient capacity such that any queuing of vehicles does not impact I-35W entrance ramps, exit ramps, or the mainline.

Aviation

Construction of a Minnesota Vikings stadium at the Arden Hills site is expected to have minimal impacts on the regional aviation system. The stadium site is approximately 4 miles from the nearest regional airport, the Anoka County-Blaine Airport. This is a general aviation airport, owned and operated by the Metropolitan Airports Commission (MAC), with no scheduled commercial air service. Potential future requests to expand the Anoka County-Blaine Airport as a result of the stadium is identified as a potential risk to local communities and citizens that oppose any expansion of the airport.

Airport Operations

Approximately 1,000 current season ticket holders are considered out of “driving distance” (100 miles) from the proposed stadium and thus may potentially fly to a game. However, it is likely that many of these tickets are owned by greater Minnesota residents who are likely to drive even more than 100 miles (i.e., 150 miles from Duluth or Brainerd) or by a corporation with an out-of-state address whose tickets are used by local individuals. The vast majority of “out of

⁴⁸ Appendix L. Letter from Tom Sorel (MnDOT) to Sue Haigh (Metropolitan Council) and Ted Mondale (Metropolitan Sports Facilities Commission). Sept. 29, 2011.

area” individuals that do fly to the area to attend a Vikings game will come by commercial aircraft into Minneapolis-St. Paul (MSP) Airport, regardless of where a stadium is located.

Fans that fly in for a game in a general aviation/business aircraft may be influenced by the stadium location in choosing which airport to use. Anoka County-Blaine Airport’s airside and landside infrastructure and services are well positioned to serve the needs of game day users. Despite the proximity of Anoka County-Blaine Airport, some private aircraft will continue to fly into MSP or the St. Paul Downtown Airport due to the runway lengths and expanded services and amenities available at or near those airports. As a result, only a small increase in operations at Anoka County-Blaine Airport due to a Vikings game is anticipated on game days resulting in a minimal impact on airport operations.

There is a possibility of operations at Anoka County-Blaine Airport being impacted on game days by a temporary flight restriction, see Image 3, which prohibits aircraft in specific airspace, as defined in the following federal regulation. “Management of Aircraft Operations in the Vicinity of Aerial Demonstrations and Major Sporting Events”⁴⁹ discusses the threshold requirements for establishing a temporary flight restriction. One possible exception to this restriction would allow aircraft to potentially penetrate the temporary flight restriction if authorized by the Air Traffic Control Tower.

There is a possibility of operations at Anoka County-Blaine Airport being impacted on game days by a temporary flight restriction.

In addition, section 99.7 is the basis for restrictions around certain sporting facilities (often referred to as the “Sports NOTAM”). Except for limited cases specified in the NOTAM, all aircraft and parachute operations are prohibited at and below 3,000 feet above ground level within a radius of three nautical miles of any stadium having a seating capacity of 30,000 or more people in which a Major League Baseball™, National Football League™, NCAA™ division one football, or major motor speedway event is taking place. These restrictions are in effect one hour before the scheduled time of the event until one hour after the end of the event. All pilots should be aware that careful advance planning might be required to comply with these restrictions.

Approximately 10 NFL football events would be held at the stadium on an annual basis. Additional large entertainment events could meet the threshold for a temporary flight restriction to be established. Depending on the final placement of the stadium, Air Traffic Control could conduct approaches to Runways 18 and 9 or depart Runways 27 and 36. Arrivals to Runway 27 and departures to Runway 9 may

⁴⁹ 4 CFR Part 91.145, Section 7.

even be available, depending on the exact location of the stadium. Initial analysis shows that depending on the location of the stadium, all operation would have to be kept to the north of the airport. Limited east-west operations are a possibility depending on the location of the stadium. Closure of the airport while the temporary flight restriction is in effect is possible, if the stadium site is located on the northern area of the site. Flight tracks and potential impacts to MSP during a temporary flight restriction will also need to be reviewed, by the Federal Aviation Administration (FAA) Air Traffic Control. Overall the stadium should have minimal impact on the Anoka County-Blaine Airport or aircraft operations. However, the FAA Air Traffic Control must determine impacts on approach and departure procedures at the airport relative to the temporary flight restriction.

Risk: While an Anoka County- Blaine Airport runway expansion is not part of the Stadium Proposal, nor is it necessary for efficient operation of the stadium, construction of a stadium could lead to requests to expand/extend its runways to accommodate larger corporate/business aircraft. Longer runways have previously been opposed vigorously by adjacent local communities and residents. The Anoka County-Blaine Airport is classified as a “minor” airport and its primary runway is 5,000 feet and its secondary runway is 4,855 feet.

In 2000, the state legislature prohibited any airports classified as “minor” to have runways longer than 5,000 feet.⁵⁰ In September 2011, the City of Mounds View passed a resolution stating, “The city strongly opposes any potential expansion of the airport runway length or intensification of airport designation that may result from stadium development.” Currently, no other adjacent communities have taken a position regarding runway length and classification of the Anoka County-Blaine Airport.

The Stadium Proposal does not include or require any changes to the Anoka County-Blaine Airport. Any runway extension at the airport can only occur with action by the Legislature to remove or modify state law.

Risk Mitigation: The Stadium Proposal does not include or require any changes to the Anoka County-Blaine Airport. Any runway extension at the airport can only occur with action by the Legislature to remove or modify state law.⁵¹ The Council would also need to modify the regional aviation system plan, which currently recognizes the legislative prohibition.

Stadium Operations

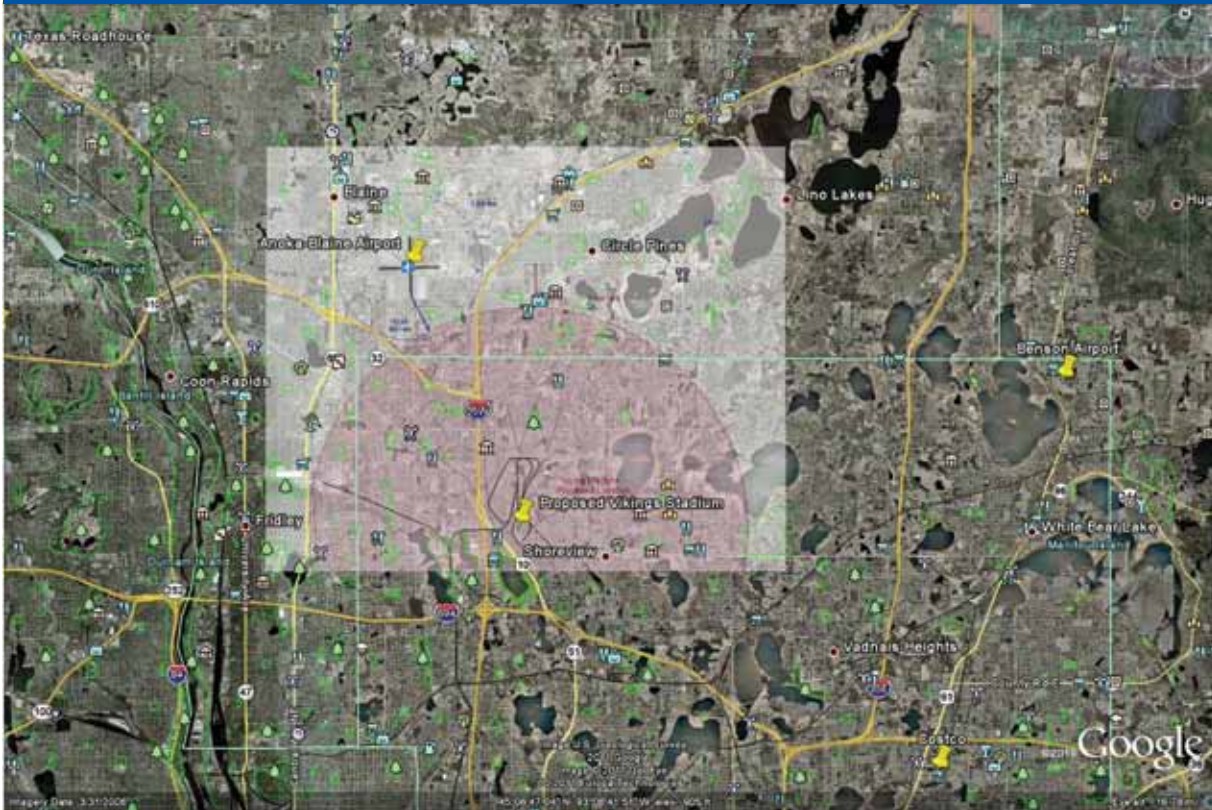
Federal regulations establish standards and notification requirements for objects affecting navigable airspace. Due to the proximity of the Anoka County-Blaine Airport to the proposed stadium, the stadium

⁵⁰ Minnesota Statutes, section 473.641.

⁵¹ Ibid.

buildings, light poles and any towers constructed on or near the site will need to be evaluated by providing an Airspace Analysis Form (7460-1A) to the FAA. Under current assumptions, the stadium will

Image 3: Location of potential Temporary Flight Restrictions (approximate locations)



Source: MAC MSP Support Manager, 2011, Google Earth, 2011

be approximately 300 feet above ground level, which therefore will require a Form 7460-1A Notice of Construction or Alteration. Any construction 199 feet above ground level or below will not require a Form 7460-1A. The airport's elevation is 912 feet while the proposed stadium site has an elevation of 1,082 feet, so the airport is approximately 170 feet lower in elevation. While this elevation differential should not pose a significant risk for the Stadium Proposal, it must be evaluated.

Transit, Charter, Bicycle and Pedestrian Access

Approximately five percent (3,250) of the Vikings football game attendees are anticipated to travel to and from the site using charter buses, bicycling and walking. Most of these will utilize charter buses while a small number will walk or bike to the site.

The Arden Hills site is not served by public transit today, nor do regional long-range plans call for future public transit to this area.

The number of patrons attracted to charter service will be influenced by the price of parking at the stadium as well as any “transit advantages,” including within the stadium site, which provides the buses faster entry and exit compared to automobiles.

Public Transit

The Arden Hills site is not served by public transit today, nor do regional long-range plans call for future public transit to this area. The event-focused nature of the stadium is not expected to generate demand to justify public transit. The level of public transit service, if any, to serve future development of the 170-acre Development Parcel will depend on demand generated. The demand is driven by the type and density of development as well as parking capacity and pricing. As a result, no Vikings game patrons are anticipated to use public transit.

Charter Service

Private charter service will be a viable option for patrons attending Vikings games. Today, up to approximately 70 charter buses serve Vikings games at the Metrodome. These charter trips are arranged by private businesses and are provided by private contractors, not public transit agencies. Neither the Vikings nor the Metropolitan Sports Facilities Commission organize private charter trips for game patrons.

Other special event express-type charter services could be an option for a private vendor to offer, likely charging a fare to cover the cost of the service. Park-and-ride facility options include large lots that are privately owned as well as public transit facilities. In both cases, use arrangements would be made with the owner. Metro Transit park-and-rides, including those at 35W & 95th Avenue (Blaine), Foley (Coon Rapids), Twin Lakes (Roseville) and Highway 36 & Rice (Little Canada) would be available for non-weekday charter use.

Local private charter companies generally have the capacity to provide the level of charter service needed for an event such as a Vikings game. While Metro Transit has the capacity to provide contracted services on weekends, the Code of Federal Regulations (49CFR604) precludes Metro Transit and any other public transit provider from providing the service unless all interested private contractors have declined the opportunity.

The number of patrons attracted to charter service will be influenced by the price of parking at the stadium as well as any “transit advantages,” including within the stadium site, which provides the buses faster entry and exit compared to automobiles. Based on current charter bus usage, 70 at-capacity buses for a capacity crowd event are assumed. This equates to almost five percent (3,150) attendees using charter service.

Bicycle and Pedestrian Access

The stadium site has minimal bicycling and pedestrian access today. From the north, Rice Creek North Regional Trail provides safe,

off road access from County Road I to the County Road H gate into the TCAAP site. On the south side, Highway 96 Regional Trail is located along both sides of County State Aid Highway 96 east of Hamline Avenue, but only on the south side of County State Aid Highway 96 west of Hamline Avenue. That trail currently ends at approximately the driveway into North Heights Lutheran Church (east of US 10) with plans to extend it westward across US 10 and I-35W to Old Highway 8.

Beyond these facilities, there is minimal opportunity for shared bike/pedestrian use of public roadways in the area. I-35W to the west of the site is a controlled access facility with bicycling and pedestrian uses prohibited; crossing points near the stadium are limited to County State Aid Highway 96, County Roads H and I. A trail adjacent to the north side of County Road I from the west crosses under I-35W to Rice Creek North Regional Trail and then continues east about a mile to Shamrock Park. No trails are adjacent to County Road H from US 10 to the TCAAP gate; however, the County Road H bridge over I-35W does have a narrow sidewalk on one side. There is no prohibition on bikes or pedestrians using US 10 along the southwest side of the stadium site, but it is a high speed, multi-lane divided expressway that is not a safe environment for walking or biking.

Ramsey County has a proposed trail, known as the Rice Creek South Regional Trail, which will follow the eastern boundary of the stadium site, and provide a connection between the Rice Creek North Regional Trail, the Wildlife Corridor and County State Aid Highway 96. The timeframe for development of this trail is not known at this time.

As a result, a minimal number (estimated at 100) of attendees are expected to walk or bicycle to Vikings games.

Other Related Considerations

County Road H to County Road I Connection

A new road connecting County Road H through the stadium site to County Road I is proposed. This road will provide access to the site from the west via County Road H and from the north via County Road I. Access from both to the stadium is needed to accommodate the event traffic for major game days.

The proposed alignment of the road as it connects to County Road I intentionally avoids the Wildlife Corridor by swinging east around the corridor into the Primer/Tracer Area and National Guard training areas, following existing TCAAP road alignments for part of its route. Our understanding is that the road would be used only on game days and other capacity events.

A new road connecting County Road H through the stadium site to County Road I is proposed.

Our understanding is that the road would be used only on game days and other capacity events.

Siting the road adjacent to the Wildlife Corridor and on property licensed to the National Guard presents challenges.

Siting the road adjacent to the Wildlife Corridor and on property licensed to the National Guard presents challenges. All Wildlife Corridor stakeholders, including Ramsey County, the National Guard, the City of Arden Hills and the Council, are committed to protecting the interests of the Wildlife Corridor. The proposed road would need to accommodate the requirements of both the Wildlife Corridor and the National Guard. The Army also would have exclusive jurisdiction for the road located on its licensed property.

The National Guard has indicated that an access road would require fencing to secure its property and storage buildings. However, the road design and any security fencing would need to allow for adequate wildlife crossing. It was acknowledged by the National Guard and Ramsey County that there is an existing fence through the Wildlife Corridor, which crosses through a wetland above the waterline, allowing for some wildlife movement to occur.

It is understood is that a concept of this access road could be one that is typical of a National Park Service road to be more compatible with the Wildlife Corridor. Any National Guard requirements for clearance from vegetation, lighting for security monitoring, and design standards to support heavy vehicles and equipment need to be accommodated.⁵³

Ramsey County, the Minnesota Vikings, SRF Consulting, the National Guard, the Army and MnDOT participated in a Monday, Sept. 26, 2011 meeting facilitated by Congresswoman Betty McCollum to address the Wildlife Corridor and the proposed road. As a result of that meeting, the Vikings provided a new concept layout.⁵⁴ While still a concept based on available information, per the Vikings, the uninhibited movement of wildlife is facilitated by the rural road design, short bridge sections and small culvert sections.

Access from County Road I to the stadium for game-day events is a critical transportation need for the Stadium Proposal. Lack of this access will result in unacceptable congestion on the regional and local roads.

Risks: Access from County Road I to the stadium for game-day events is a critical transportation need for the Stadium Proposal. Lack of this access will result in unacceptable congestion on the regional and local roads. An alternate access location to the stadium site would be needed. A road crossing the Primer/Tracer Area must also address the environmental remediation necessary in this area which may impact the stadium project schedule.

Risk Mitigation: Agreement must be reached by the National Guard and all Wildlife Corridor stakeholders on an acceptable design and alignment and operations responsibilities for a stadium access road

⁵³ Based on Sept. 21, 2011, phone call with National Guard representatives.

⁵⁴ Appendix M. Concept Layout, Access Road. SRF Consulting Group, Inc. Oct. 6, 2011.

connecting to County Road I. Until this agreement is reached, the project cannot be defined for purposes of environmental review. Delay in the environmental review process can be mitigated by including environmental advocacy groups early in the process. If the road crosses the Primer/Tracer Area, the environmental remediation must be addressed.

Arden Manor

Arden Manor is the manufactured home park that lies west of the stadium site on the west side of US 10 and north of County State Aid Highway 96. This community is likely considered a low-income community with regard to environmental justice if evaluated under a federal National Environmental Policy Act review. Ramsey County has gone to great lengths to coordinate with and minimize impacts to this community through its recent planning of the US 10/County State Aid Highway 96 interchange project. The Stadium Proposal calls for constructing turn lanes and installing a permanent signal with swing-away mast arms at the US 10 entrance to the stadium. If more significant transportation improvements at this intersection are determined necessary, this will pose an environmental justice risk to the project. Because no such improvements are planned, this is not identified as a risk.

The Housing Preservation Project, on behalf of the Resident Association of Arden Manor, conveyed to the Council the concerns and positions of the park's residents.⁵⁵

Other Issues for Consideration

Natural Gas, Electric and Communications Utilities

Xcel Energy/Gas is the provider of natural gas to Arden Hills. Xcel has gas capacity to serve the stadium parcel and the 170-acre Development Parcel, depending on overall phasing and proposed loads.

Xcel has a high-pressure main on the north side of County State Aid Highway 96. As part of its work required for the County State Aid Highway 96/US 10 interchange project, scheduled for 2012, Xcel will relocate this main to the south side of County State Aid Highway 96. Xcel has retired all gas service on and to the TCAAP site and removed all meters and other equipment from the site. Xcel will retire a "spur" line along US 10. Removal of the distribution piping would be by the property owner, as required by the proposed construction, and is assumed to be a typical demolition cost for a redevelopment site. Some of the steel pipe may have asbestos coatings. Xcel is responsible for

Xcel has gas capacity to serve the stadium parcel and the 170-acre Development Parcel, depending on overall phasing and proposed loads.

⁵⁵ Appendix N. Letter from Housing Preservation Project to Sue Haigh (Metropolitan Council) and Ted Mondale (MSFC). Oct. 7, 2011

the removal and the proper disposal of these materials and will work with the property owner during demolition to accomplish this.

Xcel has capacity to serve the stadium parcel and the supporting development parcel, depending on the overall proposed loads and phasing. Xcel has immediate capacity to serve the assumed load for a stadium. Xcel will need to install a regulator station at the service point, likely along County State Aid Highway 96. This will need to be an easement area of 50 feet by 50 feet outside of the public right-of-way. Xcel would provide the gas distribution piping on the site and the gas meters to the customers. Xcel does a revenue justification analysis for the distribution system. Xcel does not anticipate any cost share to provide natural gas service.

Risk: Xcel has assumed that the stadium will be a conventionally heated and cooled facility. If an alternate system, such as geothermal or a district energy approach is proposed, revenue justification analysis may result in a cost-share scenario for natural gas distribution.

Risk Mitigation: This minor risk can be mitigated by confirming the stadium heating and cooling loads, as well as an estimate for the supporting developments loads so that Xcel can design and price a natural gas distribution system and do the revenue justification analysis.

Electrical

Xcel Energy/Electric is the provider of electricity to Arden Hills. Xcel does not currently have the capacity to serve the stadium and the 170-acre Development Parcel, but through several capital improvements will be able to serve the entire 430-acre development.

Xcel has two substations near the TCAAP site. They are the Arden Hills substation and the Lexington substation. Both substations are at capacity. Xcel has stated that it is unlikely that loads at other substations could be transferred to create capacity to these substations for the stadium or the supporting development.

A new substation will be required to provide the system capacity to serve the 430-acre development.

Xcel has a transmission line that runs from the Arden Hills substation up to County State Aid Highway 96, along County State Aid Highway 96, and then into and across the TCAAP site. This is a 69kV line. This line will need to be upgraded to 115kV.

Removal of existing distribution facilities will be required. Xcel will be responsible for the removal of transformers and meters. Environmental remediation of impacted transformer sites, if any, will

A new substation will be required to provide the system capacity to serve the 430-acre development.

be addressed in the environmental site remediation. Removal of the distribution facilities will be by the property owner, as required by the proposed construction, and is assumed to be a typical demolition cost for a redevelopment site.

Xcel has been planning to create the capacity at the TCAAP site by adding a substation. A new substation requires about 10 acres adjacent to the transmission line and out of the public right-of-way. Xcel would need to own the substation land rather than use it by easement or land lease. All costs associated with the design, permitting, and construction of a new substation are Xcel's costs.

Substations take between two and three years to design, permit and construct. Permitting would include Public Utilities Commission (PUC) approval and permits from the City of Arden Hills. Arden Hills has stated that locating the substation on County State Aid Highway 96 will not be permitted. The substation will need to be located within the 430-acre development. The substation development schedule may pose a risk to the overall project schedule.

Xcel will need to upgrade the transmission line from 69kV to 115kV. All costs associated with the transmission upgrade are Xcel's costs. Transmission upgrades are regulated and approved by the PUC. The transmission upgrade would be above ground.

There is uncertainty as to Xcel's easement or other rights to run this transmission line on the TCAAP site. It is not clear if Xcel has an easement for the existing transmission line on the TCAAP site and it is not clear where this transmission line is in relation to the easterly boundary of the 430 acres. The location of the substation and the required transmission line easement from County State Aid Highway 96 pose a risk to the development and may require involvement of the Army and/or National Guard.

Xcel's policy for providing a redundant feeder (a second primary feeder) and a switch to a customer is that the cost is entirely the customer's cost. The Vikings have clarified that neither they nor the NFL require a redundant power supply to the proposed stadium. The project will include emergency generators to power the life-safety systems in the event of a power failure. Permitting for the transmission upgrades and the substation will include the PUC

The location of the substation and the required transmission line easement from County State Aid Highway 96 pose a risk to the development and may require involvement of the Army and/or National Guard.

Risks: Uncertainty as to Xcel's easement or other rights to run a transmission line on the TCAAP site poses a risk if the line needs to be relocated out of the way of the stadium or 170-acre Development Parcel, or if the line needs to be upgraded. A related risk is the siting of the new substation. The City of Arden Hills opposes the location on County State Aid Highway 96 and has stated the substation needs

The overall project schedule should include the Xcel substation as a line item, and the schedule should determine when in the construction of the stadium that permanent power is required to determine if the substation is a critical path item.

to be located within the development. The duration required to site, design, permit and build a new substation poses a potential schedule risk.

Risk Mitigation: Title work on the TCAAP site would reveal whether there is a utility easement or agreements permitting Xcel to run transmission on the TCAAP site. The transmission line could be located on the boundary survey of the 430 acres to be conveyed to Ramsey County to assess if the line will be impacted by development. The substation will need to be sited early on in the conveyance process as it will need to be conveyed to Xcel Energy through Ramsey County. The overall project schedule should include the Xcel substation as a line item, and the schedule should determine when in the construction of the stadium that permanent power is required to determine if the substation is a critical path item.

Communications

CenturyLink is a provider of voice and data communications to Arden Hills. With relatively minor capital improvements, CenturyLink has the network capacity and infrastructure to provide diverse service to three sides of the stadium and supporting development.

CenturyLink has three fiber optic and conduit duct bank systems in the proposed stadium development area. Capital improvements to the network capacity would include about 3,000 feet of new fiber optic and duct bank system to connect the County State Aid Highway 10 and County Road I infrastructure. The cost of these improvements would likely be CenturyLink's, based on a revenue justification analysis. No PUC involvement is anticipated.

CenturyLink will require a route from the public right-of-way to the customer's building. If street right-of-way and drainage and utility easements are not platted, CenturyLink will need dedicated easements in order to extend their system into the development to serve the customers.

Water, Sanitary Sewer, and Stormwater Utilities

Water

The City of Arden Hills will supply potable water to the development. The City water system has adequate capacity to serve the stadium parcel and the supporting development parcel with domestic water. The City water system may not have adequate capacity and pressure to provide fire flows to all parts of the 430-acre development.

The City of Arden Hills has two 12 inch trunk water mains near the project site. There is a private water main network within TCAAP that will need to be removed. The condition and maintenance of this

water main, valves and hydrants is unknown and therefore should be removed. Removal of this water main would be by the property owner, as required by the proposed construction, and is assumed to be a typical demolition cost for a redevelopment site.

The preference of the City is that a new on-site water main system would be private. The City would retain the right or be granted an easement to exercise and operate the gate valves and hydrants for the purpose of fire protection. A private 12 inch water main loop system or systems will be designed to provide water to the stadium parcel and supporting development parcel. The system will be designed using performance criteria of the City of Arden Hills, the Arden Hills Fire Marshall, and the Lake Johanna Fire Department. It is incumbent on the property owner to design this system and model it to ensure that adequate fire flows are maintained throughout the system. If adequate fire flows cannot be provided, a booster station and water tower may be required to assure that fire flows are available to all portions of the development.

Risk: The only risk for water supply is whether a booster station or water tower will be required to provide adequate fire flows to all portions of the 430-acre development.

Risk Mitigation: This risk can be mitigated by conducting a water modeling study and grading study to determine if a booster station or water tower is required for the development to provide adequate fire flows.

Sanitary Sewer

Both regional wastewater collection and treatment facilities and municipal wastewater pipes serving the TCAAP property have sufficient long-term capacity to handle the additional wastewater flow that the proposed stadium parcel and supporting development parcel would generate. The only risk is the condition of the existing local trunk sewer line that serves the proposed 430-acre development site.

The only risk is the condition of the existing local trunk sewer line that serves the proposed 430-acre development site.

Metropolitan Council Environmental Services (MCES) operates the regional wastewater system. MCES provides wastewater service to the TCAAP site via a lift station (pumping station) and a series of interceptors (large sewer pipes). The lift station serving the TCAAP property and southeast Mounds View has a flow capacity of 5.8 million gallons per day (mgd). The average daily flow pumped at this lift station between 2005 and 2010 ranged from 0.47 mgd to 0.57 mgd. The corresponding allowable peak flow, reached during precipitation events, would be a maximum of just under 2.0 mgd. Therefore, the station's reserve capacity is approximately 3.8 mgd.

MCES's analysis of the proposed stadium development estimates that

Both the lift station and the regional interceptors serving TCAAP and southeast Mounds View have sufficient capacity to accommodate the additional flow from the proposed stadium development.

it would generate a peak flow of approximately 1.8 mgd. Therefore, 2.0 mgd of capacity would remain at the lift station after the development of the stadium site, or about 52.6 percent of the facility's current reserve capacity. Both the lift station and the regional interceptors serving TCAAP and southeast Mounds View have sufficient capacity to accommodate the additional flow from the proposed stadium development.

The MCES lift station that serves the TCAAP site and southeast Mounds View is located approximately one-third mile west of County Road I on County Road H. The City of Mounds View has a 21 inch trunk sanitary sewer that runs to the northeast quadrant of the County Road I and County Road H intersection. The City also has an 18 inch trunk sanitary sewer that continues east, under I-35W and under Rice Creek in a dual inverted siphon, and into the TCAAP site.

In order to determine if this trunk system has capacity for the proposed 260-acre Stadium Parcel and 170-acre Development Parcel, the MCES Industrial Waste group collected existing average daily flow data at three locations in Mounds View. This data, along with projected average daily flow from the stadium and development, can be compared to the average daily flow capacity of the existing 21 inch and 18 inch trunk sewer system.

The stadium sewer demand was estimated based on the number of seats; an estimate of media seating; concessions areas; locker room showers; and office, ticketing, and security areas. The Sewer Availability Charge (SAC) determination for the TCF Stadium was used as a basis for determining an estimated number of SAC units and using a rate of 220 gallons per day (gpd) per SAC unit. The estimate average daily demand for the stadium is 200,000 gpd.

As noted elsewhere, an estimated land use was determined using one-third the development proposed by the RRLDP proposal. An estimate was made for the amount of residential units, office, office/warehouse, retail, restaurants and hotel. The estimated average daily demand for the supporting development is 330,000 gpd. The total sanitary sewer average daily demand for the 430 acres is estimated at 530,000 gpd.

This proposed average daily demand was added to the existing average daily flow data for the 21 inch and 18 inch trunk sanitary sewer and analyzed. The existing 21 inch and 18 inch trunk sanitary sewer system has capacity for the existing and projected average daily flows. The proposed peak demand was added to the existing peak flow data for the 21 inch and 18 inch trunk sanitary sewer and analyzed. The existing 21 inch and 18 inch trunk sanitary sewer system has capacity for the existing and projected peak flows.

The City of Mounds View has a flow meter in the 18 inch trunk sanitary sewer that measures flows coming into the City. The City will require an Intercommunity Flow Agreement (a joint powers agreement) with the City of Arden Hills that permits the conveyance of Arden Hills flow through the Mounds View trunk sanitary sewer system to the MCES lift station. The agreement will need to address maintenance, maintenance limits and fees.

The preference of Arden Hills is that all new on-site sanitary sewer systems would be privately built and maintained. The extent of the existing 18 inch trunk sanitary sewer that will remain and not be removed will depend on the development plan. All other sanitary sewer trunk or laterals will either be abandoned or removed; this is assumed to be a typical demolition cost for a redevelopment site.

The City of Arden Hills will collect the SAC charges for the stadium and the proposed development. The MCES will make a SAC determination, with the number of SAC units estimated at about 820. There are approximately 90 SAC credits associated with two buildings located within the 430-acre site. These credits are based on previous Industrial Waste Division permits. Some of these credits expire in 2013 and others in 2014. MCES has a process that could extend the availability of these credits for an additional 10 years provided that a request is submitted to the MCES prior to the credits expiring.

Risk: The only minor risk for sanitary sewer is the physical condition of the existing 18 inch trunk sanitary sewer. Remaining questions include: What is the condition of this trunk sanitary sewer after years of no use and questionable maintenance, especially the dual inverted siphon under Rice Creek? Will there be unforeseen costs to restore this trunk sanitary sewer?

Risk Mitigation: This risk can be identified by conducting a flushing and televised inspection of the 18 inch trunk sewer, particularly in the invert siphon under Rice Creek. The inspection would be east of the Mounds View border. The City of Mounds View has been inspecting the trunk sewer within the City. The inspection would also include all manholes.

This risk can be identified by conducting a flushing and televised inspection of the 18 inch trunk sewer, particularly in the invert siphon under Rice Creek.

Stormwater

Stormwater will be managed on-site, maintaining the current drainage patterns and utilizing the current outfalls to Rice Creek and Round Lake. The site will require compliance with Rice Creek Watershed District (RCWD) rules for water quality, volume control, runoff control and erosion control. Infiltration as a best

An overall stormwater management plan and phasing plan will be required as part of the RCWD permit and as part of the environmental entitlement process.

management practice BMP for volume reduction may pose a challenge due to contaminated soils.

There is an existing on-site storm system, ranging in size from 15 inch to 72 inch. Roughly two-thirds of the site currently drains to the north to Rice Creek, which is a DNR Protected Water. There are three outfalls to Rice Creek: a 36, a 42, and a 72 inch outfall. The remainder of the site drains to the south to a 60 inch storm sewer that drains to Round Lake. No stormwater management systems currently exist on-site, and a large portion of the site is impervious. Based on these existing conditions, and the RCWD rules that will apply to the redevelopment, it is unlikely that additional outfalls will be required. Removal of existing storm sewer on-site, as required by the proposed construction, is assumed to be a typical demolition cost for a redevelopment site. The extent of removals will depend on the site development plans.

The proposed on-site storm sewer system will be private. It will be privately designed, built and maintained. As noted in the Rice Creek Watershed District section, an overall stormwater management plan and phasing plan will be required as part of the RCWD permit and as part of the environmental entitlement process. The stormwater management plan and model will need to define the systems that will need to be implemented to meet the RCWD's rules for water quality, volume control and runoff control. The stormwater model will size the on-site storm sewer infrastructure required to convey runoff to the stormwater management systems.

Risk: The only minor risk for stormwater is if an additional outfall to either Rice Creek or Round Lake is required.

Risk Mitigation: The scope of this study did not include stormwater modeling. Once a site development plan is developed, project phasing is understood, a geotechnical investigations program is completed, and the Phase 2 Environment Site Assessment determines the extent of impacted soil and groundwater that would dictate stormwater BMPs, then a stormwater management model can be developed that would determine the adequacy of the current outfalls.

Rice Creek Watershed District

The Rice Creek Watershed District⁵⁶(RCWD) will require a permit for the stadium parcel and supporting development parcel. RCWD rules require water quality, volume control, and runoff controls on-site. Infiltration as a volume reduction BMP may be limited on this site

⁵⁶ RCWD is a political subdivision of the State of Minnesota, established under the Minnesota Watershed Law. The RCWD is also a watershed management organization as defined under the Minnesota Metropolitan Surface Water Act.

due to environmental contamination and the groundwater treatment system. Meeting the volume reduction on-site may pose a risk. Being able to develop an overall, phased stormwater management plan for the entire 430 acres may be a risk due to lack of specificity and location of the supporting development.

The proposed project must not adversely affect the water level of Rice Creek, and to a lesser degree Round Lake, during or after construction.⁵⁷ Lower Rice Creek has a history of flash flooding. The RCWD is updating the model of Rice Creek;⁵⁸ this modeling will be completed by the end of the year and can be utilized to analyze this potential impact.

RCWD Rule C.5 defines the water quality and volume control requirements. The RCWD promotes the use of the Better Site Design techniques outlined in Chapter 4 of the Minnesota Stormwater Manual. These techniques are applied early in the site design process to reduce impervious cover, conserve natural areas and use pervious areas more effectively to treat stormwater runoff and promote a treatment train approach to stormwater management.

RCWD Rule C.5(b) requires that BMPs be sized to retain or infiltrate the runoff volume generated within the contributing area by a two-year (2.8-inch) storm event from the net increase in impervious area and a 0.8-inch storm event for the existing impervious area. BMPs shall be selected based on site specific conditions. Infiltration to reduce runoff volume may be limited on this site due to environmental contamination and the groundwater treatment system for the deep contaminant plume. If infiltration is not feasible, RCWD has chosen bio-filtration as the preferred alternative method of treatment, although it has a limited impact on volume reduction. Other BMPs that should be considered, in order of preference, would be filtration, extended detention ponds, and Nationwide Urban Runoff Program (NURP) ponds. The later BMPs could be consumptive of land area. The RCWD has an alternative compliance sequencing process. The RCWD stressed the desire to meet the RCWD requirements on-site.

RCWD Rule C.6 addresses peak stormwater runoff control. Stormwater runoff rates for the project at the site boundary in aggregate must not exceed the existing runoff rates for the critical two-year and 100-year (24-hour rainfall and 10-day snowmelt) event. The RCWD has expressed the requirement, as described in Rule C.3, for an overall stormwater management plan, stormwater model, and

The proposed project must not adversely affect the water level of Rice Creek, and to a lesser degree Round Lake, during or after construction.

⁵⁷ Rice Creek Watershed District Rules, dated Feb.13, 2008, Rule C.4(c).

⁵⁸ The modeling will use EPA SWMM and HEC-RAS.

phasing plan as part of the RCWD permit and as part of the environmental entitlement process. The stormwater management plan and model will define the systems that will need to be implemented to meet the RCWD's rules for water quality, volume control, and runoff rate control for the entire 430 acres. The phasing plan will show how the RCWD's rules are being met at all stages of development and where.

RCWD Rule D addresses erosion and sediment control for the development. The RCWD rules and MPCA NPDES permit requirements will be required for this development.

Three relatively small wetlands are identified on the NWI mapping. Additional site investigation will be required to determine if additional wetlands exist on the site and to determine the quality of the existing wetlands. RCWD Rule F applies to wetland alterations. The RCWD is the RGU with regard to the application of the Wetland Conservation Act. RCWD would like to see any impacts to existing wetlands mitigated on-site. Wetland alterations will be addressed in the combined RCWD permit.

Review of FIRM Map 27123C0010G, indicated that a small portion of the site is subject to inundation by a one percent chance flood. RCWD Rule E applies to floodplain alterations. The RCWD is completing a new floodplain map of the lower Rice Creek that will be completed by the end of 2011. Depending on the development of the site plan and the changes to RCWD floodplain map, compensatory storage and a FEMA Letter of Map Revision may be required. Floodplain alterations will be addressed in the combined RCWD permit.

Risk: The risk for stormwater management is the ability to meet the volume reduction rules on-site and in a phased approach consistent with the phased development, as well as the effort and time to coordinate and obtain the RCWD approval and permit.

Risk Mitigation: The scope of this study did not include stormwater modeling. A stormwater management model can be developed to assess this risk and determine alternative methods to meet the RCWD rules on-site when:

- A site development plan is created
- Project phasing is understood
- A geotechnical investigations program is completed AND
- Phase 2 Environment Site Assessment determines the extent of impacted soil and groundwater that would dictate stormwater

The risk for stormwater management is the ability to meet the volume reduction rules on-site and in a phased approach consistent with the phased development, as well as the effort and time to coordinate and obtain the RCWD approval and permit.

BMPs.

Meeting with the RCWD during the development of the site plan and incorporating Better Site Design techniques will mitigate the potential for a protracted permitting process.

Soils and Foundations

It is expected that some soil correction will be needed in the stadium area. Soil corrections would consist of removing approximately 10 feet of existing soils and import of new engineered fill.

Existing topographic information indicates that a large amount of earthwork will be needed across the 260-acre Stadium Parcel to accommodate the proposed stadium use. The southeast side of the site is significantly higher than the rest of the site. It is assumed that the majority of onsite earthwork should balance on site.

Existing soils used to balance the site are susceptible to frost heave. It is assumed that a 12 inch sand subbase would be required for all parking lot pavement.

Noise

Operation of the proposed Minnesota Vikings Stadium would result in a periodic and short-term increase in the ambient noise level. The increase in noise at any given location would depend on the type of activity, the type of stadium roof, the distance between the Stadium and the receptor, the effects of intervening structures and topography, and the ambient noise level at the receptor.

In general, noise increases would primarily be experienced close to the Stadium. For example, noise from tailgating or other outdoor activity may be audible at the closest receptors, such as the Arden Manor manufactured-home park to the west. Noise from events held within a completely enclosed stadium or a stadium with a closed retractable roof would not be expected to be audible at offsite receptors. Stadium traffic would also increase noise along the access roads. As a rule-of-thumb, a doubling of traffic along a road would increase traffic noise by approximately 3 decibels. Sound level variations of less than 3 decibels are not detectable by the typical human ear.

Noise from tailgating or other outdoor activity may be audible at the closest receptors, such as the Arden Manor manufactured-home park to the west.

Noise Mitigation

Minnesota Rules, Section 7030.0040, establishes noise standards for various land uses. The limits are applicable at the property line of the receiving land use. Significant noise impacts would not occur from the stadium site if the stadium was designed and operated in such a manner as to meet the requirements of the Minnesota Rules.

On the other hand, traffic generated by the stadium could exceed state noise standards or result in noise impacts due to a doubling of traffic or by simply adding to traffic on roads that may already exceed state standards. In a Sept. 12, 2011 resolution, the City of Mounds View noted that traffic noise on US 10 and I-35W will increase as a result of the stadium project, and that MnDOT needs to erect a soundwall (noise barrier) sufficient to protect the health, safety and well-being of Mounds View residents. Effective mitigation measures are unique for each situation. The physical techniques to mitigate noise vary in their noise reduction capabilities. Factors to consider when evaluating potential noise mitigation include: the amount of noise reduction desired, situations where physical techniques would be most effective, and aesthetics. The following measures can be used to mitigate noise impacts:

- Increase the distance from the noise source to the receptor by locating areas where outdoor noise may be generated as far from the western property line as possible.
- Arrange the site plan to use the stadium or other buildings or structures between noise sources and the west property line.
- Place non-noise-generating uses closest to the west property line.
- Calibrate the public address system to comply with the Minnesota Rules.
- Noise barriers are commonly used to mitigate noise from ground transportation and commercial and recreational noise sources. To be effective, a noise barrier must break the direct line-of-sight between source and receiver.

There could be substantial measures required by the Stadium Proposal project to mitigate potential noise impacts.

Risks: There could be substantial measures required by the Stadium Proposal project to mitigate potential noise impacts. The level of noise generated by the proposed stadium that will be heard off-site will be dependent on the location of the stadium, access drives, parking lots, tailgating facilities, and orientation of the public address system. Given that these details are not defined at this time, the actual impact from noise cannot be evaluated and therefore the specific mitigation measures needed remain undefined. A comprehensive noise study will be required as part of the environmental reviews of the stadium and off-site road improvements.

Risk Mitigation: Details of the project design and the resulting noise impacts need to be evaluated to quantify the risk associated with noise mitigation for the project. Noise mitigation risk associated with

the proposed transportation improvements projects is addressed in the Transportation Cost Risk section of this report.

Public Safety

The Ramsey County Sheriff's Office (RCSO) provides police services to the City of Arden Hills. Lake Johanna Fire Department provides fire service to the City of Arden Hills. The stadium and supporting development may draw game-day and non-game-day public safety resources and equipment away from other communities that rely on these services. Additional resources and/or equipment may be needed to provide adequate public safety.

The RCSO provides police services to Arden Hills and six other Ramsey County communities. Although the Vikings will provide routine security for game-day events, RCSO may be required to respond to unanticipated situations, thus drawing resources away from these other communities. RCSO police service will likely need to expand into a 430 acre area currently under federal jurisdiction.

Lake Johanna Fire Department provides fire service to Arden Hills, North Oaks, and Shoreview. A stadium facility may require specific firefighting equipment, training, and staffing levels that are not currently being provided.

Risk: The stadium and supporting development will draw game-day and non-game-day public safety resources and equipment away from other communities that rely on these services. Additional resources and/or equipment may be needed to provide adequate public safety.

Risk Mitigation: Determine what, if any, additional resources or equipment are required to provide adequate public safety to the stadium, supporting development, and surrounding communities for both game-day and non-game-day scenarios and determine the parties responsible for providing and funding these resources.

Permitting and Approvals

The federal, state, and local permits expected for the Stadium development and related roadway improvements are listed in Appendix L.⁵⁹ Those that are expected to pose potential risks to the project schedule are discussed here, except for the EPA, which is addressed in the Environmental Remediation section.

The stadium and supporting development will draw game-day and non-game-day public safety resources and equipment away from other communities that rely on these services. Additional resources and/or equipment may be needed to provide adequate public safety.

⁵⁹ Appendix O. Table A. Required Permits and Approvals. Sept. 26, 2011.

The highest risk to obtaining timely approvals could be for the federal EA approval because it has potentially the longest timeframe, and a finding of no significant impact (FONSI) is required prior to obtaining other approvals at the federal level (interstate access modification request).

Federal Approvals and Permits

The federal and state approvals described below are generally not high-risk processes. The greatest risk associated with all of these permits/approvals is related to schedule, which is dependent on the completeness of applications submitted, the project's compliance with required regulations and the availability of respective agency staff to conduct reviews. The highest risk to obtaining timely approvals could be for the federal EA approval because it has potentially the longest timeframe, and a finding of no significant impact (FONSI) is required prior to obtaining other approvals at the federal level (interstate access modification request).

Army Corps of Engineers

Generally the amount of wetland on the site is low, resulting in only a small amount of wetland that could be impacted for the stadium or future development. There is, however, the need to cross Rice Creek with the improvements to County Road H, which will require a Section 404 permit review. A typical review process for impacts less than two acres is less than 90 days, however, the complexities of this project related to contamination, water quality, and concurrent reviews by the DNR and RCWD could extend the permit review period. This can be mitigated through consistent coordination with all of the wetland review agencies and minimizing the wetland impacts associated with the project and related road improvements. Separate permits would be needed for each proposer with wetland impacts.

Environmental Protection Agency

See Environmental Remediation Section

Department of the Interior (DOI)

The DOI has a deed restriction over the Rice Creek North Regional Trail/Park and is required to be notified through the National Park Service (NPS) of any changes proposed to land within the park. An easement for the extension of County Road H was discussed at one time but it is unknown whether a site for the road crossing through this area was ever recorded. Therefore, there is potential that the DOI review could result in design changes, but it is expected that it would not deny access across the property based on prior planning discussions. Risk can be mitigated with early coordination with the DOI.

U.S. Fish and Wildlife Service

The U.S. Fish and Wildlife Service has responsibility for the area of and around Round Lake. It is not expected that it will have any direct authority over the stadium site. However, it may be indirectly involved in review of the federal environmental review document for the interstate road improvements and the state EIS for the stadium.

Its concerns are expected to be related to groundwater contamination and effects on Round Lake. Endangered species is not expected to be a concern.

Federal Highway Administration (FHWA)

The improvements needed to the Interstate System for the stadium will need to be evaluated under a federal EA that requires FHWA approval or a finding of no significant impact (FONSI). MnDOT would be the local authority responsible for preparing the EA and implementing the necessary mitigation measures defined in the EA. The minimum timeframe for an EA to be prepared and reviewed is typically 12 months. This timeline expands based on level of controversy, public/agency input, and agency staff availability. The timeline to obtain the FONSI can be a critical path since the FONSI is required prior to submittal of the interstate access request.

Interstate Access Request (IAR)

New or modified access to the Interstate System requires interstate access approval by FHWA. This process includes an engineering and operational analysis for joint review by MnDOT and FHWA. The MnDOT Highway Project Development Program Handbook suggest that the following topics be addressed in the IAR:

- Introduction and Purpose
- Regional Traffic Needs
- Reasonable Alternatives
- Operational Analysis
- Access Connections and Design
- Transportation Land-Use Plans
- Request Coordination

The FHWA Minnesota Division Memorandum dated August 2003 titled “Guidance for the Preparation of a FHWA Interstate Access Request” also must be followed. We understand that FHWA approval cannot occur until the appropriate environmental evaluations are completed. Therefore, this permit review must be coordinated with the environmental assessment process. The IAR approval process for access modifications typically requires eight weeks after the draft engineering and operational analysis is completed but can take longer; this analysis may occur concurrent with the environmental process, with the review occurring after the EA finding of no significant impact.

Given the level of contamination on site, there is moderate risk for this review to take longer than a typical project. As a result, special mitigation measures to protect water quality can be expected to be required for site construction.

State Approvals and Permits

Minnesota Pollution Control Agency (MPCA)

MPCA is responsible for water quality certification (Section 401 of the Clean Water Act). This review occurs concurrently with the Army Corps Section 404 permit review and is not expected to be a high-risk approval; however, given the level of contamination on site, there is moderate risk for this review to take longer than a typical project. As a result, special mitigation measures to protect water quality can be expected to be required for site construction. (See Environmental Remediation section for contamination-related approvals.)

Minnesota Department of Transportation (MnDOT)

MnDOT will make the Interstate Access Request (IAR) needed to implement the proposed interstate improvements. MnDOT will also be the lead agency in preparing the EA for FHWA approval that is needed to obtain the IAR approval. MnDOT may also need to relinquish their RGU authority to Ramsey County for any state environmental review requirements in order to streamline the state environmental review in one document prepared by Ramsey County for the stadium and related non-federal roadway improvements. See Environmental Review section.

Risks: The federal and state approvals described above are generally not high-risk processes. The greatest risk associated with all of these permits/approvals is related to schedule, which is dependent on the availability of respective agency staff to conduct reviews, the completeness of applications submitted, and compliance with required regulations. The highest risk approval could be the federal EA approval because it has potentially the longest timeframe, and the FONSI is required prior to obtaining the IAR.

Risk Mitigation: Coordination with the multiple agencies involved in the project permits/approvals will be important to minimizing the risk of delays to the overall schedule.

Regional Approvals and Permits

The regional permits and approvals expected for the stadium development and related roadway improvements are listed in Appendix L. Those that are expected to pose potential risks to the project schedule are discussed here. A Metropolitan Significance Review poses a large schedule risk to the project, but could be mitigated through legislative action. Metropolitan Council approval of comprehensive plan amendments pose a lesser risk to the schedule due to the controversial and complex nature of the project, but these risks are minor in comparison.

Metropolitan Significance Review

Minnesota Statutes, section 473.173 allows for, but does not mandate

the Metropolitan Council to review “all proposed matters of metropolitan significance to be undertaken by any private organization, independent commission, board or agency, local governmental unit, or any state agency in accordance with the rules adopted pursuant to this section and the provisions of any other relevant statute.” This review would consider the impact the proposal will have on the orderly and economical development of the metropolitan area, the relation the proposal will have to the Metropolitan Development Guide and its systems policy plans, the impacts on the land-use controls of municipal governments, and to arrive at consensus on the issues.

The Chair of the Metropolitan Council may make a preliminary finding of metropolitan significance, issuing an order for commencement of review within 10 days of receiving the request for review. The Metropolitan Council must complete the review within 90 days following commencement unless the review is suspended or extended in accordance with laws and rules. The Council may suspend action on the proposal for up to 12 months or may impose conditions or modifications on a project to eliminate a finding of metropolitan significance.

Risks: A request could be made and the Chair of the Metropolitan Council could commence the metropolitan significance review process. Should this occur, the process could delay the schedule by up to 12 months. There is also the risk that the Council imposes modifications or conditions on the project that would eliminate the determination of metropolitan significance. However, those modifications to the project are difficult to define given the level of detail currently known about the ultimate stadium development plan, but also could result in risks to the project costs and the project schedule.

Risk Mitigation: A Metropolitan Significance Review may be initiated at the option of the Chair of the Council or if requested by an eligible party such as an affected local government. The Legislature could take action to exempt this project from metropolitan significance review under Minnesota Statutes, section 473.173.

The Legislature could take action to exempt this project from metropolitan significance review under Minnesota Statutes, section 473.173.

Comprehensive Plan Amendments

To ensure orderly development and coordination between local municipalities and regional systems, communities in the seven-county Twin Cities metropolitan area are required to prepare and submit local comprehensive plans to the Metropolitan Council for review.⁶⁰ The required comprehensive plan amendments for the City of

⁶⁰ Minnesota Statutes 2010, section 473.864, subdivision 1 and 2.

Arden Hills pose a small risk to the project schedule. While the majority of the time spent preparing the amendment would be at the local level with the city's public hearing process, any public controversy could be elevated to the Metropolitan Council review process and cause delays to the project schedule beyond 120 days.

Arden Hills

Based on previous community planning processes for the TCAAP site, the city incorporated broad land use designations, which are considered preliminary and general, for this site into their Comprehensive Plan Update, adopted by the city on Sept. 28, 2009.⁶¹ The City has guided land within the proposed stadium development area as Mixed Business (along the I-35W/Highway 10 corridor), and Mixed Residential (just to the east of the Mixed Business area). It is expected that these two land-use designations may be modified pending the outcome of a development scenario for the property and a master developer coming forward with a development proposal. In July 2010, the City adopted zoning regulations to implement the Mixed Business and Mixed Residential Districts on the TCAAP site, consistent with its Comprehensive Plan Update.

The city will submit a comprehensive plan amendment to the Council for review when it receives and considers a development proposal for TCAAP.

As discussed in the Comprehensive Plan Update, the city will submit a comprehensive plan amendment to the Council for review when it receives and considers a development proposal for TCAAP. Given the staged nature of the development of entire Stadium Proposal site, it is expected that the city's comprehensive plan would first be amended to reflect the delineation of and guiding for the 260-acre Stadium Development, with a separate amendment process once master planning and guiding for the 170-acre Development Parcel have been completed.

The Council review process is typically completed within 60 calendar days upon determination that the application is complete for review, with an additional 60 days if needed. The Council may extend the review period beyond 120 days if agreed to by the municipality.

Risks: Any issues raised at the local level could be elevated to the Metropolitan Council review process and cause delays to the typical review and potentially to the proposed project schedule.

Risk Mitigation: Coordination with the Metropolitan Council and other agencies involved in the project permits/approvals will be important to minimizing the risk in delays to the overall schedule.

⁶¹ The Metropolitan Council reviewed and approved the Arden Hills Comprehensive Plan Update at the regularly scheduled meeting on Aug. 12, 2009. Business Item 2009-240, Review File No. 20476-1.2.

Mounds View

Because Mounds View will be providing wastewater services to the TCAAP site, the City's Tier II Sanitary Sewer Plan of its Comprehensive Plan⁶² will need to be amended. The current plan does not reflect service or plans for service to the TCAAP site. In conjunction with the development of the intercommunity flow agreement with the City of Arden Hills for service to the project site, the City of Mounds View will also need to update sewer flow projections in its Tier II Sanitary Sewer Plan.

Local Approvals and Permits

The development of the 430-acre stadium site will require a number of local permits and approvals from several municipalities, the Rice Creek Watershed District and Ramsey County, including building permits, erosion and sediment control approvals, rezoning approvals, a master plan amendment, a joint powers agreement and comprehensive plan amendments, among others. The local permits and approvals expected for the stadium development and related roadway improvements are listed in Appendix L. Those that are expected to pose potential risks to project schedule are discussed here.

Schedule

Many of the permits required for the proposed stadium and related road improvements follow routine review processes and are not critical to the timeline for the project. However, there are a number of approvals that can dictate the project schedule. Specifically, the federal interstate access modification request must follow after the FONSI is issued on the federal EA, since final design of the improvements cannot be approved until after the FONSI and design details are required for the IAR. Municipal consent is another potentially lengthy process (if appealed) that would occur after the environmental document approvals and final design review process for the state and county road improvements.

However, there are a number of approvals that can dictate the project schedule.

Municipal Consent

Minnesota Statutes, section 161.163 states that municipal approval is required for any trunk highway project that alters access, increases or reduces highway traffic capacity, or requires acquisition of permanent rights-of-way. This would apply to any changes proposed to I-35W, I-694 or US 10 to serve the proposed stadium site. The proposed off-site roadway improvements may require municipal consent from the following municipalities depending on the final design plans: Arden Hills, New Brighton, Mounds View, Blaine and Shoreview.

⁶² The Metropolitan Council reviewed and approved the City of Mounds View 2030 Comprehensive Plan Update on Dec. 9, 2009 (Business Item 2009-414, Review File No. 20553-1).

The municipal consent statute applies to changes on “any route on the trunk highway system lying within any municipality.”

To obtain municipal consent, MnDOT submits the final layout to the affected city(s) with a letter requesting city approval. The city must schedule and hold a public hearing within 60 days of receiving the MnDOT submittal, and pass a resolution approving or disapproving the project within 90 days of the public hearing. If the city has not passed a resolution disapproving the layout after 90 days from the date of the public hearing, the layout is deemed approved.

The municipal consent statute applies to changes on “any route on the trunk highway system lying within any municipality.” If a trunk highway borders a city and no section of the trunk highway is completely within the city limits, municipal consent is still required for any of the designated changes (access, capacity, or right-of-way) that do occur within that city (example: I-35W borders both Mounds View and Arden Hills). The city’s review – with regard to layout approval – is limited to the project elements in the final layout that are within the boundaries of that city. A city cannot impose a condition on its approval that is outside of the city’s boundaries. If a city disapproves the final layout, MnDOT can stop the project (or scale it back so that municipal consent is no longer required), or MnDOT can take the project to the appeal process.

If the city disapproves – but includes conditions for approval, MnDOT has the above options plus the option of meeting the city’s conditions, and thus obtaining the city’s approval. To do this, MnDOT sends the city a letter to that effect with the revised layout attached, showing the changes. This completes the municipal consent process; MnDOT then has the city’s approval. (Sending the letter and revised layout is not a resubmittal for further consideration by the city).

The appeal process is the same for interstate and non-interstate projects. However, the Commissioner of Transportation is not bound by the recommendations of the appeal board with respect to interstate highways, such as I-35W and I-694.

If MnDOT decides to proceed with the appeal process, the first step is to establish an Appeal Board of three members: one member appointed by the Commissioner, one member appointed by the City Council, and a third member agreed upon by both the Commissioner and the City Council. (If a third member cannot be agreed upon, the Commissioner refers the selection to the Chief Justice of the Supreme Court, who then has 14 days to appoint the third member.)

After the Appeal Board is established, the Commissioner refers the final layout to the board. The Appeal Board then has 30 days to hold a hearing at which the Commissioner and the City Council may present their case for or against approval of the layout. Within 60 days after the hearing, the Appeal Board must make its

recommendation regarding the final layout. The recommendation can be for approval, approval with modifications, or disapproval. The board can also make additional recommendations consistent with state and federal requirements as it deems appropriate. The board must submit a written report with its findings and recommendations to the Commissioner and the City Council. Minnesota Statutes section 162 contains similar provisions, without deadlines, requiring municipal approval for construction or reconstruction of a county state aid highway lying within the corporate limits of any city. A dispute resolution board is also outlined for county roads. This process would apply to Ramsey County State Aid Highways 10, 50, 51, 96, and County Roads H and I.

Risk: Municipal consent from Arden Hills, New Brighton, Mounds View, Blaine and Shoreview will be needed. The municipal consent process does pose schedule risk in the event that one or more cities deny municipal consent. When municipal consent has been denied and the appeal process has been invoked, the time between original layout submittal and final Commissioner action has ranged from 7 to 12 months. The determination has been that MnDOT may not proceed to bid opening without municipal consent resolution. Municipal consent does not pose a high risk to project cost.

Risk Mitigation: In order to meet an August 2015 opening date for the stadium, the design-build (DB) construction delivery method for trunk highway improvements is proposed. This method allows construction activity to begin earlier because all roadway construction plans do not have to be finished when the contract is awarded. The proposed DB contract would include all projects that are on or over I-964 and I-35W into one contract. The advantages are streamlined project coordination and reduced construction timeline. Overall construction activity duration of two years can be achieved. A Maintenance of Traffic plan would manage regional roadway operations and local accesses throughout the duration of construction. Key activities, duration and schedule are as follows:

Table 4: Duration of Key Activities

Activity	Duration	Start	Finish
Environmental Assessment	12 months	11/2011	10/2012
Project Layouts	8 months	11/2011	6/2012
Right of Way	14 months	1/2012	2/2013
DB Procurement	7 months	7/2012	1/2013
Design	12 months	2/2013	1/2014
Construction	29 months	4/2013	8/2015

To mitigate schedule risk related to municipal consent, the layout should be submitted to the cities in March of 2012. Five months is the maximum time allowed for cities to issue or deny municipal consent, so in August of 2012 it will be known if the overall DB contract schedule needs to be shortened. If municipal consent is denied by any city, bid opening (and subsequent activity start dates) should be delayed approximately two months from the schedule above, or from approximately December of 2012 to February of 2013. In the event municipal consent is denied by one or more cities, steps to reduce time for appeal board and project award activities should be taken to reduce the delay imposed on the schedule above.

Arden Hills

The City of Arden Hills has clarified its position regarding transportation improvements, land-use approvals and public infrastructure/utility improvements.⁶³ Among the permits and approvals required from the City of Arden Hills, those that pose the most risk to the proposed project schedule are the land-use permits and the comprehensive plan amendments. The master planning process and public meetings involved in the land-use permitting schedule pose a significant undefined time risk to the proposed project schedule. There is also the risk that the city, if local zoning authority is retained, could deny the necessary zoning approvals for the stadium.

The stadium portion of the development is expected to occur before planning for the 170-acre portion of the stadium site has been completed. With this staging of development, the city's zoning and comprehensive plan will need to be amended to accurately reflect the 260-acre boundaries for the stadium site.

The stadium portion of the development is expected to occur before planning for the 170-acre portion of the stadium site has been completed. With this staging of development, the city's zoning and comprehensive plan will need to be amended to accurately reflect the 260-acre boundaries for the stadium site. The city's current zoning and comprehensive plan show generalized boundaries based on previous planning efforts, but may not reflect the actual siting of the proposed stadium. The project proposers will need to apply for both a zoning amendment and a comprehensive plan amendment, which can be done concurrently. Once the stadium application is complete for review, the city will schedule the public hearings required for the Arden Hills Planning Commission and Arden Hills City Council review.

Per statutory requirements for land-use approvals,⁶⁴ the city is required to act upon a complete application within 60 days, which the City may extend an additional 60 days pursuant to that statute. Once the city has granted approval to the comprehensive plan amendment, the city then submits the proposed amendment to the Metropolitan Council for review and approval. (The Metropolitan Council process is further detailed in the Regional Permitting and Approvals section of this report.)

⁶³ Appendix P. Arden Hills Memorandum. Sept. 23, 2011.

⁶⁴ Minnesota Statutes, section 15.99, subdivision 2.

As indicated by the Vikings in their Sept. 14, 2011 letter to the Metropolitan Council⁶⁵, development plans for the 170-acre Development Parcel of the Stadium Proposal site have not yet been drawn up. The Arden Hills Zoning Code (Section 1320.135) applies “Special Requirements of the Mixed Residential and Mixed Business Districts,” which encompass the Stadium Proposal site. The Zoning Code specifically requires a master plan be prepared pursuant to the planned unit development (PUD) procedures outlined within that section of the Code, which include the preparation and approval of a concept plan, a master plan, a final PUD plan, and a public engagement and information plan, along with a number of public hearings and community meetings, as needed.

The Master PUD process timeline is highly variable and dependent on a number of factors to assemble a complete application. With the previous RRLDP development proposal, the process lasted about 18 months, but did not go through the complete process. Once the applicant has fulfilled the process and application requirements and is deemed to have a complete application for review, the standard 60-day review deadline applies, with the city having the ability to extend the review period an additional 60 days if needed. Once this city has granted approval to the land-use comprehensive plan amendments and master PUD, the city then submits the proposed amendments to the Metropolitan Council for review and approval, as detailed in the Regional Permitting and Approvals section of this report.

The Master PUD process timeline is highly variable and dependent on a number of factors to assemble a complete application.

Risks: The master planning process could take about two years to complete with the level of market study and public meetings involved. If the 260-acre Stadium Parcel is to be included in that process, this could lead to delays in the proposed stadium construction schedule. Local zoning approvals for the stadium development could be denied by the city or delay the proposed schedule to accommodate public involvement in the process.

Risk Mitigation: The master planning and development of the 170-acre Development Parcel could be completed separately from the development of the stadium parcel under the city’s current zoning ordinances. Action by the Legislature could remove the city’s zoning approval authority from the stadium development.

⁶⁵ Appendix B. Letter to Pat Born (Metropolitan Council) from Mark Wilf (Minnesota Vikings). Sept. 14, 2011.

SCHEDULE

This section provides an assessment of the potential schedule risk associated with delivery of a stadium development. This section identifies schedule risk around environmental, remediation, land transfer, transportation and permitting tasks. See the appropriate report section for schedule assumptions.

Vikings Proposed Schedule

The Vikings provided a proposed project delivery schedule.⁶⁶ The Vikings schedule assumes a three-party agreement (Ramsey County/Vikings/State of Minnesota) by October 2011 and a stadium open for use at the start of the 2015 NFL season. The Vikings proposed schedule is 48 months. For reference, Target Field took 45 months to construct. The Vikings provided an estimate of increased construction cost due to delaying the construction completion date beyond the beginning of the 2015 NFL season.⁶⁷

Estimated Project Development Durations

The following table compares the duration of some key project development phases with the estimated minimum and maximum durations

Table 5: Duration of Key Development Phases			
PROJECT ACTIVITY	VIKINGS	ESTIMATED DURATION MINIMUM	ESTIMATED DURATION MAXIMUM
Site Acquisition	12 months	12 months	24 months
Environmental Remediation	12 months	10 months	23 months
Environmental Impact Studies	14 months	12 months	18 months

The typical schedule for review and approval of permits is tabulated in Appendix M: Required Permits and Approvals.⁶⁸

MnDOT has estimated a design build approach to deliver the off-site transportation improvements that illustrates construction completion by August 2015.

⁶⁶ Appendix D. Minnesota Vikings Stadium Project Preliminary Schedule. Sept. 14, 2011.

⁶⁷ Appendix R. Mortenson Multi-Purpose Stadium Delay Delta Costs. August 30, 2011.

⁶⁸ Appendix O. Required Permits and Approvals. Sept. 26, 2011.

Risk: The Vikings proposed project schedule appears to be based on some critical path project development durations that are at or near estimated minimum durations. Some of the critical path project activities are primarily within the Vikings' control to achieve their proposed schedule, like construction duration for on-site improvements. However, a majority of these critical path activities are not completely within the Vikings' control, like the site acquisition and environmental remediation. Scenarios could occur that would delay the stadium opening beyond the beginning of the 2015 NFL season.

Risk Mitigation: Early coordination with all stakeholders and affected agencies, in addition to the risk mitigation strategies listed in other sections of this report.

The Vikings proposed project schedule appears to be based on some critical path project development durations that are at or near estimated minimum durations.

FINANCIAL ANALYSIS

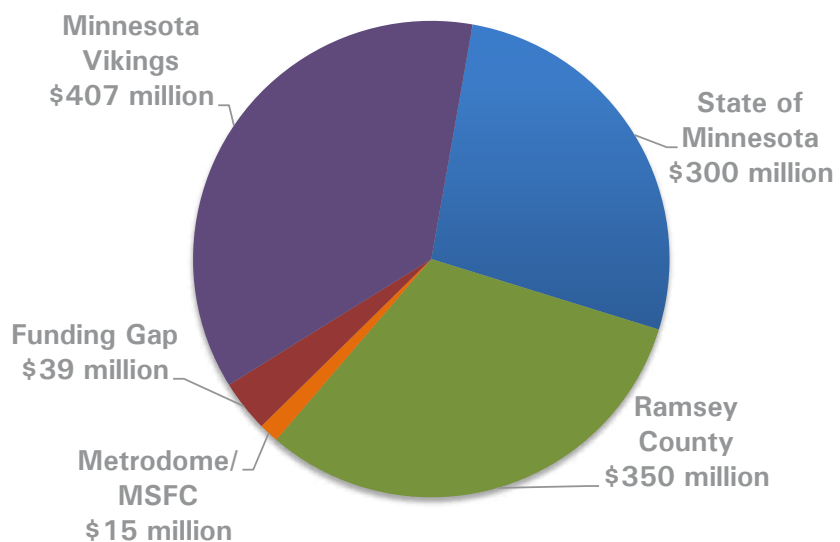
Funding Sources

The financing plan in the May 10, 2011 Agreement relies on three principal funding sources: (1) a \$407 million contribution from the Minnesota Vikings, (2) a \$300 million contribution from the State of Minnesota, and (3) a \$350 million contribution from Ramsey County as the local sponsor. The plan also assumes use of \$15 million from combined Metrodome land sale proceeds and reserve balances of the Metropolitan Sports Facilities Commission (MSFC), resulting in a total public contribution of \$665 million. The public contribution represents 62 percent of the estimated project cost of \$1.072 billion.

This funding gap and the use of Metrodome proceeds are the subject of ongoing negotiations between the State of Minnesota, Ramsey County and the Minnesota Vikings.

Negotiations subsequent to the May Agreement have revised the estimated total project costs to \$1.111 billion by including the net \$101 million in off-site transportation infrastructure needed to accommodate stadium-event traffic and by including a fixed, rather than retractable, roof. It is assumed the funding contributions of the State and Ramsey County will remain at \$300 million and \$350 million, respectively. A yet to be determined combination of funding sources from the Minnesota Vikings, Metrodome land sale proceeds, and MSFC reserves will be necessary to fill a \$39 million funding gap. This funding gap and the use of Metrodome proceeds are the subject of ongoing negotiations between the State of Minnesota, Ramsey County and the Minnesota Vikings.

Division of \$1.111Billion Project Cost



Minnesota Vikings

The financial position of the Minnesota Vikings and their ability to meet the funding commitment of the Stadium Proposal have not been evaluated and are considered beyond the scope of this review. It is assumed that all parties will need to mutually assure each other of their ability to meet their financial commitment.

State of Minnesota

The State of Minnesota is recognized as an indispensable third party to the Stadium Proposal. A marketable funding source(s) adequate to support financing of the state's anticipated contribution has yet to be identified and will require legislative review and approval.

The estimated net \$101 million for off-site transportation infrastructure improvements necessary for the region and immediate vicinity of the TCAAP site are included in the \$1.111 billion project cost. This is consistent with Governor Dayton's position that such costs be included in the state's \$300 million contribution.

Ramsey County

Ramsey County intends to issue tax-exempt revenue bonds to fund its \$350 million project commitment and ongoing operating and capital reserve commitments of \$1.5 million and \$1.0 million, respectively. The bonds would be supported by a one-half percent (0.5 percent) local sales tax, which is equivalent to one-half cent for every dollar spent by a consumer in the County. The County engaged Springsted, a public sector financial advisor, to prepare an information report regarding the viability of such a debt issue.

Ramsey County intends to issue tax-exempt revenue bonds to fund its \$350 million project commitment and ongoing operating and capital reserve commitments of \$1.5 million and \$1.0 million, respectively.

Estimated Revenue from Sales and Use Tax

The Springsted report⁶⁹ utilizes an estimate of sales and use tax prepared by the Minnesota Department of Revenue (MnDOR). The MnDOR estimate, provided in May 2011, is based on fiscal year 2010 sales and use tax statistics for the quarter percent (0.25 percent) Counties Transit Improvement Tax, adjusted for annual growth in state sales tax receipts in accordance with the February 2011 state forecast. The result is a base fiscal year 2010 estimate of \$28.4 million and a growth projection for future fiscal years as follows:

FY 2011	\$30.1 million
FY 2012	\$31.6 million
FY 2013	\$32.6 million
FY 2014	\$33.6 million
FY 2015	\$34.8 million

⁶⁹ Springsted Information Report related to Sales Tax Revenue Bonds dated May 27, 2011.

In addition to the proposed 0.5 percent local sales tax, the County intends to concurrently implement a \$20 vehicle excise tax. Springsted estimates vehicle excise tax collections of \$850,000 annually based on 2010 fiscal year-end information available for the vehicle excise tax for transit (which is also \$20) of \$875,840 for Ramsey County.

Springsted assumed the following adjusted tax estimates:

Sales and Use Tax (est. 2011)	\$30.100 million
Vehicle Excise Tax	.850 million
<u>Less: State Administration</u>	<u>(.325)million</u>
Net Sales Tax Available	\$30.625 million

Debt Service

For purposes of their report, Springsted assumed the market will require a debt service reserve fund and a minimum coverage ratio of 1.25x. A coverage ratio represents a benchmark of the revenue cash flows available to meet annual principal and interest payments on the outstanding debt. In this case, a 1.25x coverage ratio means the net sales tax collections generated by imposing a 0.5 percent local tax in Ramsey County should exceed the maximum annual debt service requirement for the bonds issued by 25 percent.

The Springsted calculation, based on May 2011 market conditions, resulted in a 30-year \$373.55 million par bond issue with average annual debt service of approximately \$22.5 million. To meet the minimum coverage ratio, net sales tax proceeds would need to exceed \$28.2 million. With \$30.625 million estimated be available, the coverage is beyond the assumed minimum requirement.

For comparison with current market conditions, the MSFC engaged Mark Kaplan, of the firm 35W Financial, to assess the viability of the proposed bond issue. In his analysis,⁷⁰ Kaplan assumed a “no growth” scenario to estimate net sales tax proceeds available to fund debt service because the ratings agencies may focus on that assumption. This approach is consistent with rating criteria published by Standard & Poor’s. In discussing its ratings approach, Standard & Poor’s states, “Although Standard & Poor’s reviews future projections of sales tax or other pledged revenue growth, it does not usually use them as a major factor for a rating. Recognizing the uncertainties in forecasting precisely when new growth will occur, Standard & Poor’s typically bases its ratings primarily on historical revenues generated from an existing economic base that will cover future maximum annual debt service.”⁷¹

⁷⁰ Appendix Q. Mark Kaplan (35W Financial) Analysis of Ramsey County Bonding Viability. Sept. 23, 2011.

⁷¹ <http://www.standardandpoors.com/prot/ratings/articles/en/us/?assetID=1245319302810>

Kaplan assumed the following tax revenue estimates:

Sales and Use Tax (est. 2010)	\$28.400 million
Vehicle Excise Tax	.850 million
Net Sales Tax Available	\$29.250 million

Based on a 30-year bond issue with level debt service, 0.5 percent cost of issuance, and a debt service reserve fund at maximum annual debt service (similar to the Springsted assumptions and structure), Kaplan calculated current market (September 2011) coverage ratios of 1.32x, assuming the bonds would be rated AA/Aa2, and 1.28x, assuming a A+/A1 rating.

Given recent affirmation of the County's top-quality general obligation bond rating of "AAA" and "Aaa" by Standard & Poor's and Moody's Investors Services, respectively, it is clear the rating agencies believe the general economy of the County is very strong. As such, it is possible to conclude the County's sales tax bonds could reasonably achieve a AA rating.

Coverage ratios may be negatively impacted by the operating and capital reserve commitments of the County. The ratings agencies may consider sales tax revenues available to meet debt service to be the net of amounts pledged for operating and capital reserve commitments. The County's commitment under the May 2011 Agreement is \$1.5 million annually for operating costs and \$1.0 million to a capital reserve account. The County's commitment is subject to an annual inflationary index, which amount shall not exceed the annual amount of the increase in sales tax net proceeds collected in the County in each year.

Kaplan's calculations for coverage ratios with consideration of \$2.5 million in contractually obligated annual operating expenses and capital reserve commitment are 1.19x, assuming an AA/Aa2 bond rating, and 1.16x, assuming an A+/A1 rating.

Springsted and Kaplan acknowledge the County may consider a lesser initial bond issue based upon cash-flow needs over the construction period, essentially phasing in the financing of its portion of the project. Postponing additional bond issues to a later date, when the new 0.5 sales tax has a historical collection record, may result in higher coverage ratios than the 2010-based assumptions. It is also important to note that market conditions can and likely will change prior to the issuance of the bonds may result in different coverage ratios.

Given recent affirmation of the County's top-quality general obligation bond rating of "AAA" and "Aaa" by Standard & Poor's and Moody's Investors Services, respectively, it is clear the rating agencies believe the general economy of the County

Metrodome/Metropolitan Sports Facilities Commission

The Uses of Funds itemized in Attachment A of the May 2011 Agreement includes a reduction of total project costs of \$15 million for proceeds from the sale of the Metrodome land and Metropolitan Sports Facilities Commission reserve balances. While the September budget update does not associate an amount for this funding source, it should be noted the disposition of such funds is governed by two provisions from 2006 Minnesota Laws, Chapter 257.

Sec. 4. Minnesota Statutes 2004, section 473.5995, subdivision 2, is amended to read: Subd. 2. **Transfer; sale of the Metrodome.** Upon sale of the Metrodome, the Metropolitan Sports Facilities Commission must transfer the net sales proceeds as follows: (1) \$5,000,000 to Hennepin County to offset expenditures for grants for capital improvement reserves for a ballpark under section 473.757; and (2) the remainder to the football stadium account to be used to pay debt service on bonds issued to pay for the construction of a football stadium for the Minnesota Vikings.

Sec. 22. **Metropolitan Sports Facilities Commission Fund Transfer.** Upon sale of the Metrodome, the Metropolitan Sports Facilities Commission must transfer \$5,000,000 from its cash reserves in place prior to the sale of the Metrodome to the city of Minneapolis for future infrastructure costs at the site of the Metrodome.

In its September 19, 2011 letter to the Governor, the City of Minneapolis asserted what it terms its “clear and demonstrable rights” to a portion of the Metrodome sale proceeds.

In its September 19, 2011 letter to the Governor, the City of Minneapolis asserted what it terms its “clear and demonstrable rights” to a portion of the Metrodome sale proceeds. The City further states, “If that plan proceeds, it ignores the substantial contributions Minneapolis has made toward the Metrodome and unfairly appropriates the disposition of Metrodome assets.”⁷²

The MSFC’s audited calendar-year-end 2010 reserve balances totaled \$15.3 million. The 2011 approved budget and projected year-end results anticipates a \$3.2 million draw on reserve balances, and the preliminary 2012 budget approved by the Commission anticipates a \$1.9 million use of reserves.⁷³ The Commission believes it is reasonable to assume a continued \$2.0 million annual use of reserves under current operating conditions. Given that depletion rate, projected reserve balances at year-end 2014 would be \$6.2 million.

Any commitment of reserve balances or land sale proceeds is subject to negotiation and would require an extensive market analysis beyond the scope of this review and should consider costs associated with

⁷² Mayor Rybak letter to Governor Dayton dated Sept. 19, 2011.

⁷³ MSFC Year 2012 Budget and Report on User Fee Charges, approved (yet to be adopted).

“shutting down” the Metrodome and related impacts on the City of Minneapolis and Hennepin County.

Stadium Operations and Costs

Stadium Authority

The May 2011 Agreement calls for the creation of a Stadium Authority to have powers and duties similar to those of the Minnesota Ballpark Authority (MBA) defined in Minnesota Statutes, section 473.756.

The Stadium Authority will hold title to the stadium. The Minnesota Vikings are committed to funding up to \$150,000 annually, subject to inflationary increases, for the operations of the Authority. Ramsey County has no funding commitment for the Authority.

A funding source for operating costs in excess of \$150,000 has not been identified, but is expected to be determined by the parties and other key stakeholders. It is the expectation of the parties that funding of the Stadium Authority will begin upon completion of the stadium.

By comparison, the Minnesota Ballpark Authority (MBA) is funded through a grant agreement with Hennepin County. The 2012 MBA operating budget request to Hennepin County is for \$1,180,000 and is funded through the 0.15 percent county sales tax.⁷⁴

Operating Costs and Capital Reserve

The Minnesota Vikings accept responsibility for the operations of the stadium through a lease agreement with the Stadium Authority. Ramsey County will contribute \$1.5 million annually, subject to annual inflationary index, to offset the annual operating expenses associated with the operation of the Stadium.

The public will be provided access to the stadium for a certain number of civic, noncommercial public events/uses and shall not pay rent, but only incremental expenses incurred, for the use of the stadium. The Ramsey County operating contribution is intended to compensate for such use.

Ramsey County and the Minnesota Vikings will each contribute \$1.0 million annually, subject to annual inflationary index, to a capital reserve fund to be created and managed by the Stadium Authority.

Ramsey County plans to use sales tax revenues collected in excess of debt-service requirements to fund both its operating and capital reserve commitment. The County confirms its understanding that it would be responsible for reallocating existing County resources

The public will be provided access to the stadium for a certain number of civic, noncommercial public events/uses and shall not pay rent, but only incremental expenses incurred, for the use of the stadium. The Ramsey County operating contribution is intended to compensate for such use.

⁷⁴ Minnesota Ballpark Authority Meeting Minutes, July 28, 2011.

to cover its ongoing commitment should sales tax revenues be insufficient in any year.⁷⁵ The annual inflationary index applied to the County's ongoing commitment is limited to the growth net sales tax proceeds over the previous year.

Regional Impact of County Sales Tax

Table 6 shows sales tax rate comparisons for the seven-county metro area, including the proposed 0.5 percent stadium tax in Ramsey County.

Table 6: Tax Rate Comparisons for Metro Area
(Includes proposed Ramsey County 0.5 percent stadium tax)

	State	Transit	Local	County	General Retail	Lodg.	Liquor	Rest.	Enter.	Total
Ramsey County:										
Saint Paul	6.875	0.250	0.500	0.500	8.125		2.500			10.625
Lodging 50<	6.875	0.250	0.500	0.500	8.125	3.000				11.125
Lodging >50	6.875	0.250	0.500	0.500	8.125	6.000				14.125
Suburban Cities	6.875	0.250		0.500	7.625		2.500			10.125
Hennepin County:										
Minneapolis	6.875	0.250	0.500	0.150	7.775		2.500			10.275
Restaurant (Downtown)	6.875	0.250	0.500	0.150	7.775			3.000	3.000	13.775
Restaurant	6.875	0.250	0.500	0.150	7.775				3.000	10.775
Liq. On-Sale (Downtown)	6.875	0.250	0.500	0.150	7.775		5.500		3.000	16.275
Liquor On-Sale	6.875	0.250	0.500	0.150	7.775		2.500		3.000	13.275
Lodging 50<	6.875	0.250	0.500	0.150	7.775				3.000	10.775
Lodging >50	6.875	0.250	0.500	0.150	7.775	2.625			3.000	13.400
Theater	6.875	0.250	0.500	0.150	7.775				3.000	10.775
Suburban Cities	6.875	0.250		0.150	7.275		2.500			9.775
Anoka County	6.875	0.250			7.125		2.500			9.625
Carver County	6.875				6.875		2.500			9.375
Dakota County	6.875	0.250			7.125		2.500			9.625
Scott County	6.875				6.875		2.500			9.375
Washington County	6.875	0.250			7.125		2.500			9.625

Source: Compiled from data on the Minnesota Department of Revenue Website

Sales taxes apply to retail sales of taxable services and/or tangible personal property. Most retail sales in Minnesota are taxable. A "retail sale" means any sale, lease, or rental of tangible personal property for any purpose other than resale, sublease, or subrent.

As Table 6 shows, the proposed 0.5 percent sales tax for collection in Ramsey County will increase the tax rate on retail sales in the City of Saint Paul to 8.125 percent, making it the highest tax rate in the

⁷⁵ Ramsey County response to Pat Born letter of Sept. 23, 2011.

seven-county metro area. According to 2009 sales and use tax statistics reported on the MnDOR website, the City of Saint Paul accounts for nearly half (49.4 percent) of the sales and use taxes collected in Ramsey County. The sales tax rate on retail sales in suburban Ramsey County cities will increase to 7.625 percent, eclipsed only by the City of Minneapolis at 7.775 percent.

The proposed 0.5 percent sales tax for collection in Ramsey County will increase the tax rate on retail sales in the City of Saint Paul to 8.125 percent, making it the highest tax rate in the seven-county metro area.

Table 7 shows 2009 taxable sales and sales tax collections in Ramsey County by industry. Retail (for example, electronics, household, general merchandise) accounts for 39 percent of 2009 sales tax collections, followed by Food and Drinking Places at 14.1 percent and Entertainment at 11.4 percent.

**Table 7: 2009 Minnesota Sales Tax Statistics
Taxable Sales by Industry in Ramsey County**

	Taxable Sales	Sales Tax	% Total
AGRICULTURE (111-112)	\$ 22,154,083	\$ 1,453,858	0.4%
UTILITIES (221)	17,186,311	1,149,411	0.3%
CONSTRUCTION (236-238)	30,626,456	2,048,366	0.5%
MANUFACTURING (311-329)	235,972,279	15,779,861	4.2%
WHOLESALE (423-425)	414,546,217	27,714,584	7.4%
RETAIL (441-454)	2,170,145,570	148,703,544	39.0%
TRANSPORTATION (481-493)	37,941,746	2,543,720	0.7%
INFORMATION MEDIA (511-519)	387,337,810	25,891,975	7.0%
FINANCE, OTHER (522-562)	327,139,309	22,157,097	5.9%
EDUCATIONAL SERVICES (611)	14,583,554	975,372	0.3%
HEALTH SERVICES (621-624)	17,221,483	1,153,405	0.3%
ENTERTAINMENT (711-713)	637,574,911	41,797,062	11.4%
ACCOMODATION (721)	103,391,081	7,049,666	1.9%
FOOD SERVICE, DRINKING PLACES (722)	786,119,495	55,286,807	14.1%
OTHER (811-999)	369,584,418	24,670,903	6.6%
TOTAL	\$ 5,571,524,723	\$ 378,375,631	100.0%

Taxable Sales (2009)	\$5,571,524,723
* Rate Increase	0.5 %
Net Sales Tax Available	\$ 27,857,624

It is difficult to say if a 0.5 percent change in tax rate would have a significant impact on consumer spending habits or business retention and development. The relatively large local sales tax proposed by Ramsey County may, however, compromise other public interests by limiting the county's and region's ability to finance other local and/or regional assets.

Project Cost Overruns

The tables below summarize estimated project costs and responsibility for cost overruns. The “Vikings Cost Estimate” information is drawn from the “Executive Summary” prepared by Mortenson Construction⁷⁶ and provided by the Minnesota Vikings. Responsibility for cost overruns is as described in the May 2011 Agreement.

Table 8: Ramsey County and Vikings Responsibilities for Cost Overruns

Description	Vikings	Vikings Responsibility		County Responsibility	
	Cost Estimate	%	Cost	%	Cost
Site Infrastructure:					
Parking	87,125,152	0%	-	100%	87,125,152
Streets	10,800,000	40%	4,269,767	60%	6,530,233
Other (Demo, Utilities ⁷⁷ , Landscape)	60,055,021	0%	-	100%	60,055,021
Site Acquisition/Remediation	30,000,000	40%	11,860,465	60%	18,139,535
Total Site Infrastructure Costs	187,980,173	9%	16,130,233	91%	171,849,940
Offsite Transportation	101,000,000	*100%	101,000,000	0%	-
Stadium Development	822,070,674	100%	822,070,674	0%	-
Total Project Costs	1,111,050,847	85%	939,200,907	15%	171,849,940

* Assumed for 13 projects defined in Table 3

In addition to the County’s \$350 million investment, the County will assume the risk for cost overruns on \$172 million (15 percent) of the total project cost.

The “Risk Analysis Cost Range” for site infrastructure presented in the table below was developed by Kimley-Horn and is documented in the Order of Magnitude Limited Estimate of Site Construction Costs.⁷⁸ The cost ranges for off-site transportation costs were applied by the Council. Note that cost ranges for stadium development were not provided by the Vikings, nor did this risk assessment attempt to make an estimate of the stadium cost ranges.

Table 9: Cost Risk Range Analysis

	Vikings	Risk Analysis Cost Range	
	Cost Estimate	Low	High
Site Infrastructure:			
Parking	87,125,152	50,700,000	91,700,000
Streets	10,800,000	7,800,000	13,000,000
Other (Demo, Utilities, Landscape)	60,055,021	41,000,000	81,200,000
Site Acquisition/Remediation	30,000,000	23,000,000	69,500,000
Total Site Infrastructure Costs	187,980,173	122,500,000	255,400,000
Offsite Transportation	101,000,000	91,000,000	111,000,000
Stadium Development	822,070,674	822,070,674	822,070,674
Total Project Costs	1,111,050,847	1,035,570,674	1,188,470,674

⁷⁶ Appendix E. Multi-Purpose Stadium Executive Summary. Sept. 23, 2011.

⁷⁷ Includes off-site utilities.

⁷⁸ Appendix H. Order of Magnitude Limited Estimate of Site Construction Costs, Kimley-Horn. Sept. 30, 2011.

The potential cost overrun risk to Ramsey County, assuming a high-end cost range (i.e., worst case scenario) is \$51 million.

Table 10: High Range Cost Impact Analysis

	Additional	Vikings Responsibility		County Responsibility	
	Cost	%	Cost	%	Cost
Site Infrastructure:					
Parking	4,574,848	0%	-	100%	4,574,848
Streets	2,200,000	40%	869,767	60%	1,330,233
Other (Demo, Utilities, Landscape)	21,144,979	0%	-	100%	21,144,979
Site Acquisition/Remediation	39,500,000	40%	15,616,279	60%	23,883,721
Total Site Infrastructure Costs	67,419,827	24%	16,486,047	76%	50,933,780
Offsite Transportation	10,000,000	100%	10,000,000	0%	-
Stadium Development	-	100%	-	0%	-
Total Project Costs	77,419,827	34%	26,486,047	66%	50,933,780

The May 2011 Agreement designates proceeds from the sale of Private Seat Licenses in excess of \$125 million to fund County cost overruns. Should that source prove insufficient, the County plans to use net sales tax proceeds in excess of amounts necessary to fund debt service, operating, and capital reserve requirements to fund cost overruns.⁷⁹ The County expects to begin funding of operating and capital reserve commitments upon completion of the stadium. A “no growth” estimate of net sales tax available of \$29.3 million less estimated annual debt service of \$22.5 million, yields a possibility for about \$6.8 million in each full year the tax is imposed during the construction period. Given a high end cost range risk of \$51 million, the County’s excess net sales tax proceeds may not be a sufficient funding source for potential cost overruns.

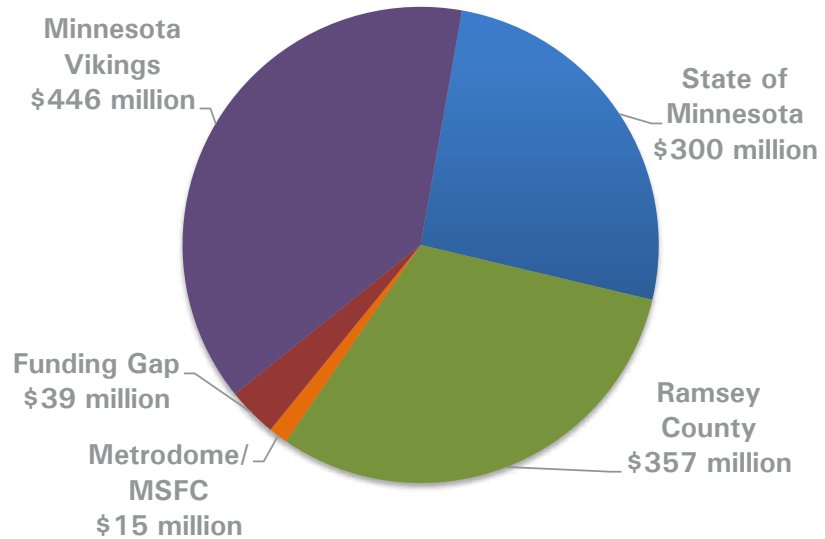
Excluding the \$822 million stadium development, the primary risk factors are schedule delay and uncertainties in site infrastructure. The project schedule is aggressive, particularly given remediation uncertainties. As a result, a project delay of at least one year may be reasonable to expect. The Minnesota Vikings have estimated that increased costs for a year delay in the approval and start of the stadium construction to range from \$34.8 million to \$57.5 million.⁸⁰ Uncertainty in site infrastructure is an area where the Vikings cost estimate varies significantly from the Risk Analysis cost range midpoint. Taking all of the factors in this analysis into consideration, it may be reasonable to expect an overall cost risk factor in the midrange of \$46 million, above the \$1.111 billion estimated project cost. This results in a \$1.157 billion project cost.

Taking all of the factors in this analysis into consideration, it may be reasonable to expect an overall cost risk factor in the midrange of \$46 million, above the \$1.111 billion estimated project cost.

⁷⁹ Ramsey County response, Oct. 5 2011.

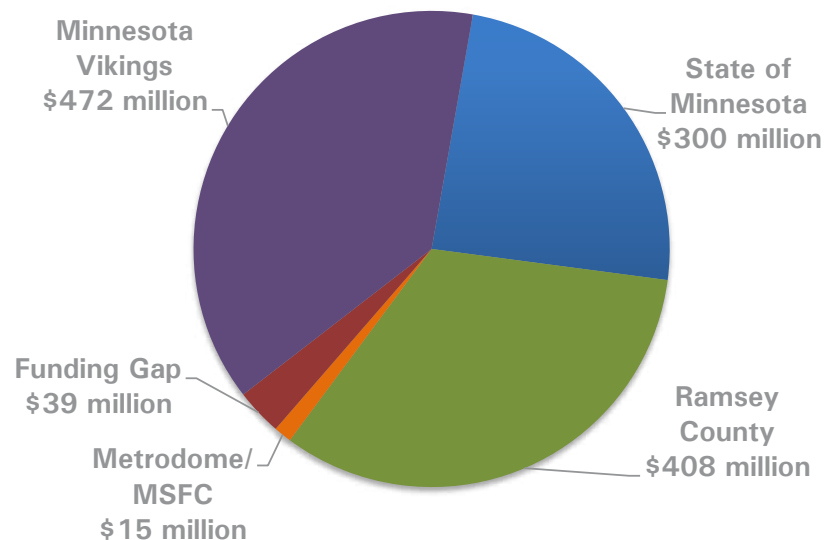
⁸⁰ Appendix R. Mortenson Multi-Purpose Stadium Delta Delay Costs. August 30, 2011.

**Chart 2: Funding of \$1.157 Billion Project Cost
Assumes 1 Year Schedule Delay**



Assuming both a one year schedule delay and worst case scenario of a high cost range outcome would result in a \$1.234 billion overall project cost, and increasing funding for both Ramsey County (\$58 million) and the Minnesota Vikings (\$65 million).

**Chart 3: Funding of \$1.234 Billion Project Cost
1 Year Schedule Delay & High Cost Range**



FINDINGS

Major findings contained within this report are summarized below. Excluding the \$822 million stadium development, the primary risk factors are schedule delay and uncertainties in site infrastructure. The project schedule is aggressive, particularly given remediation uncertainties. As a result, a project delay of at least one year may be reasonable to expect. The Minnesota Vikings have estimated that increased costs for a year delay in the approval and start of the stadium construction to range from \$34.8 million to \$57.5 million. Uncertainty in site infrastructure is an area where the Vikings cost estimate varies significantly from the Risk Analysis cost range midpoint. Taking all of the factors in this analysis into consideration, it may be reasonable to expect an overall cost risk factor in the midrange of \$46 million, above the \$1.111 billion estimated project cost.

Excluding the \$822 million stadium development, the primary risk factors are schedule delay and uncertainties in site infrastructure. The project schedule is aggressive, particularly given remediation uncertainties.

Land Transfer and Remediation

Cost Risk: The uncertainty regarding the cost for remediation poses a significant risk. It is difficult to approximate remedial cleanup costs at this time, based on the need for additional site investigation, the lack of a development plan, and better estimates of costs for demolition, underground utility removal, soil-vapor intrusion mitigation and remediation cost overrun indemnification. It is estimated that site acquisition and cleanup costs could range from \$23 million to \$70 million.

Cost Risk Mitigation: Ramsey County and the Vikings should provide a rationale for their \$30 million site acquisition and demolition/remediation budget. They should also provide a strategy for limiting potential cost overruns to remediate the 430-acre Stadium Proposal to its intended use. Ramsey County has found that Remediation Stop Loss/Clean-up Cost Cap insurance is not available in today's market, which means there is no risk mitigation available in the insurance industry to address the primary risk of remediation cost overruns. The potential risk for increases in site remediation costs could be mitigated through the use of a fixed-price remediation contract, which in essence passes the risk of encountering increased volumes or types of contaminated material on to the remediation contractor.

Schedule Risk: The uncertainty of the remediation timeline poses a significant risk to the project schedule. The stadium project is subject to delay if Certificates of Completion cannot be issued by MPCA to Ramsey County due to insufficient remedial investigation.

While the risk to the schedule is significant, options for mitigation are limited. The primary mitigation action would be to accelerate the review process and begin obtaining as much soil information on the site as possible.

and incomplete remedial actions. Several rounds of assessment may be required to satisfy the MPCA that sufficient data have been generated to adequately characterize the site. Because of this, the MPCA cannot commit to any specific time for its review process.

Schedule Risk Mitigation: While the risk to the schedule is significant, options for mitigation are limited. The primary mitigation action would be to accelerate the review process and begin obtaining as much soil information on the site as possible.

Environmental Review and Documentation Process

The definition of the proposed stadium in the Agreement in and of itself both meets and exceeds the threshold for requiring a mandatory state Environmental Impact Statement (EIS).⁸¹ Any EIS contains the potential for schedule delay and cost increase.

The potential future private development on the 170 acres Development Parcel poses two mutually exclusive risks.

Risk 1: The environmental review process is done on the entire 430-acre area. Under the approach of defining the project as the full 430 acres, there is complete disclosure that the development in the Development Parcel is a connected action. A commitment would be made to fully study the private development at the time a master plan for the future development is prepared.

Risk 2: The environmental review process is done on only the 260-acre Stadium Parcel (preferred by Ramsey County and the Vikings). Under the approach of defining the project as just the 260-acre Stadium Parcel, there is a higher potential for legal challenges specific to the definition and applicability of the private development on the 170 acre Development Parcel of land as a connected action. The legal challenge specific to the elements of the proposed action could result in significant schedule delays and costs to address potential legal challenges.

Risk Mitigation: Ramsey County advises it intends to define the project as the 260-acre Stadium Parcel and the related transportation improvements for the EIS. The County will need to clearly define the boundary for the 260 acres required for this stadium-specific action. Without the clear definition of the project boundaries, there is a risk that the EIS would not adequately disclose and evaluate the potential impacts associated with the proposed action. Additionally, legislation could dictate the level of environmental review to be completed for each component (Stadium and Development Parcels) as well as defining the RGU for each component. It could also require

⁸¹ Minnesota Rules 4410.4400, Subpart 22.

cursory evaluation of the cumulative effects of full development as part of the stadium EIS to minimize the potential of missing cumulative impacts for critical issues such as traffic and other infrastructure improvements.

Transportation

Risks: Thirteen site-related transportation projects were developed by SRF, a consultant to the Minnesota Vikings, working with MnDOT. MnDOT has advised that it is confident in the 30% project contingency added to the base project estimates to derive the estimated project costs. However, traffic management costs for County State Aid Highway 96, estimated at between \$500,000 and \$1 million, are not included in the transportation cost estimate.

While some of the projects will likely come in lower than their estimate, others can be expected to come in higher. Right-of-way costs have not been identified for individual projects. Right-of-way tends to be a high-risk project cost component. Mitigation measures will not be known until the environmental process is complete. Mitigation measures such as noise walls can be significant costs to a project. Additionally, the final project design may differ significantly from the current concept.

Finally, the schedule is admittedly aggressive. A tight project schedule with Minnesota's weather conditions will generally result in higher costs in response to the increased risk to deliver the project by the required completion date.

Risk Mitigation: Given the uncertainty as described above, a cost estimate range is appropriate for the Stadium Proposal transportation improvements with a +/- 10 percent range recommended for the net \$101 million package of projects to accommodate the stadium. This results in a cost estimate range of \$91 million to \$111 million. Agreement on the funding of costs for the identified Stadium Proposal transportation improvements package, plus County State Aid Highway 96 traffic management improvements and any other improvements that may result from the environmental review process, in excess of \$101 million needs to be identified and agreed upon as part of a stadium funding package. The Vikings have indicated a willingness to accept responsibility for any cost overruns relating to those transportation improvements needed for the stadium.

Risk: Localized traffic congestion that has a cascading effect throughout selected segments of the regional network could cause delays on adjacent roadways depending upon the specific nature of the congestion.

Finally, the schedule is admittedly aggressive. A tight project schedule with Minnesota's weather conditions will generally result in higher costs in response to the increased risk to deliver the project by the required completion date.

Uncertainty as to Xcel's easement or other rights to run a transmission line on the TCAAP site poses a risk if the line needs to be relocated out of the way of the stadium or 170-acre Development Parcel, or if the line needs to be upgraded.

Risk Mitigation: A more detailed peak travel operation analysis should be conducted for the major entrance and exit locations for the stadium site.

Other Issues for Consideration

Risks: Uncertainty as to Xcel's easement or other rights to run a transmission line on the TCAAP site poses a risk if the line needs to be relocated out of the way of the stadium or 170-acre Development Parcel, or if the line needs to be upgraded. A related risk is the siting of the new substation. The City of Arden Hills opposes the location on County State Aid Highway 96 and has stated the substation needs to be located within the development. The duration required to site, design, permit and build a new substation poses a potential schedule risk.

Risk Mitigation: Title work on the TCAAP site would reveal whether there is a utility easement or agreements permitting Xcel to run transmission on the TCAAP site. The transmission line could be located on the boundary survey of the 430 acres to be conveyed to Ramsey County to assess if the line will be impacted by development. The substation will need to be sited early on in the conveyance process as it will need to be conveyed to Xcel Energy through Ramsey County. The overall project schedule should include the Xcel substation as a line item, and the schedule should determine when in the construction of the stadium that permanent power is required to determine if the substation is a critical path item.

Risk: The only risk for water supply is whether a booster station or water tower will be required to provide adequate fire flows to all portions of the 430-acre development. This is anticipated to be a developer cost.

Risk Mitigation: This risk can be mitigated by conducting a water modeling study and grading study to determine if a booster station or water tower is required for the development to provide adequate fire flows.

Risk: The risk for stormwater management is the ability to meet the volume reduction rules on-site and in a phased approach consistent with the phased development, as well as the effort and time to coordinate and obtain the Rice Creek Watershed District approval and permit.

Risk Mitigation: The scope of this study did not include stormwater modeling. A stormwater management model can be developed to

assess this risk and determine alternative methods to meet the RCWD rules on-site.

Risks: There could be substantial measures required by the Stadium Proposal project to mitigate potential noise impacts. The level of noise generated by the proposed stadium that will be heard off-site will be dependent on the location of the stadium, access drives, parking lots, tailgating facilities, and orientation of the public address system. Given that these details are not defined at this time, the actual impact from noise cannot be evaluated and therefore the specific mitigation measures needed remain undefined.

Risk Mitigation: Details of the project design and the resulting noise impacts need to be evaluated to quantify the risk associated with noise mitigation for the project. A comprehensive noise study will be required as part of the environmental reviews of the stadium and off-site road improvements.

A comprehensive noise study will be required as part of the environmental reviews of the stadium and off-site road improvements.

Permitting and Approvals

Risk: The federal and state approvals described above are generally not high risk processes. The greatest risk associated with all of these permits/approvals is related to schedule, which is dependent on the availability of respective agency staff to conduct reviews, the completeness of applications submitted, and compliance with required regulations. The approval with the highest risk could be the federal EA approval because it has potentially the longest timeframe, and the Finding of No Significant Impact (FONSI) is required prior to obtaining the Interstate Access Request.

Risk Mitigation: Coordination with the multiple agencies involved in the project permits/approvals will be important to minimizing the risk in delays to the overall schedule.

Risk: If an eligible party requests a Metropolitan Significance Review, the process could delay the schedule by up to 12 months. There is also the risk that the Council imposes modifications or conditions on the project that would eliminate the determination of metropolitan significance.

Risk Mitigation: A Metropolitan Significance Review may be initiated at the option of the Chair of the Council or if requested by an eligible party such as an affected local government. The Legislature could take action to exempt this project from metropolitan significance review under Minnesota Statutes, section 473.173.

Schedule

Risks: The Vikings' proposed project schedule appears to be based on project development durations that are at or near estimated minimum durations. Some of the durations are within the Vikings control, like construction duration for on-site improvements. However, a majority of these durations are not within the Vikings control. If all of the maximum durations were to play out, it is possible that the Vikings stadium could take until the 2016 or 2017 NFL season to open.

Risk Mitigation: Early coordination with all stakeholders and affected agencies, in addition to the risk mitigation strategies listed in other sections of this report.

Financial Analysis

Risk: The combination of funding sources does not cover the \$1.111 billion project cost. (A \$39 million gap exists.)

Risk Mitigation: The State of Minnesota, MSFC, the Vikings, and Ramsey County must reach agreement on cost share provisions of a stadium proposal.

Risk: The Uses of Funds itemized in Attachment A of the May 2011 Agreement includes a reduction of total project costs of \$15 million for proceeds from the sale of the Metrodome land and MSFC reserve balances. Two provisions in Minnesota law govern the distribution of these funds and the reserve balances of MSFC. The City of Minneapolis has asserted what it terms its "clear and demonstrable rights" to a portion of the Metrodome sale proceeds. The Use of the Metrodome proceeds is subject to negotiation.

Risk Mitigation: Any commitment of reserve balances or land sale proceeds would require an extensive market analysis beyond the scope of this review and should consider costs associated with "shutting down" the Metrodome and related impacts on the City of Minneapolis and Hennepin County.

A funding source for operations costs of the Stadium Authority beyond the \$150,000 annual commitment of the Vikings has not been identified.

Risk: A funding source for operations costs of the Stadium Authority beyond the \$150,000 annual commitment of the Vikings has not been identified.

Risk Mitigation: The parties to the project need to establish a budget for the Stadium Authority and agree on funding for the remainder of the Stadium Authority's operating costs.

Risk: Ramsey County's relatively large local sales tax proposal may compromise other public interests by limiting the county's and region's ability to finance other local and/or regional assets.

Risk: The County's sales tax proceeds may not be a sufficient funding source for potential cost overruns.

In addition to the County's \$350 million investment, it will assume the risk for cost overruns on \$172 million (15 percent) of the total \$1.111 billion project cost. The potential cost overrun risk to Ramsey County, assuming a high end cost range risk (i.e. worst case scenario) is \$51 million.

Risk Mitigation: Ramsey County will need to identify other sources of revenue or scale back project budgets in other areas.

RAMSEY COUNTY/MINNESOTA VIKINGS

PRINCIPLES OF AGREEMENT FOR THE DEVELOPMENT OF A NEW MULTI-PURPOSE STADIUM 5/10/2011

The following sets forth proposed terms and conditions between Ramsey County (the "County") and Minnesota Vikings Football, LLC (the "Team" and, together with the County, the "Parties") with respect to the land acquisition, site remediation, site development (including surface parking), and design, development, financing, construction, operation and maintenance of a new roofed, multi-purpose stadium ("Stadium") at the Twin Cities Army Ammunitions Plant ("TCAAP") site in Arden Hills, Minnesota. The Stadium will be owned by a public Stadium Authority and the Team will enter into a long-term lease or license agreement with the Authority.

Background

The Team's Use Agreement at the Metrodome expires at the end of the 2011 NFL season. For several years, the Team has been actively pursuing the development of a new stadium that will enhance the game experience for its fans, while also serving as an important entertainment and gathering place for spectators and fans across the Upper Midwest. The County desires to locate the Stadium in Arden Hills because of the opportunity to redevelop a large, underutilized parcel located in a central growth corridor. The TCAAP site is the largest vacant environmental Superfund site in the State of Minnesota ("State"). The redevelopment of the TCAAP site will also cause an accelerated schedule for the long-overdue development of critically important transportation improvements in the I-35W/694 transportation corridor that will benefit local and regional residents, daily commuters, as well as tourists that visit other destinations throughout the State. The County further recognizes that development of the Stadium (and potentially ancillary real estate) will generate substantial economic and fiscal impacts including significant job creation, tax revenue, and economic growth, and will improve the overall quality of life in the County. The development of the Stadium will provide a new home for the Team and provide the opportunity for its long-term viability.

State of Minnesota Involvement

The Parties enter into this arrangement recognizing that the State is an indispensable third party to any negotiation and that a binding agreement can only be achieved with its participation. The Parties intend to immediately commence negotiations with the State to discuss its participation in financing the Stadium and necessary off-site regional transportation improvements. The Parties also agree that the State will realize substantial benefits from the development of a new multi-purpose Stadium that can host high school, collegiate, and amateur athletics as well as community, national, and international events. The economic and fiscal benefits include job creation and retention, tax revenue, and economic development.

There have been significant economic and fiscal benefits to the State as the Team's home over the last 50 years. According to a 2009 RSM McGladrey Study, the Team has generated more than \$180 million in revenue for the State's General Fund since the Metrodome

opened in 1982. Currently, the State receives approximately \$21 million from the Team and NFL games annually at the Metrodome (including Team and visiting payroll taxes, admissions taxes, and sales tax on tickets, merchandise, and concessions). These direct Team taxes are in addition to the enormous economic benefit that an NFL franchise brings to the region. The County and the Team believe there is sufficient economic justification for the State's investment in this project, including funding off-site transportation improvements and related infrastructure, and the costs of a roof.

City of Arden Hills Involvement

The Parties enter into this arrangement recognizing that the City of Arden Hills ("City") is another important party to the Stadium initiative and ancillary real estate development. The Parties will work cooperatively with the City in the development and construction of the Stadium and ancillary real estate development.

Job Creation and Retention

The construction of the Stadium will create a significant number of jobs and ensure the retention of many more. According to M.A. Mortenson Company, the Stadium will generate approximately 7,500 full and part-time jobs comprising 4.2 million hours of work from construction trades over a three year period, generating over \$286 million in construction wages and \$10 million in income taxes. In addition, the fabrication and delivery of project materials will create a substantial number of additional jobs. It is estimated that 95% of the total materials and labor subcontract value will go to State businesses and workers. The off-site transportation related infrastructure improvements needed near the TCAAP site will create a substantial number of additional jobs. Once the Stadium is completed in 2015, the operation will support approximately 3,400 ongoing full and part-time jobs, according to CSL International. Further, a new Stadium will annually generate more than \$21 million in tax revenue for the State.

Roof

It is the Team's intention to put a retractable roof on the Stadium, cost permitting; however, the Team's programmatic needs are also met by a fixed roof Stadium. If the Team determines a retractable roof is not economically or otherwise feasible, the Team may decide to develop the Stadium with a fixed roof. The Parties also recognize that a roofed facility benefits the State by making the Stadium a year round facility that can accommodate a Super Bowl, NCAA Final Four events (basketball and hockey), and other national and international events.

The challenges associated with including a retractable roof are reflected in the incremental cost of construction (over \$206 million) and the incremental ongoing operating and maintenance expenses (estimated to cost \$4 to \$6 million more per year than an open-air stadium). The Parties also have agreed that if the State believes the costs specifically associated with constructing and operating a roofed Stadium are too high, the County and the Team are prepared to modify these Principles of Agreement and to proceed with developing a multi-purpose, open-air facility.

Off-Site Transportation Infrastructure Improvements

The Minnesota Department of Transportation (MnDOT) has previously identified numerous transportation infrastructure improvements that are required in the region and the immediate vicinity of the TCAAP site. In addition, previous redevelopment proposals also

identified off-site transportation infrastructure improvements that would provide access to the TCAAP site and would be required to redevelop the site commercially. The redevelopment of the TCAAP site requires significant off-site transportation infrastructure improvements. The Parties believe that the cost of providing these off-site transportation infrastructure improvements should be funded through State sources (as well as Federal and other sources). Providing these types of transportation infrastructure improvements to state roadways and interstate highways has traditionally been an obligation of the State. The North Metro area has a need for many of these improvements regardless of whether the Stadium is built. The Parties will work cooperatively with the State to determine the optimal manner for paying the costs of these off-site transportation infrastructure improvements.

In order to accelerate and fund the development of the necessary off-site transportation infrastructure improvements, the County will provide conduit financing for MnDOT in an amount needed to fund such improvements. The County will issue bonds over a term not to exceed 20 years and MnDOT shall be contractually obligated to pay the annual debt service payments on the bonds. The off-site transportation infrastructure improvements shall be designed to meet the current and future regional needs and allow visitors to enter and exit the TCAAP site to access commercial development and Stadium events within a time frame acceptable to the Team. The County and Team shall cooperate to obtain any necessary MnDOT or United States Department of Transportation approvals.

I. Stadium Location, Design and Construction

- A. **Stadium Location.** The Stadium will be located at the TCAAP Site in Arden Hills, Minnesota. The Stadium is expected to be open and operational no later than June, 2015.
- B. **Stadium Owner.** The Stadium will be owned by a Stadium Authority ("Authority" as defined in Paragraph IV) and the Team will enter into a long-term lease or license agreement with the Authority. The terms of the lease/license are discussed herein.
- C. **Stadium Design.** The Stadium shall be designed and constructed incorporating the following general program and design elements:
 - 1. The roofed facility shall comprise approximately 1.6 million square feet with up to 65,000 seats, expandable to 72,000. The roofed stadium shall meet or exceed NFL program requirements, and include up to 150 suites and approximately 7,500 club seats.
 - 2. Space for Team-related exhibitions and sales, which shall include the following: Team museum and Hall of Fame, retail merchandise/gift shop retail venue, and themed concessions and restaurants.
 - 3. Space for administrative offices of the Authority.
 - 4. Parking for up to 21,000 cars/trucks including tailgate parking and premium parking area with a separate entrance/exit.
- D. **Stadium Development.** The design, development and construction of the Stadium shall be a collaborative process between the Parties and other key

stakeholders. The Team will manage the design, development and construction of the Stadium in cooperation with the Authority. The County shall have an owner's representative participate in the design, development and construction of the Stadium to provide input and oversight to ensure the facility represents the proper use of public funds, and that the Stadium amenities address public needs consistent with comparable facilities. The Parties shall establish a process to reach consensus on key elements of the Stadium program and design, development and construction of the Stadium in the definitive transaction documents. Because the Team is responsible for certain cost overruns pursuant to Paragraph III.C., the Team shall have final decision making authority with respect to the design, development and construction of the Stadium.

II. Site Acquisition and Remediation.

- A. **Site Acquisition.** The TCAAP site will be acquired from the U.S. Army by the County on terms acceptable to the Parties. The Team, or a related entity, will immediately thereafter acquire from the County, as set forth in Paragraph II.C, the portion of land not required for the footprint of the Stadium and Stadium-related access, open (green) space and parking spaces (such portion, "Private Land") and shall become the owner of the Private Land. The development of the Private Land is an important element of the redevelopment and revitalization efforts for the broader TCAAP site. The Stadium project is intended to act as the catalyst for the redevelopment and revitalization of the site. The Team shall retain development rights for at least eight years following the opening of the Stadium. If the Team has not commenced development of the Private Land or provided the County with a reasonably acceptable plan to develop the Private Land within eight years after the opening of the Stadium, the County shall have the option, but shall not be required, to purchase the Private Land from the Team at the current fair market value as determined by a mutually acceptable appraisal mechanism.
- B. **Site Remediation.** The environmental conditions of the entire TCAAP site will be remediated in accordance with the requirements of the U.S. Army. It is anticipated that the site will be remediated to a commercial/industrial standard. Should the proposed development of the Private Land require that the land be remediated to a higher standard, the Team shall pay for any additional costs associated with such remediation. The purchase and other agreements for the TCAAP site between the County and the U.S. Army will provide adequate protection for the Parties (to be mutually agreed upon), including but not limited to provisions that require the U.S. Army to indemnify the County and Team for any remediation obligations that were undisclosed at the time the site was purchased by the County.
- C. **Cost Allocation.** The costs to acquire the TCAAP site and costs of the environmental remediation will be allocated between the County and the Team based on the number of acres owned by each after the Private Land is sold to the Team or its affiliates. The County shall acquire from the U.S. Army approximately 430 acres for the overall project. The Team shall acquire approximately 170 acres from the County immediately after the County has closed on its purchase transaction with the U.S. Army. A mechanism will be provided in the definitive transaction documents that will allow for public access between the Stadium site and Private Land. A mechanism will also be included

in the definitive transaction documents to provide the Team with flexibility in determining the final composition of the Private Land for purposes of locating the Stadium land and development in the future, to be mutually agreed upon by the Parties and other key stakeholders, as appropriate.

III. Sources and Uses of Funds

- A. **Sources and Uses of Funds.** The preliminary sources and uses of funds are outlined in Attachment A.
- B. **Funding Sources.** The following summarizes the key components of the funding sources for the project. The Parties shall work together and cooperate in good faith to identify additional funding sources (e.g. Federal).
 1. **Team/Private Contribution.** The Team/Private Contribution shall be \$407 million (net of financing costs) as set out in Attachment A. The Team shall provide a plan to finance its share of the cost allocations set out in Attachment A to the Authority on a timely basis. The Team shall provide a written, binding, bona fide commitment or commitments for the financing to the Authority prior to the County issuing any bonds for the project. The Team shall be permitted to assign any of its rights and obligations hereunder to its affiliates and as collateral to lenders for purposes of obtaining financing; provided, however, that the Team shall remain liable for its obligations hereunder. The Team/Private Contribution will consist of amounts contributed by the Team, NFL, PSL proceeds, and other private revenues generated by the project. To the extent that PSL proceeds exceed \$125 million, such excess shall not be part of the Team/Private Contribution and shall instead be applied in the following order: 1) to fund County cost overruns associated with certain on-site and off-site infrastructure improvements, including surface parking and related interior circulation as delineated and described in Attachment A, 2) to fund County cost overruns associated with site acquisition, remediation, and on-site street improvements as highlighted in Attachment A, 3) to fund cost overruns associated with the development of the Stadium (excluding parking), and 4) to fund the Stadium capital reserve fund as described in Paragraph VI. C.
 2. **County Contribution.** The County will issue tax exempt revenue bonds supported by a one-half percent (1/2 %) State sales tax collected in the County in an amount sufficient to generate \$350 million (net of financing costs) as set out in Attachment A. The County agrees to take action at the County Board level, as soon as reasonably and legally possible. The County shall take immediate steps to draft an agreed upon ordinance or resolution approving the County's revenue source (subject to legislative approval). The County's issuance of any bonds described herein shall be exempted from State statutory debt and bonding limitations.
 3. **State Contribution.** The Parties believe the State should contribute \$300 million (net of financing costs) to the Stadium project as outlined in Attachment A. County and Team shall cooperate to obtain State legislation authorizing the State's contribution and its participation.

- C. **Cost Overruns.** To the extent that PSL proceeds exceed \$125 million, such excess shall be used to fund cost overruns as described in Paragraph III.B.1. To the extent that there is no such excess, or such excess is fully applied to the cost overruns as described in that paragraph, any additional cost overruns shall be funded as follows. The Team shall be responsible for cost overruns (if any) associated with the development of the Stadium (excluding parking). The County shall be responsible for cost overruns (if any) associated with certain on-site and off-site infrastructure improvements, including surface parking and related interior circulation, as delineated and described in Attachment A. The on-site and off-site infrastructure improvements shall be further delineated in the definitive transaction documents but shall not include off-site transportation infrastructure improvements. The Team and the County shall share in cost overruns (if any) associated with site acquisition, remediation, and on-site street improvements as highlighted in Attachment A on a pro-rata basis (170/430 Team – 260/430 County). The State shall be responsible for implementation and delivery of the off-site transportation infrastructure improvement program.
- D. **Timing of Contributions.** The specific timing of contributions shall be determined in the definitive transaction documents. However, it is anticipated that the Team, County and State shall fund their obligations for the project pro-rata based on contribution commitments in a timely fashion. The timing of funding for off-site transportation infrastructure improvements shall be determined.
- E. **Project Savings.** The Team shall receive the first \$41 million in net project savings if total expenditures are less than the costs outlined in Attachment A. (excluding the Team's share of on-site street improvements and site acquisition/remediation costs). The County and Team shall share equally in the next \$100 million in net project savings. The Team, County, and State shall share equally in any net project savings greater than \$141 million.

IV. Stadium Authority

- A. **Composition.** The Authority shall consist of five members. Two members to be appointed by the Governor of Minnesota (one of whom shall reside outside of Ramsey County); two members, including the Chair, to be appointed by the Ramsey County Board; and, one member to be appointed by the City.
- B. **Powers.** The Authority shall have powers and duties similar to those of the Minnesota Ballpark Authority. See, Minn. Stat. § 473.756.
- C. **Funding.** The funding of the Authority's operations shall be determined by the Parties and other key stakeholders. The County shall have no additional financial obligation beyond the contributions described herein. The Team shall contribute up to \$150,000 per year, subject to an annual inflationary index, to the operations of the Authority.

V. Stadium Operations

- A. **Stadium Operation.** The Team will operate and manage the Stadium and parking facilities on behalf of the Authority, pursuant to an agreement to be negotiated by the Authority and the Team. The Stadium shall be operated in a first class manner, similar to and consistent with that of other comparable NFL stadiums. The Team shall be solely responsible for all aspects of Stadium operation. All revenues (net of generally applicable taxes, fees, etc.) derived from the operations of the Stadium and parking facilities including signage, naming rights, etc. shall belong to the Team.
- B. **Operating Expenses.** The Team will bear all the costs of operations of the Stadium and parking facilities in lieu of rent. The annual operating expenses are estimated at approximately \$14 million. In addition, the Team shall pay any and all NFL game day expenses which are estimated at \$3 million annually. The County shall contribute \$1.5 million annually to offset annual operating expenses associated with the operation of the Stadium. This contribution is intended to partially offset the additional expenses associated with operating and maintaining a roofed stadium (as compared to an open air stadium) and to compensate the Team for the public use of the Stadium for civic, non-commercial events as described below. The County contribution will be subject to an annual inflationary index, which amount shall not exceed the annual amount of the increase in sales tax net proceeds collected in the County in each year. Any annual contribution shall be reduced by 4% for each NFL game that is not played in the event the Team does not play a full schedule of NFL games at the Stadium (excluding those games the Team has the ability to play pursuant to Paragraph VI.C.). The County shall have no responsibility for operating expenses at the Stadium or parking facilities beyond the annual contribution above described herein.
- C. **Public Access.** The public will be provided access to the Stadium for a certain number of civic, non-commercial public events/uses. Civic, non-commercial events/uses shall not pay rent for the use of the Stadium. The Team will be reimbursed by those event sponsors for the incremental, out-of-pocket expenses incurred to operate the Stadium during such events/uses. The Parties shall cooperate in good faith and mutually agree on the definition and treatment of civic, non-commercial public events/uses.
- D. **Municipal Services.** The Team shall be responsible for any and all costs incurred for municipal services (e.g. police/security, traffic control, fire prevention, emergency medical, street cleaning/trash removal and other similar services) provided for events held by the Team. The Team and the Authority, in coordination with the City and County, shall cooperatively determine appropriate public and private staffing levels for police/security, traffic control, fire prevention, emergency medical, street cleaning/trash removal and other similar services based upon anticipated attendance for NFL games and any other events held at the Stadium; however, the Authority, in coordination with the City and County, shall have final approval over appropriate staffing and service levels. The Authority, in coordination with the City and County, shall use a "reasonableness standard" in determining appropriate staffing and service levels. In the event that the Parties cannot agree on appropriate staffing and service levels, the Team shall have the right to submit such dispute to a mutually agreed upon mediator or

to arbitration for accelerated dispute resolution. Notwithstanding the foregoing, if the Authority, in coordination with the City and County, determines that an emergency public safety issue exists with respect to a particular NFL game or event, the Authority, in coordination with the City and County, shall have the right to determine and impose the staffing level for such event. Sponsors of civic, non-commercial events/uses shall be responsible for any and all incremental costs incurred for municipal services provided for its events.

VI. **Lease/License Conditions and Criteria**

The lease/license or other transaction documents between the Authority and the Team shall include the following criteria and conditions:

- A. **Lease Term.** Team will enter into a Stadium lease or use agreement with the County or Authority for a term of 30 years, with Team options to extend the term.
- B. **Capital Improvements.** The Team shall be responsible for making (or for causing others to make) all capital repairs, replacements and improvements for the Stadium and parking facilities. The Team shall maintain (or cause others to maintain) the Stadium and parking facilities in a safe, clean, attractive, and first class manner so as to cause them to remain in a condition comparable to that of other NFL facilities of similar design and age, ordinary wear and tear excepted. The Team shall maintain (or cause others to maintain) the Stadium and parking facilities in a manner that is consistent with all applicable requirements imposed by the NFL, and with the original design and construction program of the Stadium and parking facilities. The Team shall make (or cause others to make) all necessary or appropriate repairs, renewals and replacements, whether structural or non-structural, interior or exterior, ordinary or extraordinary, foreseen or unforeseen, in a prompt and timely manner. Initial funding for a capital repairs, replacement, and improvement reserve fund to be created and managed by the Authority (the "Reserve Fund") shall be provided as outlined in Paragraph III.B.1. The County and the Team will each contribute \$1.0 million annually to the Reserve Fund. The County contribution will be subject to an annual inflationary index, which amount shall not exceed the annual amount of the increase in sales tax net proceeds collected in the County in each year. The County shall have no responsibility for any capital repairs, replacements or improvements to the Stadium and parking facilities beyond the annual contribution described herein. The Team shall pay for any required capital repairs, replacements and improvements in excess of the amounts available in the Reserve Fund. The Reserve Fund shall be used to fund all activities described in this paragraph but shall not be used to remedy design and/or specification deficiencies.
- C. **No Escape.** The Team shall play all regularly scheduled home games (preseason, regular season, and post season) at the Stadium for 30 years (the anticipated term of the bonds). The Team shall not enter into a contractual arrangement with a public or private entity (other than the County) to play any home games at a stadium location other than the Stadium. However, the Team shall have the ability to play occasional league mandated games off-site, and not more than one (1) permitted specialty game per year off-site. The Team will enter into a binding and enforceable non-relocation agreement that includes appropriate specific performance and injunctive relief provisions. The Team shall

not relocate, shall not apply to the NFL to transfer to another location, and shall have no right to terminate the Stadium lease or license.

- D. **Public Share if Team is Sold.** If the Team or any individual with an ownership interest in the Team of twenty percent or more sells an interest in the Vikings, a portion of the Gross Profit must be paid to the Authority and shall be allocated as follows: 1) used to pay any cost overruns incurred by the County as described in Paragraph III. C., and 2) deposited in the Reserve Fund. The portion of the Gross Profit required to be so paid to the Authority is the profit above Team value as of January 1, 2011 equal to 18 percent of the Gross Profit, declining to zero percent ten years after commencement of Stadium construction in increments of 1.8 percent each year (the provision does not apply unless and until the Stadium is opened and available for NFL games). "Gross Profit" is defined as the difference in Equity Value of the Team and related entities primarily involved in the Stadium operations as determined on January 1, 2011 and on the date of sale. "Equity Value" is defined as Fair Market Value less long term Team debt and long term Stadium debt (excluding NFL financing sources such as G3, club seat waivers, etc.) and less equity invested directly in the Stadium (excluding Team share for site acquisition, remediation, and on-site street improvements). The Fair Market Value shall be determined by a mutually acceptable appraisal mechanism as of January 1, 2011 and will be based on the sales price up on a sale. The appraiser(s) shall be instructed to determine the Fair Market Value of the Team on January 1, 2011 assuming no new stadium had been approved. The agreement shall provide exceptions for sales to members of the owner's family and trusts beneficially owned by family members, sales necessitated by the death of an owner, sales to employees aggregating up to ten percent, and sales related to capital infusions not distributed to the owners.
- E. **Affordable NFL Game Tickets.** The lease/license or other transaction documents shall provide for an agreed upon number of affordable tickets.
- F. **LEED Certification.** If the Authority obtains grants sufficient to cover the increased cost, it shall make best efforts to ensure that the Stadium receives Leadership in Energy and Environmental Design ("LEED") certification for environmental design.
- G. **Cooperation with Financing.** The County and Authority will cooperate with the Team to facilitate the financing of the Team's contribution. Such agreement to cooperate shall not require the County or Authority to incur any additional costs or provide conduit financing. The lease/license shall include provisions customarily required by lenders in stadium financings.

VII. Additional Considerations, Conditions and Criteria

- A. **Corporate Headquarters.** If the Team elects to construct a new corporate headquarters and/or training complex, such development shall occur in the County. The Team shall not make a significant investment that effectively constitutes a new corporate headquarters or training facility at the existing Winter Park facility (excluding maintenance, ordinary or necessary repairs and substantial repair or replacement resulting from Force Majeure events).

- B. **Governing Agreement.** Before any public funds are raised, there shall either be a governing agreement between the National Football League and its players that allows NFL games to be played in 2011, or there shall otherwise be a reasonable expectation that NFL games will be played in 2011 absent such agreement.
- C. **Sales Tax Exemption.** The County and Team shall jointly seek to exempt from sales taxes building materials purchased for the Stadium and related improvements.
- D. **Special Taxes and Fees.** The County will not impose any special taxes, fees, or other surcharges specific to the Stadium, Team, Team personnel or TCAAP site (such as sales, admissions, parking or other taxes). The County bonds will not be secured by the Stadium or its revenues.
- E. **Maximum Price Contract.** The County and Team shall jointly seek legislation permitting a guaranteed maximum price contract with a contractor and permitting relief from certain aspects of the State's bidding and bonding laws.
- F. **No Referendum.** No referendum shall be required for the County to issue bonds or levy the aforementioned taxes to pay the bonds.
- G. **Hiring and Recruitment.** The Authority shall make every effort to employ women and members of minority communities when hiring. The Authority shall make good faith efforts to engage qualified women, minority owned, and small business enterprise contractors.
- H. **Business Community.** Certain sales thresholds are to be attained from the Business Community with regard to sales of luxury suites, club seats, naming rights, sponsorships and advertising.
- I. **Other Required Agreements.** The Authority must negotiate a public sector project labor agreement or other agreement to prevent strikes and lockouts that could halt or delay construction of the Stadium. To protect its interest in the uninterrupted receipt of revenue from the risk of labor disruption, the Authority shall require the Team to negotiate a labor peace agreement covering Stadium hospitality workers.
- J. **Personal Seat Licenses.** The Authority shall own and retain the exclusive right to sell PSLs to the Stadium, although the Authority shall retain the Team to act as the Authority's agent in marketing and selling such licenses.
- K. **Team Related Entities.** Any of the obligations set forth herein that are related to Stadium design, development, construction, operation or management by the Team may be performed by the Team or a related entity, and the Team or any entity related to the Team may receive any revenues to which the Team is entitled hereunder; provided, however, the Team shall remain liable if any obligations are assigned to a related entity.
- L. **Negotiation of Definitive Documentation.** The Parties agree to cooperate and work together in good faith to achieve the goals described in the terms set forth

above and to enter into definitive documentation. The definitive transaction documents shall include appropriate indemnification provisions.

- M. **Negotiation with State.** The Parties agree that the State is an indispensable third party to this negotiation and that the terms of this Agreement are subject to approval by the State.
- N. **Conditions Precedent and "Walk-Away" Rights.** Either Party may terminate this agreement if the following items are not addressed in a satisfactory manner (timing and expense reimbursement for the Parties to be determined):
1. Timing, terms, and costs associated with the acquisition of the TCAAP Site from the U.S. Army.
 2. Timing, terms and costs associated with the remediation of the TCAAP Site to commercial/industrial standard.
 3. Provision for sufficient funding and a reasonably acceptable plan for completing off-site transportation infrastructure improvements.
 4. Financing terms and conditions related to the issuance of the County bonds and Team debt reasonably acceptable to the Parties to allow the Parties to meet the capital contributions required in Attachment A.
 5. Timing and level of Business Community support acceptable to the Team.
 6. These Principles of Agreement and all of the rights and obligations hereunder may be terminated by either Party if, (i) State legislation providing for financing of the Stadium project has not been passed by July 1st, 2011 or (ii) the Governor of the State publicly opposes State financing of the project or other significant elements of this agreement, including off-site transportation infrastructure improvements, unless the Parties otherwise agree to continue.

RAMSEY COUNTY/MINNESOTA VIKINGS

PRINCIPLES OF AGREEMENT FOR THE DEVELOPMENT OF A NEW MULTI-PURPOSE STADIUM

ATTACHMENT A

<u>Sources of Funds</u>		
Public		650,000,000
State	300,000,000	
County	350,000,000	
Other	0	
Team/Private Contribution		407,050,847
Total		<u>1,057,050,847</u>
<u>Uses of Funds</u>		
Stadium		884,070,675
Stadium Improvements	670,315,779	
Stadium Retractable Roof	205,500,000	
Stadium Related Site Impacts (Including Excavation, Foundation, Etc.)	8,254,896	
On-Site Infrastructure		58,409,776
Site Preparation/Subsurface	7,449,664	
Utilities/Energy	29,880,784	
Site Finishes	10,279,328	
Street Improvements (On-Site)	10,800,000	
On-Site Street Improvements	10,800,000	
Project Share of On-Site Street Improvements	6,530,233	
Team Share of On-Site Street Improvements	<u>4,269,767</u>	
Off-Site Infrastructure		12,445,244
Pedestrian Access and Area Improvements	8,945,244	
Utility Infrastructure	<u>3,500,000</u>	
Parking (Including Interior Circulation)		87,125,152
Site Acquisition/Remediation (Net)		30,000,000
Site Acquisition/Remediation	30,000,000	
Project Share of Site Acquisition/Remediation	18,139,535	
Team Share of Site Acquisition/Remediation	<u>11,860,465</u>	
Metrodome Reserve/Land Sale		<u>(15,000,000)</u>
Total Project Costs		<u>1,057,050,847</u>
Net Surplus/(Deficit)		<u>0</u>

Sources: M.A. Mortenson Company/Minnesota Vikings.



September 14, 2011

Mr. Patrick Born, Regional Administrator
Metropolitan Council
390 Robert Street North
St. Paul, MN 55101-1805

Dear Mr. Born:

In response to your letter of September 8, 2011 and your request for additional information related to the TCAAP stadium proposal, please find herewith answers to your questions as well as the information that you requested.

Site Remediation

The first paragraph regarding this topic in your letter is a correct interpretation of the May 10, 2011 Principles of Agreement. Ramsey County and the Vikings estimate that \$30 million should be sufficient to acquire the land and remediate the entire site to commercial industrial standards, and Ramsey County will contribute only to remediate to that standard.

The second paragraph in your letter, however, does not adequately reflect our intentions as communicated at our August 30, 2011 meeting. Based on the representations made to us by Wenck Associates (who has been conducting extensive site diligence on behalf of the U.S. Army and Ramsey County over the past several years), approximately 400 acres of the entire 430 acre site are not contaminated or have already been remediated to commercial/industrial standards and do not require remediation. Thus, there is no cost associated with the "clean" portion of the site to remediate to commercial/industrial standards. For the remaining 30 acres which do require remediation, the intentions of the County and the Vikings are to complete the remediation prior to the opening of the new stadium. Further, to the extent possible, we hope to be able to remediate the contaminated portions of the site to a residential standard. However, we will not know if this is possible until after a remediation plan is completed and approved by the State. In any event, if it is possible to clean any portion of the site to a residential standard and we decide to do so, the Vikings will be responsible for the additional cost as per the Principles of Agreement, and Ramsey County's contribution will be limited to its proportionate share of the amount necessary to remediate to the commercial/industrial standards.

Schedule

Please find enclosed a project schedule completed by Mortenson Construction that assumes the EIS process, site acquisition, demolition, permitting and remediation will all begin immediately upon passage of legislation following a Special Session in October



2011. Further, the design process will also begin in the same time frame, with construction completion occurring in August 2015. This schedule assumes some overlap of processes and represents a scenario that Mortenson believes is achievable if all parties cooperate and there are no unforeseen disruptions.

Also, this schedule does not assume that a design-build construction process is utilized. Although design-build may allow for a different schedule and different cost assumptions, there are many factors involved in a design-build process that must be evaluated before the parties can agree to proceed in that direction. Advice provided to the Vikings by experts who build sports stadiums and arenas is that a design-build process could allow for construction results that are detrimental to the owner and operator of the facility. We believe that the decision surrounding the methodology for the design and construction needs to be further evaluated by the State, County and Vikings before a decision is made.

Size of the Stadium Facility

The 1.6 million square foot stadium structure was the result of a comprehensive process conducted by the Metropolitan Sports Facilities Commission and the Vikings. HKS was selected as the design architect for that process and completed a schematic design for a multi-purpose facility. Enclosed is a schedule showing the square footage breakdown for the facility as designed by HKS. Also enclosed is a drawing showing the rough dimensions of the new structure. The approximate footprint dimensions are 932' by 810', and the height at the highest point of the roof is approximately 300'.

Development Plan for 170 Acres

Your letter of September 8, 2011 states that "A clear understanding of the planned uses for the 170 acres non-stadium portion of the TCAAP site is needed." Ramsey County will respond as to the necessity for including this ancillary development as part of the stadium development EIS process. Please note that it is not clear to us that analysis of the adjacent 170 acres is required as part of a stadium EIS.

Nonetheless, our expectations of the development potential of the entire 430 acre site is that a mixed-use development will occur, initially consisting of the new stadium, parking for stadium events, and possible team facilities. Then, over a time period that is difficult to project given the state of the economy, the mixed-use development will grow to include commercial space (office, retail, hotel, restaurants) and residential space. We have not yet studied the economic impact of this additional development, nor have we worked together with the City of Arden Hills in their master planning and land use process to accommodate such future growth and provide reasonable growth assumptions. We think it is premature at this time to speculate as to specific square footage and unit mix assumptions.

Ryan Companies had completed an intensive study prior to the economic downturn, and created a development plan for the entire 430 acre site. We suggested previously to utilize one-third of their planned development as an approximation of the potential for the 170 acres private development. We would be guessing if we were to further define the level of development that the Ryan plan could accommodate at this location in the future. We are not comfortable speculating at this time, and hope that you agree that

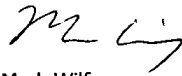
using a "best guess" would not be consistent with your goal of determining potential environmental impacts for the stadium development in the event that our guess turns out to be wrong.

Changes to the Agreement

We will keep you abreast of potential changes to the Principles of Agreement as the discussions with the State evolve. At this time, other than building a fixed-roof facility as opposed to retractable-roof, there are no known significant modifications that we think would impact the EIS process.

Please call upon our project team if you require any clarification to the above responses or need any additional information.

Sincerely,



Mark Wilf
President

MW:gg
Enc.

cc: Ted Mondale
Lee Mehrkens
Lester Bagley
Don Becker
Pat Klaers



500 IDS CENTER
80 SOUTH EIGHTH STREET
MINNEAPOLIS, MN 55402
MAIN: 612.632.3000
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THOMAS L. JOHNSON
ATTORNEY
DIRECT DIAL: 612.632.3207
DIRECT FAX: 612.632.4207
THOMAS.JOHNSON@GPMLAW.COM

September 20, 2011

VIA EMAIL AND U.S. MAIL

Mr. Pat Born
Metropolitan Council
390 Robert Street North
St. Paul MN 55101-1805

Mr. Mark Wilf
Minnesota Vikings
9520 Viking Drive
Eden Prairie, MN 55344

Dear Messrs. Born and Wilf;

Gray Plant Mooty is special legal counsel to Ramsey County with respect to the proposed construction of a Viking's football stadium on the former Twin Cities Army Ammunition Plant (TCAAP) site in Arden Hills.

We have been asked by the County to address the need for--and scope of--an environmental review of the proposed stadium. The County has also asked that we share our conclusion with you, which is that an environmental review of the proposed stadium is required and, as a practical and legal necessity, it will encompass the stadium and the on-site, stadium-related infrastructure (the "stadium project"), but that this review should not and cannot include the potential development by the Vikings ownership on the property adjacent to the stadium (the "private development").

The Minnesota Environmental Policy Act (MEPA), Minnesota Statutes, Chapter 116D, governs environmental review in Minnesota. In accordance with MEPA, the responsibility for ordering and overseeing an environmental review is assigned to the Responsible Governmental Unit (RGU). Ramsey County intends to serve as the RGU for the proposed Vikings stadium in the same manner and for the same reasons as Hennepin County and the University of Minnesota served as the RGU's, respectively, for the Target Field and TCF Bank Stadium projects.

MEPA requires a RGU to prepare an environmental impact statement (EIS) whenever a proposed action has the potential for significant environmental effects. Only actions that qualify as "projects" are covered. A "project" has been defined by the courts as a "definite, site-specific action that contemplates on-the-ground environmental changes, including changes in the nature of the use." This definition distinguishes a definitive, site-specific project from conceptual plans that "are too broad and speculative to provide the basis for meaningful environmental review."

Accordingly, an EIS is only required when a proposed project having the potential for significant environmental effects is sufficiently well defined that the proposer can describe it in detail, analyze its significant environmental effects, examine alternatives, and explore measures for mitigating its adverse effects.

The Minnesota Environmental Quality Board (EQB) has adopted rules pursuant to MEPA that govern the EIS process (“EQB rules”). The EQB rules establish criteria for identifying projects for which an EIS is legally required (“a mandatory EIS”). The rules also establish a process for determining which potential environmental impacts must be analyzed as part of the EIS (the “scoping process”). Pursuant to the EQB rule listing mandatory EIS categories, an EIS is required for projects involving construction of an outdoor sports facility which is designed for a peak attendance of 20,000 or more persons. Accordingly, the construction of the proposed Vikings stadium, with a planned seating capacity of 65,000, is a “project” which falls within the mandatory EIS category.

As the RGU, Ramsey County will be responsible for: (i) determining which potential environmental effects of the proposed stadium project need to be analyzed; (ii) ensuring that the EIS addresses all the significant environmental issues which have been identified (for which information can be reasonably obtained); and (iii) confirming that the review process followed all the procedures set out in MEPA and the EQB Rules. In order to properly conduct an EIS, Ramsey County will need to know the basic design features of the proposed stadium including its general location on the TCAAP site, its approximate size (footprint), and the details for the on-site infrastructure necessary to support the stadium, such as the parking lots for game attendees and associated roadways. It is our understanding that these features either have been or will soon be defined to the degree of specificity required to provide the basis for meaningful environmental review.

We turn next to the potential private development on the property adjacent the stadium and whether this potential development needs to be included as part of the EIS on the stadium project. MEPA requires that “connected actions” and “phased actions” be included as part of the EIS for the core project (in the case of a connected action) or the initial project (in the case of a phased action). As defined in MEPA, phased actions require the *same* proposer for both actions. That is not the case here. Ramsey County is the “proposer” of the stadium for purposes of environmental review, as were Hennepin County and the University of Minnesota for the Target Field and TCF Bank Stadium projects. The proposer for the potential private development will be a private entity affiliated with the Vikings ownership.

Connected actions require one project to (i) directly induce the other, (ii) be a prerequisite of the other, or (iii) that neither action is justified by itself. Here, the stadium can—and will—go forward independent of any commitment regarding the scale and scope of the private development on the property adjacent to the stadium. While certainly it is the parties’ plan that private development occur, the Principles of Agreement between the County and Vikings allows the Vikings up to eight years to develop an appropriate, market-driven development plan and for the County to buy-back the land if the private development has not occurred.

Accordingly, the potential private development is neither a phased action nor a connected action. As such, it is not legally required to be included as part of the defined “project” for purposes of the stadium EIS. It should be noted that once the specifics of the private development are known, the scope of the proposed project may require an independent EIS or environmental assessment worksheet (EAW) dependent on the scope and phasing of the project or projects. In that event, the City of Arden Hills would be the legally required—and the appropriate—RGU.

Finally, the EQB rules allow an independent, but “related” project to be included as part of the core project (here, the stadium and related on-site infrastructure) for purposes of environmental review. The inclusion of a related project is at the discretion of the RGU. However, the rules prohibit the RGU from including a related project if its inclusion would unreasonably delay the environmental review process. That is the case here. As stated in Mark Wilf’s September 14, 2011 letter to Pat Born, the private development will grow to include commercial and residential space “over a period of time that is difficult to project given the state of the economy” and that “it would be premature to speculate as to specific square footage and mixed use assumptions.” Without specific details, an analysis of the potential significant environmental effects of the private development is not currently feasible, much less legally required.

The same is true for an analysis of the cumulative potential effects of private development. Such an analysis will only be necessary if, at the time that the stadium project EIS is underway, the County determines that there is sufficiently detailed information available (in the form of detailed plans and specifications) to assess how the private development will contribute to the cumulative potential effects as provided in the EQB rules.

Based on the requirements of MEPA and the associated EQB rules, we have advised the County that a EIS is required for the proposed Vikings stadium and related on-site infrastructure, but that this review need not include the potential private development on the land adjacent the stadium and, indeed, cannot include this potential development since detailed, site-specific plans and specifications are unavailable.

We would be pleased to answer questions you may have, or to provide further information.

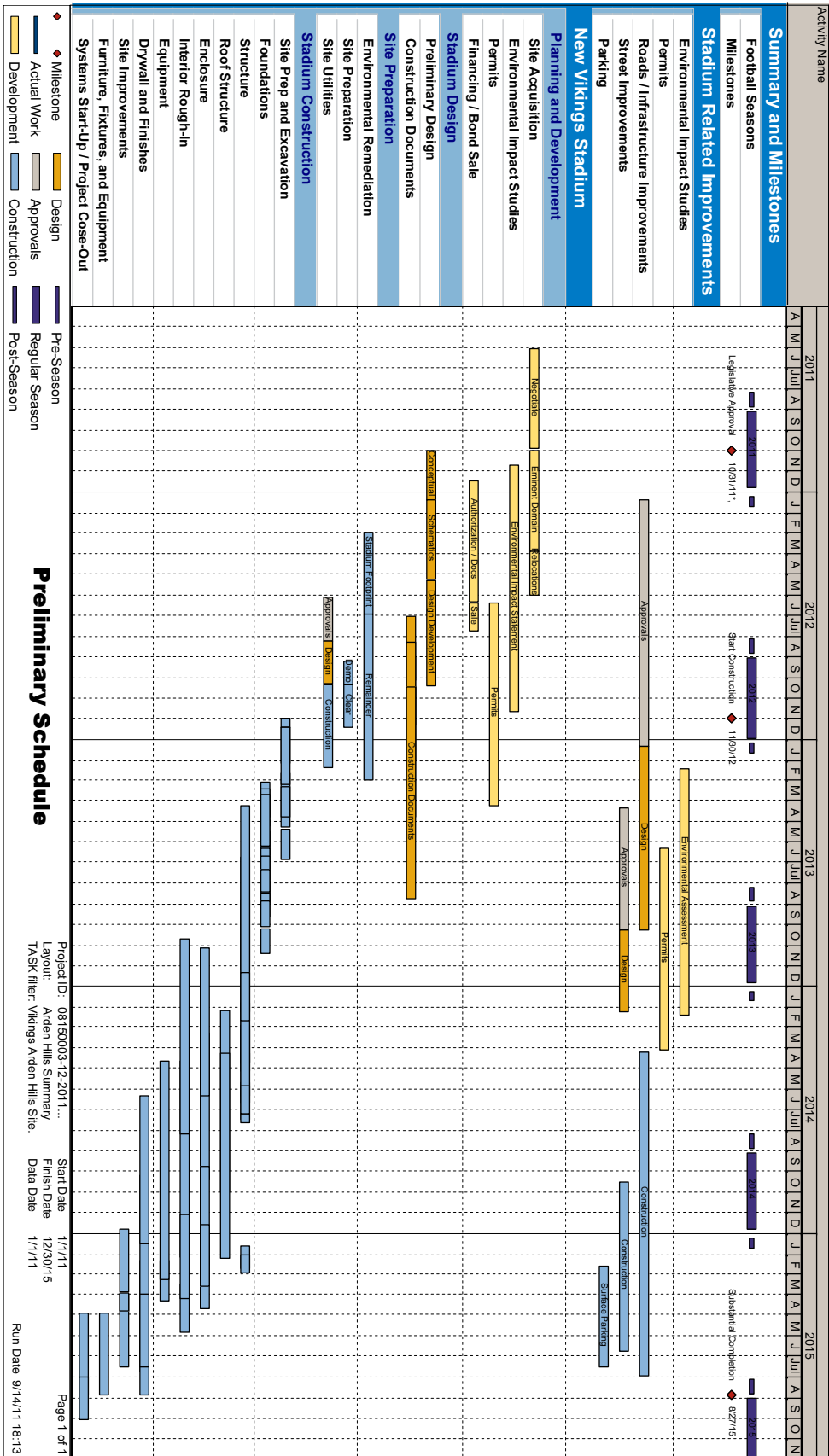
Sincerely yours,



Thomas L. Johnson



Minnesota Vikings



Multi-Purpose Stadium Minnesota Vikings

Arden Hills Site
Minneapolis, Minnesota
Executive Summary
2012 Start
September 23, 2011



	Open Air Stadium Schematic Design Updated Costs	Fixed Roof Schematic Design Updated Costs	Stadium Schematic Design Updated Costs
I. Stadium			
A. Stadium	\$ 550,934,106	\$ 10,713,832	\$ 561,647,938
B. Fixed Roof & Enclosure		\$ 143,862,067	\$ 143,862,067
B1. Roof Related Central Plant		\$ 3,733,333	\$ 3,733,333
Subtotal	\$ 550,934,106	\$ 158,309,232	\$ 709,243,338
C. FF&E	\$ 11,988,578	\$ -	\$ 11,988,578
Subtotal	\$ 11,988,578		\$ 11,988,578
D. Soft Costs	\$ 48,670,867	\$ 14,458,863	\$ 63,129,730
Subtotal	\$ 48,670,867	\$ 14,458,863	\$ 63,129,730
E. Project Contingency	\$ 29,977,124	\$ 7,731,904	\$ 37,709,028
Subtotal	\$ 29,977,124	\$ 7,731,904	\$ 37,709,028
Total	\$ 641,570,674	\$ 180,500,000	\$ 822,070,674
II A. On Site Improvements			
A. Site Prep / Subsurface	\$ 6,719,885		\$ 6,719,885
B. Utilities	\$ 30,110,756		\$ 30,110,756
C. Site Finishes / Improvements	\$ 11,645,573		\$ 11,645,573
D. Street Improvements	\$ 9,742,017		\$ 9,742,017
E. Team Share of \$4,269,767 included	Included above		Included above
F. Transit Integration	In Highway Improvements		In Highway Improvements
F. Ped. Access & Area Improvements	\$ 5,695,733		\$ 5,695,733
Subtotal	\$ 63,913,964		\$ 63,913,964
G. Soft Costs	\$ 3,745,358		\$ 3,745,358
Subtotal	\$ 3,745,358		\$ 3,745,358
H. Project Contingency	\$ 3,195,698		\$ 3,195,698
Subtotal	\$ 3,195,698		\$ 3,195,698
Total	\$ 70,855,021		\$ 70,855,021
II B. Parking			
A. Surface Parking (21,000 Stalls)	\$ 87,125,152		\$ 87,125,152
Subtotal	\$ 87,125,152		\$ 87,125,152
FF&E			
Subtotal			
III. Site Acquisition Costs			
A. Site Acquisition Costs - Stadium	\$ 30,000,000		\$ 30,000,000
Team's Share of Site Acquisition & Remediation	Included in Above		Included in Above
B. Site Acquisition Costs - Parking	In Above		In Above
C. Metrodome Site Land Credit	Team to Cover Costs / Receive Sales Profits		\$ -
Subtotal	\$ 30,000,000	\$ -	\$ 30,000,000
IV. Total Project Cost			
A. Total Project Cost	\$ 829,550,847	\$ 180,500,000	\$ 1,010,050,847
V. Transportation Costs			
A. Transportation	\$ 101,000,000		\$ 101,000,000
VI. Total Project Cost with Transportation			
A. Total Project Cost	\$ 930,550,847	\$ 180,500,000	\$ 1,111,050,847
Notes: Stadium Program Square Footage Start Stadium Construction Complete Stadium Construction Approximately 36 months for construction of Stadium			<i>Multipurpose Stadium</i> 1,539,000 August, 2012 August, 2015



GSA New England Region

October 5, 2011

Arlene McCarthy
Transportation Director
Metropolitan Council
390 Robert Street North
St. Paul, MN 55101-1805

Re: Understanding of Land Transfer and Remediation Approach for
Northern Pointe, a/k/a a portion of the former Twin Cities Army
Ammunition Plant

Dear Ms. McCarthy:

The purpose of this letter is to inform you that the General Services Administration concurs with the background information and process for the proposed sale and remediation of Northern Pointe outlined in the document attached herewith.

If you have any questions, please contact Kevin Legare of my staff at 617.565.5719.

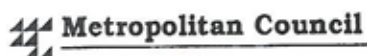
Sincerely,

A handwritten signature in black ink, appearing to read "John E. Kelly".

John E. Kelly, Director
Real Property Utilization & Disposal Division

cc: Mike Fix, Greg Mack

U.S. General Services Administration
Thomas P. O'Neill, Jr. Federal Building
10 Causeway Street
Boston, MA 02222
www.gsa.gov



October 5, 2011

Kevin Legare, Branch Chief
U.S. General Services Administration
Thomas P. O'Neill, Jr. Federal Building
10 Causeway Street
Boston, MA 02222

Dear Mr. Legare,

Please accept my thank you for the considerable assistance and information you, BK Schafer, John Kelly and Mike Fix have provided regarding the TCAAP land transfer and remediation process and requirements. This information is invaluable to the Council and Metropolitan Sports Facilities Commission as we complete the risk assessment, as requested by Governor Mark Dayton, of the Ramsey County/Minnesota Vikings Stadium Proposal at the Arden Hills TCAAP site.

Attached is what I believe to be our mutual understanding of the land transfer and remediation approach for the Stadium Proposal parcel, also known and marketed as Northern Pointe by the GSA and Army.

On behalf of the other GSA staff and Mike Fix (Army), I request that you affirm your concurrence with the understanding as presented on the attached.

If you have any questions, do not hesitate to contact me.

Sincerely,

A handwritten signature in cursive script that reads 'Arlene McCarthy'.

Arlene McCarthy
Transportation Director

Encl: Understanding of Land Transfer and Remediation Approach for Northern Pointe dated
October 5, 2011

cc: Dan Coyle
Jim Nelson
John Hink

www.metrocouncil.org

390 Robert Street North • St. Paul, MN 55101-1805 • (651) 602-1000 • Fax (651) 602-1550 • TTY (651) 291-0904

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**Understanding of Land Transfer and Remediation Approach
For Northern Pointe, a/k/a a portion of the former Twin Cities Army Ammunition Plant
(TCAAP)**

containing the comments made by Kevin Legare (GSA), BK Schafer (GSA), Mike Fix (Army), Arlene McCarthy (Met Council), Dan Coyle (Council consultant), John Hink (Council consultant) and Jim Nelson (MSFC consultant)

October 5, 2011

Arden Hills Land Transfer and Remediation

The purpose of the Met Council/MSFC Risk Assessment is to identify time, financial and liability risks. Today the intent was to understand the land transfer and environmental remediation processes, and explore the risks associated with both.

GSA Understanding of Ramsey County / Minnesota Vikings Stadium Proposal:

The GSA has reviewed the Ramsey County / Minnesota Vikings May 10, 2011 agreement and confirms what is stated by Ramsey County / Minnesota Vikings is consistent with GSA conversations with Ramsey County / Minnesota Vikings regarding the land transfer (Section II.A) and remediation (Section II.B) process for Northern Pointe.

The USEPA and MPCA make the final decisions regarding adequate characterization and appropriate level of cleanup for specific land uses at TCAAP. The Army's obligation for cleanup under its Record of Decision (ROD) with the USEPA and MPCA for TCAAP soil remediation is based on site specific risk based standards for an industrial risk scenario. These standards were developed prior to the state's issuance of its Soil Reference Values (SRVs). For the transferring property the Army is requiring the buyer to use the state's Tier 2 Industrial SRVs and compliance with its Federal Facilities Agreement (FFA) to meet its ROD soil cleanup obligations. Based on the Army and its contractor's comparison of all available soil data to the MN Tier 2 Industrial SRVs, there are 19 discrete areas with one or more exceedances identified as requiring remediation to meet the states Industrial SRVs. Land use outside of these 19 discrete areas and the three building footprints (MPCA has requested additional characterization inside the building footprints) highlighted on the June 2010 Northern Pointe Environmental Conditions map is presently restricted to the site specific industrial risk scenario as described in the TCAAP Operable Unit 2 Land Use Control Remedial Design (LUCRD), dated Sept 2010, and its revisions.

Background

The GSA/Army intends to sell a total of 430 acres as one transaction. The GSA/Army's position is that it will not sell a portion of the 430 acres – it is all or nothing. The GSA/Army was in the process of preparing an Invitation for Bid (IFB) to sell the 430 acres through a public auction. Before issuing the IFB, the Ramsey County/Minnesota Vikings stadium proposal came forward and the GSA/Army have subsequently been working with them to potentially sell the 430 acres to Ramsey County for the purpose of the stadium and development.

Of the 430 acres, 400 acres are FOST ("ready to go" from the Army/GSA perspective) as these acres have no known exceedances of MN Tier 2 Industrial Soil Reference Values (MNSRVs) and use is presently restricted in accordance with a site specific industrial use scenario. Land uses conforming to the assumptions of the site specific use scenario can be used without any further environmental remediation. 47 of the 400 acres have further been determined to have unrestricted use (acceptable for residential and recreational use without further remediation). Some of the remaining 353 acres can

possibly be determined as acceptable for residential use without any further remediation if they are tested and determined as such with state and EPA regulator concurrence. Army staff anticipates that most, if not all, of the 353 acres can be cleaned to residential use, but has not previously estimated the cost for this higher level of remediation which is at the discretion (and expense) of the purchaser.

Of the 430 acres, 30 acres are not "FOSTable" (require additional remediation for industrial use to fulfill the Army's remediation responsibilities created by CERCLA). These areas may also potentially be remediated to residential use by the purchaser of the property at the discretion (and expense) of the purchaser. These areas requiring remedial action are identified in a June 2010 Wenck Consultants analysis. The analysis, performed for the Army, compared all known soil data on the 430 acre property to MN Tier 2 Industrial Soil Reference Values MNSRVs. The analysis concluded that only 19 relatively small and discrete areas, 14 of them identified by single data points, exceed MN Tier 2 Industrial Soil Reference Values MNSRVs. The data base and map showing the results are available on the GSA website (propertydisposal.gsa.gov.)

BK Schafer made a number of observations about the status of contamination on the property: The Comprehensive Environmental Response, Compensation and Liability Act (CERCLA, 42 U.S.C. Sec. 9601, et seq.) have a few passages that deal with real estate issues. One of the more significant passages is that of Section 120(h) (42 U.S.C. Sec. 9620(h)) that affects the conveyance, in fee, of federal property to a nonfederal entity. The basic rule of Sec. 120(h) is that except in the case of a conveyance to a "potentially responsible party" (and a few other odd exceptions that don't apply in the TCAAP scenario before us), there are four basic obligations imposed on the landholding agency disposing of the property in question. In summary fashion these obligations include:

- a. Putting the buyer on notice as to any hazardous substances (where "hazardous substances" do not include petroleum products due to the "petroleum exclusion" found in CERCLA) that were stored, released or disposed;
- b. Insuring that any hazardous substances that have been released into the environment have been addressed prior to conveying the property and providing the buyer in the deed a covenant assuring the buyer that this has been accomplished;
- c. Assuring the buyer that if additional contamination attributable to the U.S. is discovered post-transfer, the U.S. will do a "come back" to perform any necessary response action to address the contamination so discovered; and
- d. Retaining a permanent right of reentry necessary to perform the "come back"

Of these four obligations, the second – the covenant that all remedial action has been taken - is the most significant in terms of its negative impact on the timeline of disposal of contaminated real estate. Here is its precise wording:

CERCLA Section 120(h)(3)(A)(ii)(I): "...all remedial action necessary to protect human health and the environment with respect to any such substance remaining on the property has been taken before the date of such transfer..."

These words can be fairly interpreted as having their greatest impact where the buyer and seller contemplate a transfer that has the entire property interest in question remediated to some level acceptable to federal or state (or both depending on which regulators are overseeing the cleanup) **before** the deed transferring title in fee simple absolute is executed. However, if the parties so choose, there is nothing in this passage of CERCLA that prevents the following chain of events in this order:

- execution of a sales agreement by the parties for the entire property interest including payment of the purchase price to the Government by the buyer,
- execution of a deed by the Government for those acres of this property interest where the remedy has been deemed complete or the examination of the property has resulted in a

conclusion that deed restriction on full use is an adequate remedy (e.g., a restriction that only allows industrial or commercial uses, or where other forms of restriction have been deemed adequate by regulators), or where the property has been deemed to require no remediation at all,

- execution of a license, an easement or a lease (whichever type of access suits the buyer and the environmental regulator) that allows the buyer to have access to perform this necessary cleanup of that acreage that can't be transferred in fee simple yet because of existing contamination that has not been addressed as required by the passage of 120(h) cited above), and
- upon completion of this necessary cleanup to the satisfaction of environmental regulators, the execution of a deed in fee simple absolute for the acreage that couldn't be transferred when the sales agreement was executed but can be now.

This approach is not dependent on the percentages of acreages in the "remediated" vs. the "unremediated" column – if in fact the entire parcel is in the status of requiring characterization or cleanup, then the entire parcel could be sold, and a license, easement or lease issued to the buyer to give access for their cleanup activities, and conveyance of fee simple delayed until the cleanup has been completed. Furthermore, it is conceivable and desirable for both parties that this right of access via license, easement or lease would not necessarily prevent simultaneous redevelopment of the property (to the extent the impact of the type contamination would allow of course). In essence, where the parties are comfortable with a quick conveyance of a robust level of access and activity to the parcel so that cleanup and redevelopment go hand in hand, and the execution of the formality of title transfer delayed pending cleanup, the requirements for the CERCLA covenant cited above can be readily satisfied in such a fashion that it doesn't have to be a stumbling block. GSA has in recent years emphasized this approach because of the great potential it provides – the most recent example being GSA's conveyance of a three adjoining parcels at the Denver Federal Center, Colorado.

To the extent, however, one or both parties simply must have full title in deed being transferred before payment of the purchase price, and must have the entire contemplated parcel being conveyed on that day, then the so-called "early transfer" provisions in CERCLA 120(h)(3)(C) is a way to achieve these ends. This passage in CERCLA was made available by Congress several years after the basic 120(h) provisions were created. The phrase "early transfer" refers to the fact that while the a., c., and d. requirements listed above still apply, the c. requirement is delayed or deferred, and the property is allowed to be transferred "early" – before the cleanup is complete. Once cleanup is complete THEN the c. covenant above can be given to the buyer by the seller in a subsequent follow-on deed. However, when one puzzles over the terms and conditions set forth in the early transfer provisions, one sees a number of significant requirements to insure that the property is "suitable" for early transfer (where "suitability" is left undefined and thus subject to great interpretation and time delays). The chief one among these would likely be getting the approval of the Governor and the EPA Regional Administrator, as the property is listed on the CERCLA National Priorities List (NPL)). There are some that say that the early transfer provisions give greater protections to the buyer than a regular conveyance. Of course if this were really true, then every transfer the U.S. does would be an "early transfer" in order to get these supposed extra protections (but of course most transactions aren't "early" but are instead "timely" – a term GSA uses to describe the normal course of satisfying CERCLA 120(h) by deferring conveyance of the deed until cleanup is complete - as the GSA/Army and Ramsey County are proposing to do at TCAAP). Still, if one were to press the issue, one could argue that the budgetary provisions of 120(h)(3)(ii)(IV) provide some measure of protection:

"... the Federal agency responsible for the property subject to transfer will submit a budget request to the Director of the Office of Management and Budget that adequately addresses schedules for

investigation and completion of all necessary response action, subject to congressional authorizations and appropriations."

In the case of the budgetary protection above, the nature of most transactions is to have the buyer fund the cleanup in exchange for reduction in purchase price – the landholding federal agency will thus not be funding or budgeting for the cleanup in this kind of transaction.

And one could argue that the suitability determination in 120(h)(3)(C)(i) made by the Governor and EPA are also protective:

"...The Administrator, with the concurrence of the Governor of the State in which the facility is located (in the case of real property at a Federal facility that is listed on the National Priorities List), or the Governor of the State in which the facility is located (in the case of real property at a Federal facility not listed on the National Priorities List) may defer the requirement of subparagraph (A)(ii)(I) with respect to the property if the Administrator or the Governor, as the case may be, determines that the property is suitable for transfer, based on a finding that—

(I) the property is suitable for transfer for the use intended by the transferee, and the intended use is consistent with protection of human health and the environment;

(II) the deed or other agreement proposed to govern the transfer between the United States and the transferee of the property contains the assurances set forth in clause (ii);

(III) the Federal agency requesting deferral has provided notice, by publication in a newspaper of general circulation in the vicinity of the property, of the proposed transfer and of the opportunity for the public to submit, within a period of not less than 30 days after the date of the notice, written comments on the suitability of the property for transfer; and

(IV) the deferral and the transfer of the property will not substantially delay any necessary response action at the property."

The basic problem with both of these "protections" is that they are typically irrelevant or come at a price in terms of effort expended and time delays. In the case of the budgetary protection above, the nature of most transactions is to have the buyer fund the cleanup in exchange for reduction in purchase price – the landholding federal agency will not be funding or budgeting for the cleanup. The problem with the extra analysis performed in order to earn the title of being "suitable for transfer" is that practically every sale of contaminated real property already has a deep level of regulator involvement given their pivotal role in achieving both the seller's and buyer's shared goal: the immediate conveyance of property in such a fashion as to cause its cleanup and productive reuse.

The basic issue that must be addressed with the land transfer is that, per CERCLA, the GSA/Army must address the contamination prior to transfer in fee title.

Two land transfer scenarios are being considered for the 430 acres.

Option 1 - Early Transfer

In this scenario the Army would transfer 400 acres under FOST and 30 acres under FOSET. The FOST acres would be one deed transfer while the FOSET parcels would be deeded once Army's obligation under the FFA has been met and the Government has received the certificates of completion from MPCA.

Early transfer allows "Surplus property to be conveyed in exception to Section 128" transfer prior to cleanup with consent of the US EPA and the Governor of the State.

Option 2 - Lease in Furtherance of Conveyance

In this option a deed would be issued for the 400 acres of FOST property and the Ramsey County would enter into a lease agreement for the 30 acres still requiring remediation under the Army's FFA. The County would perform the remediation to meet the Army's obligations under its Federal Facilities Agreement (FFA) and Record of Decision. Once the property has been remediated in compliance with the FFA to the site specific industrial standard or higher, the deed for that parcel would be issued to the County.

GSA said 400 acres would be conveyed in fee. The federal government would hold title to the remainder of the property until the identified areas requiring remediation are cleaned. The GSA noted that all of the deeded property will have a CERCLA warranty (i.e., all of the four obligations set forth at the beginning of this document – a., b., c., and d.). When the remaining acres have been adequately remediated, the lease will be terminated and the remaining acres converted via a fee simple absolute deed (because the actual sale of the land – and conveyance of the purchase price for all 430 acres – will have previously occurred). GSA expressed comfort in this method of conveyance in that all recent transfers have used this lease conveyance methodology. The GSA expressed that this was their preferred option.

As applied to TCAAP, the Army and GSA's preferred approach outlined at the beginning of this analysis would work extremely well. The bulk of the 430 acres has been studied to the satisfaction of state and federal regulators so as to allow their immediate, in fee, transfer: 47 acres of land requiring no deed restrictions on use due to contamination issues and 353 acres of land require a deed restriction to limit its use to industrial (where as noted below, it is possible that upon further examination of these 353 acres, environmental regulators may well find that portions similarly need no restrictions as in the case of the 47, or some reduced level of restriction such as park and recreation uses). The remaining acres – the 30 acres that are made up of the "spots" delineated in the maps jointly developed by EPA, Minnesota and the Army can be readily made available to the buyer by license, easement or lease, until such time the parties agree that the Army's obligation under the Federal Facilities Agreement (FFA) for the TCAAP site has been met. The certificates of completion from MPCA will trigger the license, easement or lease to convert to a deed, which would include the CERCLA warranty. During this time of addressing these 30 acres, moreover, the Army and GSA are amenable to finding ways to allow redevelopment activities beyond mere cleanup, with regulator approval of course, on these 30 acres, even though title has yet to pass. The County and GSA are currently in discussions about statutory protection regarding the 30 acres.

As a final linguistic note, the FOST and FOSET and FOSL documents are typically DoD documents created to examine and make the case that a given parcel is in such a state as to allow its transfer, early transfer or lease in light of the environmental issues on the property. In some cases these documents serve as transmittal vehicles to other decision makers such as in the case of a FOSET. Though these documents were initially creatures of properties undergoing transfer under DoD's BRAC program, the terms are nonetheless commonly used at non-BRAC properties and by other federal landholding agencies, as short hand references to the state of contamination on a given parcel.

The 30 acres still requiring remediation under the Army's FFA – also commonly referred to as an Interagency Agreement – IAG with MPCA and U.S. EPA, Region 5 consists of:

- Three building footprints that the MPCA wants to have further characterized before agreeing to a property transfer allowing site specific land uses.
- 19 areas with known exceedances of MN Tier 2 Industrial Soil Reference Values MNSRVs, each approximately 90 feet by 90 feet, totaling just over 4 acres.

These areas are described on the June 2010 Wenck drawing, and would comprise the 30 acres that would be the subject of a lease. Ramsey County will perform the remediation required prior to the issuance of certificates of completion from MPCA. Once issued, the certificates of completion will allow GSA to transition the license, easement or lease to a deed, which would include the CERCLA warranty. The GSA/Army would not require financial assurances as surety of future remedial actions. The MPCA VIC program would establish parameters for the remediation.

In the event that during remedial action "new" previously unknown contamination is discovered, if the contamination is determined to be an extension of a previously identified contamination area (within the 30 acres), the risk and cost of the remediation would be born solely by Ramsey County. Conversely, if the contamination is a discrete new area of contamination within the 400 acres already categorized for industrial use, the Army would be responsible under a "comeback" provision to remediate to industrial level. Draft IFB language is available in regard to defining the evaluation criteria to discern a widened extent of contamination from a new discrete contamination unknown. The following language captures the concept of the buyer being responsible for contamination emanating from the 30 acres, and the Government being responsible for discoveries outside this zone – it is draft and an extract from one of the early draft IFBs – it is presented in this document purely for discussion purposes in the goal of ultimately fashioning language with greater precision so as to protect both parties individual and joint interests:

- a. The Purchaser will assume responsibility to perform all remediation necessary to achieve regulatory compliance for any hazardous substances remaining on the property at the time of conveyance as identified in the FOST even if there is a significant deviation in the quantity, volume, migration, disbursement, location and/or concentration of hazardous substances subsequently discovered at a particular site than was identified in the FOST and the Government's existing environmental documentation. Unless otherwise agreed to by the Purchaser and the United States, the United States will conduct any additional necessary remedial action with respect to previously unknown hazardous substance sites not identified in the FOST, attributable to the past activities of the Government at TCAAP and discovered during remediation, use, or redevelopment of the property.
- b. The Purchaser shall be required to complete any and all remediation necessary for the property in accordance with all applicable federal and state laws and regulations. The most current environmental information concerning the property is available at the following website: propertydisposal.gsa.gov. The Purchaser shall be responsible for making its estimates as to future environmental responsibilities and liabilities and no such matters shall be grounds for revocation of a bid after it has been accepted by the Government nor any claim for reimbursement or compensation of any kind. The Government is making available the environmental reports and data it has procured for the property; these are provided for informational purposes only and the Government makes no warranties with regard to any such information. Bidders shall be deemed to have relied on their own judgment in assessing the environmental condition of the property as well as any associated responsibilities or liabilities.
- c. The Purchaser will be required to complete all necessary long-term obligations, including but not limited to monitoring, management and enforcement of land use restrictions/controls, and

operation and maintenance of all remedial actions, as required to support a determination that the Government's obligations under applicable Federal or state laws and regulations have been or are being satisfied.

- d. The Purchaser shall enter into an enforceable agreement with MPCA, pursuant to MPCA's Voluntary Investigation and Cleanup (VIC) program when it comes to cleanup of soils, and the MPCA's Petroleum Brownfield's Program when it comes to addressing releases from underground storage tanks and the management of the tanks themselves. This agreement will outline MPCA's oversight role in the cleanup, the process for regulatory closure of the 19 parcels on the Property, a schedule for implementation, and the applicable cleanup standards.

Ramsey County would act as a "contractor" to fulfill the Army's remedial responsibilities for the 30 acres not currently remediated to MN Tier 2 Industrial Soil Reference Values (MNSRVs). The GSA/Army additionally noted that remediation and re-development could go hand in hand as Ramsey County works with the MPCA VIC program. Ramsey County is the sole beneficiary of said efficiencies and remedial scales. The remedial offset would be a net value or credit to the appraised fair market value of the property. Ramsey County would bear all cost benefits of remedial efficiencies (if actuals are under the estimated cost), but also bear all cost overruns for these known areas of remedial action obligations. The GSA commented that no agreement has yet been reached on the amount of the remedial offset or the demolition offset. The GSA would not be requesting an escrow for the remedial corrections. It is unknown what the MPCA VIC program will require in terms of financial assurances from Ramsey County.

Army commented that within the 400 acres of initial deed transferable (FOST) property that 47 acres was previously residential and would be transferred with no land use restrictions. Additionally with the remaining 353 acres there could be yet undefined parcels that are suitable for immediate conversion from industrial restrictions to unrestricted land uses.

Once Ramsey County conducts a remedial action, or identifies through remedial investigation documentation that a parcel has been cleaned beyond the industrial level to a higher standard, the license, easement or lease issued to the buyer to give access for their cleanup activities will convert to a deed, including the CERCLA warranty.

GSA understood that Ramsey County would be solely responsible to conduct any additional investigation Phase II studies to determine the scope of work beyond the remediation obligations of the Army.

Existing Groundwater Remediation

The GSA's involvement in the groundwater remediation system is primarily the deed restrictions that will allow the Army to operate the system for the foreseeable future. As stated in the Land Use Control Remedial Design of September 2010 "Blanket LUCs" will be implemented that require approval prior to installation of any well that withdraws water from a contaminated aquifer, so as to prevent interference with the hydraulic performance of the groundwater remedies and prevent unacceptable human exposure. Such wells must first be approved by the Minnesota Department of Health (MDH), MPCA, and USEPA. Wells or other devices that do not withdraw water (e.g., geothermal heat exchangers) are not restricted (but still require the normal MDH permit). "Blanket LUCs" will be implemented to restrict activities that would interfere with or disrupt the effectiveness of the infrastructure needed for the groundwater remedies. Such infrastructure includes, but is not limited to monitoring wells, extraction wells, treatment equipment, and water conveyances.

The current understanding of the Vikings approach to the groundwater remediation system is the existing groundwater treatment building and wells will remain in place. Site improvements will be designed to avoid impacting the treatment building and wells. It is assumed some of the piping between the wells and the treatment building will need to be relocated. Wells would be considered impacted if cuts or fills are required at a wellhead, if surface features are changed at a wellhead or if drainage patterns are changed at a wellhead.

The Army is open to modifications to the groundwater extraction and treatment system, TCAAP Groundwater Recovery System (TGRS), at the new owner's expense and with the additional approval of the MPCA and USEPA. The regulatory approval process for such changes is not predetermined. Regulatory approval for such changes is estimated to be on the order of months. Modifications to the force mains that connect the wells to the treatment building can be modified with US Army administrative approval. Administrative approval for such changes is estimated to be on the order of weeks. Continuous operation of the TGRS must not be impacted by site development or modifications to the system. With regard to future underlying deed restrictions, the Army/GSA anticipates that the ground water contamination will be a continuing deed restriction.

Appraisal

The 430 acres will be appraised based on highest and best use (HBU). The four tests of HBU are: Legal Permissibility, Physical Possibility, Financial Feasibility, and Maximum Productivity. The appraisal will most likely be based on vacant land suitable for mixed use development. The appraisal process will estimate market value, based on the highest and best use determination. With regard to timing, the GSA and the County have discussed the highest and best use findings in the appraisal process and GSA anticipates an appraisal report from its contractor by Friday, October 14. Ramsey County has committed to have an appraisal delivered by Friday, October 14.

The remediation offsets will be negotiated based on remediating the entire 430 acres to the HBU. A hypothetical case as follows:

- Appraised value of vacant land ready for mixed use development (\$100M – for easy math, not a real estimate of land value)
- Estimated demolition/remediation cost on the 30 FOSL acres to achieve Army FFA site specific standards (say \$20M) bringing the entire 430 acres to Army FFA site specific standards.
- Estimated demolition/remediation cost above the Army FFA site specific standards on the 430 acres (say \$20M) to allow the HBU land uses
- In this hypothetical example, the purchase price would be \$60M

Q: Is this method of appraisal and offsets typical (HBU, rather than sticking with the Army FFA site specific standards), and has it been used for any of the other land transfers at TCAAP?

GSA: HBU is the typical method in all GSA fair market value appraisals and it is not unusual to address contamination or other constraints in arriving at a net purchase price. In the case of TCAAP, past transfers have been at no cost, i.e., a public benefit conveyance (parks and recreation and highway purpose). There have been no negotiated sales or public sales at TCAAP where this model would have been appropriate. The park and recreation conveyance is done as an assignment letter from GSA to the Dept of Interior National Park Service Federal Lands to Parks Program. The NPS, acting as the sponsor agency, does the deeding to the County. The deed is recorded in the local registry.

Q: Will the offsets to the purchase price include general demolition (clean items), in addition to cleanup of contaminated items (soils, steam pipe, sewers, etc.)?

GSA: There are two primary offsets: the cost to demolish all structures on site (utilities, infrastructure and buildings), including the costs to remove and dispose any contaminants present in the structures. The second offset is the cost to remediate the soil.

Q: If the remediation offset is to HBU, how will HBU be defined for this site? X acres residential, X acres industrial, X acres commercial, X acres recreational, etc...? Or, will a uniform cleanup level be assumed across the whole 430 acres? Or, some other definition?

GSA: It is premature to say with certainty what the HBU will be without having the appraisal finished, but in all likelihood, the HBU would be a mix of land uses that is consistent with the local zoning.

Q: Does the HBU site definition allow for "gerrymandering" the mixed use development such that the land uses with the lowest required remediation can be located in the most contaminated locations?

GSA: Until the HBU is received, the GSA is not in a position to speak about how the land may be carved up for different uses. The appraiser was instructed to assume the site is clean so the presence of contamination will not affect his determination of HBU or the siting of specific land uses. Once the property is conveyed, the developer may wish to locate specific uses in areas that may not be currently zoned for that type of use. If so, they will need to coordinate this action with the local zoning authority and other regulatory officials if appropriate. Q: Will the purchaser need to demonstrate, through MPCA certification, that a particular parcel has been remediated in compliance with the HBU site definition before the parcel can be deeded to the purchaser?

GSA: Our primary concern is having the site remediated to satisfy Army's obligation under the FFA.

Q: How would this impact the conveyance of the 400 FOST acres, which is understood to have been remediated only to the Army FFA site specific standard?

GSA: The 400 acres under the FOST meets the criteria for the Government to convey, therefore the Government is not looking for further evidence from the buyer.

Q: Will the lease in furtherance of conveyance establish any timeline required for the remediation to the HBU site definition?

GSA: While the goal is an expedited cleanup, until the Remediation Action Plan (RAP) is adopted it would be impractical to mandate a specific on any timeline.

Q: What wording must generally be in the excess profits clause that is required in the offer to purchase and in the conveyance document?

GSA: Reference Federal Management Regulations 102-75.895 — the wording of the excess profits clause should generally be as follows:

Excess Profits Covenant for Negotiated Sales to Public Bodies

(a) This covenant shall run with the land for a period of 3 years from the date of conveyance. With respect to the property described in this deed, if at any time within a 3-year period from the date of transfer of title by the Grantor, the Grantee, or its successors or assigns, shall sell or enter into agreements to sell the property, either in a single transaction or in a series of transactions, it is

covenanted and agreed that all proceeds received or to be received in excess of the Grantee's or a subsequent seller's actual allowable costs will be remitted to the Grantor. In the event of a sale of less than the entire property, actual allowable costs will be apportioned to the property based on a fair and reasonable determination by the Grantor.

(b) For purposes of this covenant, the Grantee's or a subsequent seller's allowable costs shall include the following:

- (1) The purchase price of the real property.
- (2) The direct costs actually incurred and paid for improvements that serve only the property, including road construction, storm and sanitary sewer construction, other public facilities or utility construction, building rehabilitation and demolition, landscaping, grading, and other site or public improvements.
- (3) The direct costs actually incurred and paid for design and engineering services with respect to the improvements described in (b)(2) of this section.
- (4) The finance charges actually incurred and paid in conjunction with loans obtained to meet any of the allowable costs enumerated above.

(c) None of the allowable costs described in paragraph (b) of this section will be deductible if defrayed by Federal grants or if used as matching funds to secure Federal grants.

(d) To verify compliance with the terms and conditions of this covenant, the Grantee, or its successors or assigns, shall submit an annual report for each of the subsequent 3 years to the Grantor on the anniversary date of this deed. Each report will identify the property involved in this transaction and will contain such of the following items of information as are applicable at the time of submission:

- (1) A statement indicating whether or not a resale has been made.
- (2) A description of each portion of the property that has been resold.
- (3) The sale price of each such resold portion.
- (4) The identity of each purchaser.
- (5) The proposed land use.
- (6) An enumeration of any allowable costs incurred and paid that would offset any realized profit.

(e) The Grantor may monitor the property and inspect records related thereto to ensure compliance with the terms and conditions of this covenant and may take any actions that it deems reasonable and prudent to recover any excess profits realized through the resale of the property

TCAAP - Steps in land transfer/remediation process

This is a very cursory look at the land transfer process, with an eye towards being as sequential as possible. There is no order of magnitude.

1. Agreement on purchase price – GSA/Army and Ramsey County – 60 days
 - a. Includes offset for environmental remediation and demolition
2. Develop Offer to Purchase, Lease, deed documents – GSA/Army – 30-45 days
3. HQ review of Offer, Lease and deed documents – GSA - 90 days
 - a. Develop and submit explanatory statement
 - b. Congressional Oversight Committee
4. Pending no issues; move to execute Offer/Lease/Deed– GSA/County – 30 days
5. VIC program RAP – County – defer to County
6. Remediation/redevelopment – County – defer to County
7. Well disclosure statement, Affidavit of Seller and any other state required documents for recording – County - ??
8. An agreement (MOA) between buyer and Army post transfer that will guide the relationship between the Army and the buyer for the groundwater system operation/maintenance.

Acronyms

CERCLA – Comprehensive Environmental Response, Compensation and Liability Act – 42 U.S.C. Sec. 9601, et seq. – commonly known as the Superfund law
 FOST – Finding of Suitability for Transfer
 FOSET- Finding of Suitability for Early Transfer
 FOSL – Finding of Suitability for Lease
 VIC – Voluntary Investigation and Cleanup

**MPCA Response to Questions
Ramsey County/Vikings Stadium Proposal Risk Assessment
September 23, 2011**

From: Sather, Kathryn (MPCA) [mailto:Kathryn.Sather@state.mn.us]
Sent: Friday, September 23, 2011 9:29 AM
To: Sventek, Judy
Cc: Beeman, Michelle (MPCA); Netten, Carmen; Neve, Hans (MPCA); Lee, Stephen (MPCA); Lewis, Jeff (MPCA); Hadjaris, Amy (MPCA); Schmitt, Shanna (MPCA); deAlwis, Deepa (MPCA); Burman, Sandeep (MPCA)
Subject: RE: Additional MPCA questions

Judy,

Here is the MPCA response to the additional questions. Please let me know if you have questions or need additional information.

Kathy

What financial assurances will the MPCA need to guarantee the remediation assumed by Ramsey County on behalf of the Army is completed? The MPCA does not need any financial assurance for remediation of the TCAAP site. If the remediation is not completed, the MPCA may not issue a Certificate of Completion for the site, and the MPCA will not approve a change to existing land use controls, both of which are necessary for site redevelopment. If Ramsey County does not complete soil remediation to the site-specific standard required of the Army under the Federal Facility Agreement/Record of Decision, the MPCA Superfund Program would pursue the Army, as the responsible party, to complete the necessary cleanup under the Superfund program.

Absent the proprietary environmental investigation of RRLD, what do you see as the pending action items and probable timeline needed to address U.S EPA/MPCA concerns regarding appropriate and defensible characterization of the contamination impacts at the site, evaluation of appropriate response actions, and issuance of available liability release assurances to achieve cleanup goals and remove land use restrictions? The standard environmental assessment process used in the MPCA's Voluntary Investigation and Cleanup (VIC) program and Petroleum Brownfields program provide the framework for the pending tasks relating to the investigation, cleanup and redevelopment of the site. The major action items and sequence of events were included in the summary table provided during the MPCA and Met Council meeting on August 29, 2011. The MPCA is working closely with EPA to ensure that future joint decisions to modify or remove land use controls will be seamless and efficient. The MPCA can provide liability protection relative to state statute through various approvals and assurances, all of which come into play at different stages of the process. Some examples include a General Liability Letter (petroleum storage tanks), No Association Determination (hazardous substances), approval of investigation work plans and response action plans, and issuance of a Certificate of Completion(s).

Please provide your thoughts on the feasibility of completing Stadium remediation/Cleanup by July 1, 2012 per the Vikings Preliminary Schedule dated 9/14/11. Prior to designing and implementing a cleanup plan, the existing buildings/slabs need to be demolished (with pre-demolition hazardous material abatement as needed), additional investigation of soil must be completed, and a final site redevelopment plan must be available (location of stadium, paved areas, greenspace, stormwater features, buried utilities, areas requiring geotechnical correction and/or grade changes, etc.). Even without some inevitable weather-

related delays during the intervening winter months, the stated schedule appears to be unrealistic. Keep in mind, also, that it is not uncommon at brownfield redevelopment sites for some cleanup to occur during construction activities – for example, removal of contaminated soil during geotechnical soil corrections or excavation for below-grade features, or the possible on-site management of some petroleum-impacted soil under pavement or roads. As with any brownfield redevelopment project, the cleanup schedule is dependent not only upon the type and scope of soil remediation, but also upon many other external factors that are difficult to predict.

Please provide your thoughts on the feasibility of completing Remediation/Cleanup for the additional 170 acres by February 2013 per the Vikings Preliminary Schedule dated 9/14/11. The same considerations as stated above apply here also. The extent to which remediation can be completed by the desired date is largely dependent upon the schedule for other precursory tasks and other project-specific factors, many of which are not under the control or influence of the MPCA.

The redevelopment will have significant stormwater volumes. Please provide your comments on the design and location of stormwater storage and infiltration ponds and their locations as it pertains to effects on the groundwater treatment system for the contamination plume. The appropriate design and location of stormwater management features will be dependent upon many site-specific factors, including but not limited to localized variations in the presence or absence of hydrostratigraphic layers “Unit 1” and “Unit 2” at TCAAP. In addition to the groundwater treatment system for the deep contaminant plume, there are discrete areas of shallow impacted groundwater at the site (e.g. Site I in area of proposed stadium and Sites K and Building 102 within the northern 170-acre area). While the presence of groundwater contamination and remedial systems may complicate stormwater management at the site, there are many creative solutions and sustainable stormwater management technologies that can be used to address these issues.

Absent the RRLD data, what, if any, conclusions does the MPCA expect to be able to draw from the assessment work proposed by Ramsey County? The pending field work by Ramsey County will be used to further characterize soil conditions at the site in order to support the desired change in land use. The MPCA will evaluate the data and make a determination as to whether the extent and magnitude of soil contamination has been defined, or whether additional soil data is needed in order to accomplish this goal. The soil data will also be evaluated relative to the MPCA’s risk-based Soil Reference Values for the desired land use(s), to make a determination about the need for soil remediation above-and-beyond the known areas of impact (based on Army data) and/or the need for special soil management procedures during site redevelopment activities.

What oversight will be required by the Attorney General’s Office with regard to the Land Transfer? The Attorney General’s Office will advise MPCA and the Governor’s Office as needed.

During our meeting 8/26/11 MPCA staff briefed us on the TCAAP Post-transfer process and regulatory process. During our project assessment it is now clear that Ramsey County and the GSA/Army do not prefer the Early Transfer Process the MPCA briefed us on. Ramsey County and GSA/Army are considering using a License in Furtherance of Conveyance process to facilitate the land transfer. Would the MPCA please comment on the Lease process and provide the Met Council with a thorough explanation of the regulatory process required and what the oversight roles of the MPCA/EPA will be? What financial assurance will the MPCA require? What documents will the MPCA require? How will certificates of completion be generated? GSA directs the land transfer process pursuant to federal statute. At this time, neither Ramsey County nor the GSA/Army have indicated to the MPCA a preference for the property to be transferred pursuant to a lease or license in furtherance of conveyance. In fact, the MPCA and EPA both recently indicated to Ramsey County that the regulatory agencies were not opposed to the Early Transfer Process as it is straightforward, well-known, and will

accomplish the goals for remediation on the property. If GSA/Army intends to lease or license the property to Ramsey County, GSA is the proper party to thoroughly explain the federal regulatory process it will require and the oversight roles of the regulatory agencies with respect to that process.

As noted above, the MPCA does not require a voluntary party to submit financial assurance with respect to the voluntary cleanup completed under MPCA oversight. Should the voluntary party fail to complete a required cleanup, the MPCA has other avenues of relief it can pursue with respect to completion of the cleanup.

The MPCA will generate the Certificate of Completion(s) when all of the requirements for that assurance have been met. This may be done for the site as a whole (one Certificate), or in a phased approach (several Certificates) as different portions of the site are addressed. Prior to issuing a Certificate of Completion, the MPCA must approve the Response Action Implementation Report for the area in question. The Certificate of Completion is a standard VIC assurance that is quick and easy to generate once the requirements have been met.

Is there a documented procedure for altering the locations of extraction wells and other elements of the groundwater treatment systems for TCAAP if that becomes necessary to accommodate site development? Army is responsible for continued operation and maintenance of the ground water treatment system. If modifications to the system are needed a proposal would be first submitted to Army. Army would review the proposal and make a formal request to MPCA and EPA to review and approve the modifications.

Kathy Sather
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Kimley-Horn
and Associates, Inc.

September 30, 2011

Ms. Arlene McCarthy, P.E.
Director, Metropolitan Transportation Services
Metropolitan Council
390 North Robert Street
St. Paul, MN 55101

■
Suite 238N
2550 University Avenue
St. Paul, Minnesota
55114

Re: Order of Magnitude Limited Estimate of Site Construction Costs
For Arden Hills TCAAP Minnesota Vikings Stadium Location

Dear Ms. McCarthy:

This letter report provides the order of magnitude limited estimate of site construction cost for a possible Vikings stadium located at the Twin Cities Army Ammunition Plant (TCAAP) in Arden Hills.

Background

The work presented in this letter report is excerpted from work that Kimley-Horn completed as a subconsultant to Eberhardt Advisory, LLC for the Metropolitan Sports Facilities Commission and updated as part of the Governor's Risk Assessment. This information will be used as part of the Governor's Risk Assessment to open dialogue with the Legislature about funding for a new Vikings stadium. The information contained in this letter is intended to help identify cost risk and is not suited for use in the funding bill. Kimley-Horn is not a financial advisor and is not providing any advice or recommendations.

The research, analysis and construction cost estimates presented in this letter are limited and are based on significant assumptions. It is understood that the information produced by Kimley-Horn will be used by the Metropolitan Council, along with other information including information prepared by MnDOT and the Vikings, to estimate a range of all possible construction costs for a stadium and associated off-site transportation improvements. Significant further site plan development and cost estimating would be required in order to arrive at feasibility level site cost estimates.

The information provided herein is solely for the use of the Metropolitan Council and the Metropolitan Sports Facilities Commission for the purposes stated herein and may not be used or relied upon by any other party.

The primary sources of information for this analysis come from:

- Solution Blue, Inc., a subconsultant to Kimley-Horn, that provided research, analysis and construction cost estimates for environmental

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Kimley-Horn
and Associates, Inc.

Ms. Arlene McCarthy, P.E., September 30, 2011, P-2

remediation for all three stadium sites and information about previous TCAAP development proposals.

- Telephone conversations with American Engineering Testing to obtain assumptions and costs for foundations.
- Telephone conversations and meetings with Xcel Energy and CenterPoint Energy to obtain general information about private utilities.
- Selected public information regarding existing and future utilities and transportation systems.
- Selected public information regarding TCAAP development proposals and auctions.

Scope of Work

The scope of work was to identify significant site development issues and order of magnitude site construction costs to construct a new stadium at the Arden Hills TCAAP site. Our scope of work was also to estimate the cost and schedule to prepare the environmental documentation for a stadium and identify next steps for developing the site construction costs further. The scope of work was limited to the following project components:

- On-site circulation, access and parking
- Transit enhancements
- Soils and foundations
- Demolition of existing structures
- Off-site water, sanitary and stormwater
- On-site water, sanitary and stormwater
- Gas, electric, and communication utilities
- Environmental remediation
- Land value and purchase price

Stadium Assumptions

The following assumptions were made for the stadium development.

- 65,000 seat facility with the ability to expand to 72,000 seats
- Covered, multi-purpose facility
- The facility footprint of approximately 16 acres

Arden Hills TCAAP Site

Since no site plan was available for this cost estimate, the following assumptions were made to locate the stadium development on the Arden Hills TCAAP site:

- The project site is assumed to be located between County Road H on the north and the US Highway 10 access on the south.
- This location takes advantage of the existing topographic conditions of the site to limit earthwork and is proximate to the likely storm sewer discharge of Rice Creek on the north.



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Ms. Arlene McCarthy, P.E., September 30, 2011, P-3

On-Site Circulation, Access and Parking

- Parking needs will be provided by surface parking. Parking demand is estimated to be between 21,000 and 25,000 parking spaces.
- A collector street is assumed to provide access from County Road 96 to the County Road H interchange. An additional collector street is assumed to complete a loop around the stadium and provide connectivity to Trunk Highway 10. 10,000 feet of collector street is assumed to be needed.
- Lighting costs range from using 50' high mast lighting to decorative pedestrian scale LED lighting.
- Landscape and streetscape costs for the stadium site area and adjacent streets are assumed to range from \$5 million to \$10 million representing possibly basic plantings and street furnishings to decorative pavements, plazas, ornamental plantings, and public art. For reference, the Target Field plaza construction cost was approximately \$4.5 million.

Transit Enhancements

- There are no existing or planned major transit lines in or near the project area. It is assumed that if shuttle or transit bus services and infrastructure are provided it would be at little or no expense to the stadium project or would be included as an enhancement under the landscape / streetscape costs.

Soils and Foundations

- It is expected that some soil correction will be needed in the stadium area. Soil corrections would consist of removing approximately 10 feet of existing soils and import of new engineered fill.
- Existing topographic information indicates that a large amount of earthwork will be needed across the 260 acre site to accommodate the proposed stadium use. The southeast side of the site is significantly higher than the rest of the site. It is assumed that the majority of onsite earthwork should balance on site.
- Existing soils used to balance the site are susceptible to frost heave. A 12" sand subbase has been assumed for all parking lot pavement.

Demolition of Existing Structures

- The Arden Hills TCAAP site contains numerous structures that are well-documented and remediation efforts to cleanup asbestos, PCB's and other contaminants have been executed by the U.S. Army.
- All buildings within the 430 acre area are assumed to be demolished to



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Ms. Arlene McCarthy, P.E., September 30, 2011, P-4

be able to develop the 260 acre stadium site.

- Demolition cost ranges are based upon the beneficial re-use of on-site materials and the potential recycling of salvageable materials

Off-Site Water, Sanitary and Stormwater

- According to the City of Arden Hills 2030 Comprehensive Plan, there is an existing agreement between the City of Arden Hills, the City of Mounds View, and the Department of the Army to allow future sewer flow to enter the City of Mounds View System from the site. The City of Mounds View measured and billed the vendors working for the Army. A new Intercommunity Flow Agreement (a joint powers agreement) will need to be executed between Mounds View and Arden Hills.
- All sanitary sewer flow for the stadium development will be directed to an 18" trunk sanitary sewer that was extended into the TCAAP site by the City of Mounds View in 1993. This trunk sewer and the downstream Mounds View trunk sewer system have the capacity to serve this development, as well as the anticipated growth in Mounds View.
- MCES Lift Station and Interceptor 4-NS-524 have sufficient capacity.
- No major off-site sanitary work will be needed.
- The Sewer Availability Charge (SAC) will apply for the stadium development at this site. This fee is based on the estimated maximum potential flow. The MCES does have SAC credits available for the current sanitary sewer on-site. For a new stadium with 65,000 seats, at 110 seats being equal to one SAC unit per MCES determination for an arena, plus a number of SAC units for other supporting flow generators, and the available SAC credits, a SAC of \$1.7 million is expected. It is assumed that if the Metrodome stadium is demolished, MCES would not issue SAC credits that could be used at the TCAAP site.
- City of Arden Hills utility records show that water main is located along CR 96 and TH 10. These mains appear to be 12 inches in size. The City of Arden Hills Council has discussed the need for a water tower to serve the TCAAP development. It is assumed that no-off site water main improvements will be needed.

On-Site Water, Sanitary and Stormwater

- Removal or abandonment of existing, on-site trunk and lateral sanitary sewer is assumed to be typical demolition costs for a redevelopment site. Residual industrial waste in the sanitary sewer system will be addressed in the environmental remediation section.
- Removal or abandonment of existing, on-site water main and storm sewer is assumed to be typical demolition costs for a redevelopment site
- It is anticipated that all new, on-site water, sanitary sewer, and storm sewer infrastructure will be privately designed, built and maintained.
- It is not certain if the new, on-site water main system will have sufficient pressure to maintain required fire flows throughout the site. Pressure



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limitations could be mitigated with a booster station or water tower. It is not clear whether a water tower may be required. The cost for a water tower is included in the high estimate of water system costs.

- The Rice Creek Watershed District is the governing agency for stormwater management requirements. Stormwater rate control, volume control and water quality treatment will be needed. It is assumed that the site will be largely impervious and that at grade water features will be utilized to meet retention, detention and treatment needs.
- Rice Creek is located on the northwest side of the site and is the natural low point on the site. Approximately 2/3 of the site will drain to Rice Creek. The remainder of the site will drain to storm sewer that discharges to Round Lake. It is assumed that all the existing outfalls will remain.
- Stormwater treatment costs are based on meeting Rice Creek Watershed's requirements before discharging into Rice Creek.

Gas, Electric, Communications, Chilled Water and Steam Plant Utilities

- Discussion with Xcel Energy/Electric indicate that existing service to the Arden Hills TCAAP site is inadequate for new development. There are no major transmission or distribution facilities or easements within the project site that would result in significant relocation costs. There will be costs for utility terminations and removals, but those costs will be conventional costs associated with site demolition and preparation.
- Xcel Energy/Electric does have the ability to extend service to the project site. The project would require an upgrade and possible relocation of an existing transmission line from the Arden Hills substation near the project site, a new substation at the project site to add capacity, and extension of a new distribution system. A 10-acre substation site will need to be created near the existing or relocated transmission line. It is not clear how the 10-acre is acquired and who is responsible for the associated costs. There is no cost share for these capacity improvements.
- Xcel Energy/Electric will conduct a revenue justification analysis for the distribution system required to serve the stadium and development. Xcel Energy/Electric does not anticipate a customer cost share for these improvements based on anticipated load.
- Xcel Energy/Electric will require approval from the PUC for the upgrade and/or relocation of the transmission line and the siting of the substation. Xcel Energy estimates that the design, approval and construction of the necessary work may take 2 to 3 years.
- Discussions with Xcel Energy/Gas indicate that natural gas service is available to the Arden Hills TCAAP site. Xcel Energy/Gas has a high pressure main and an regulator station to the property at the main gate along TH 10. This main will be retired as part of the TH 10/CSAH 96 interchange project. There are no major facilities or easements within the project site that would result in significant relocation costs. There will be costs for removals, but those costs will be conventional costs



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- associated with site demolition and preparation and noted elsewhere in this document. Xcel Energy/Gas will be responsible for the disposal of any steel gas main that has asbestos coating.
- Xcel Energy/Gas has an 8" high pressure main in CSAH 96 that will serve the site. Xcel Energy/Gas is in a position to feed a large customer with this existing main. In the unlikely event that the proposed development loads exceeds the capacity of the main, a new transmission line would be required from a location at County Road J and I-35W to increase capacity.
 - Xcel Energy/Gas will conduct a revenue justification analysis for the distribution system required to serve the stadium and development. Excel Energy/Gas does not anticipate a customer cost share for these improvements based on the anticipated load generated by the new development and the associated future demand based revenues.
 - If an alternate heating and cooling system, such as geothermal, is proposed, the revenue justification analysis may result in a cost share scenario.
 - CenturyLink (formerly Qwest) is one of the providers of voice and data communications to Arden Hills. With a minor amount of capital improvements, they can have fiber infrastructure on three sides of the site and easily serve the site with diverse service. This will require a route to run fiber and copper through the development from the public right-of-way. Other telecommunication providers were not contacted for this report.
 - CenturyLink (formerly Qwest) has no easements or facilities within the project site that would result in significant relocation costs.
 - A central utility building to furnish steam and chilled water for the stadium project is included.

Environmental Remediation

- The site is currently on the U.S. Government's priority list as a federal Superfund site. There are very specific requirements in addressing site contamination and pollution. Further site investigation is required to characterize the nature and extent of contamination.
- The site is broadly contaminated with a variety of petroleum and metals contaminants, which are widely spread, but of relatively low concentrations. The use of institutional controls would be the likely remedial action necessary if impacted soils could be consolidated below parking lots and proposed structures. Materials with high concentrations would be excavated and disposed of off-site through the use of acceptable remediation techniques and facilities.
- The concept for the 170 acres may require unrestricted land uses (residential, commercial, recreational), therefore requiring greater remedial efforts than on the 260-acre portion. The remedial expenses are much higher on a per acre basis for the 170-acre portion.
- The currently operating groundwater treatment system is permitted based on exposure distances of receptors to its associated air effluent. Based on



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the positioning of the proposed stadium complex, relocation of the groundwater treatment facility may be required. There have been previous discussions to relocate this water system to the adjacent Arden Hills Army Training Site at an estimated cost of approximately \$2.4 million.

- The force mains that connect the groundwater extraction wells will require some modification to accommodate a stadium. It may be possible to avoid impacting the existing groundwater extraction wells, however it is reasonable to think some groundwater wells will need to be relocated to accommodate the stadium.
- As a condition of early transfer or lease in furtherance of conveyance, the property will require pollution liability insurance (approx. \$1.5 million) and cost-cap insurance (estimated \$2-\$4 million).
- Future residential or commercial redevelopment of the 170-acre site (non-stadium portion) may be eligible to compete for cleanup grant funding from the Metropolitan Council and the Department of Employment and Economic Development on a site-specific project basis beyond cleanup funding obligations already committed.
- As a result of disposal efforts of solvents during previous production of ammunitions, the soils and shallow groundwater present a soil vapor intrusion risk. There is a likelihood that structures at the facility would require passive venting, and if an enclosed stadium is being considered, active venting in cooperation with the air-exchange components of the facility would require modification. Passive venting could add approximately \$1.00 per sq. ft. to facility costs, while active venting could add approximately \$3.00 per sq. ft. to facility costs. These costs are assumed to be part of the \$822 million stadium cost or the future land development building cost, and are not tabulated as part of the site development improvements.

Land Value and Purchase Price

- A rough low estimate of the value of vacant industrial land is \$1 per square foot, which is approximately \$19 million for 430 acres.
- A rough high estimate is based on Arden Hills purchase agreement with the GSA in 2006 for 585 acres at a cost of \$45 million. Prorating that cost to 430 acres and adding 10% contingency is \$36 million.
- Purchase price for the land will be equal to the land value offset by a credit for the estimated cost for remediation of the site.
- The low estimate of the purchase price is based on using the low land value estimate offset by the low estimate of site remediation.
- The high estimate of the purchase price is based on using the high land value estimate offset by the low estimate of site remediation.
- Since the credit for site remediation is estimated at the time the property is purchased, and possibly without complete environmental site assessment information, actual remediation costs may be significantly different. Depending on the financial assurances the County secures to control remediation costs, the remediation cost under-runs or overruns



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- may be a windfall or a liability for the County.
- Based on the estimated costs for site remediation of \$16 million to \$46 million, shown on the Order of Magnitude Site Development Cost Estimate, the land value estimates above, and assuming the remediation credit would be no more than the low estimate of site remediation cost (\$12 million) the cost to purchase the property and perform site remediation could range from \$23 million to \$70 million.

Costs

The tables enclosed with this letter present the order of magnitude limited estimate of site construction costs for the Arden Hills TCAAP site. These costs are based on our scope of work and the assumptions listed above. All costs are expressed in 2011 dollars.

Environmental Documentation

The environmental documentation process is a public process that evaluates the potential impacts to social, economic, noise, air quality, traffic, transportation, utility, and many other dimensions of a large scale project. The EIS for the University of Minnesota stadium cost approximately \$1.5 million (http://stadium.gophersports.com/environmental_review.html) and was completed in approximately 14 months. We understand the EIS for the Twins stadium cost approximately \$1 million and was completed in approximately 14 months.

Kimley-Horn estimates that environmental documentation for a stadium at the Arden Hills TCAAP site may cost between \$1 million and \$1.5 million and take between 14 and 18 months to complete.

Next Steps

If the evaluation of a potential Viking Stadium at the Arden Hills TCAAP site is further advanced, a more detailed evaluation should be conducted. The following are some of the key next steps that could be anticipated.

- Vehicle and pedestrian operational traffic analysis
- Conceptual layout of off-site improvements
- Conceptual site plan
- Parking study
- Geotechnical investigation
- Existing major utilities survey
- Storm water management plan
- Asbestos and hazardous material survey of buildings to be demolished
- Phase 2 environmental site assessment
- Zoning and comprehensive plan changes
- Stadium construction critical path schedule
- Private utility coordination and level of service estimates



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and Associates, Inc.

Ms. Arlene McCarthy, P.E., September 30, 2011, P-9

We appreciate the opportunity to provide this information to you. Please contact me if you have any questions.

Very truly yours,

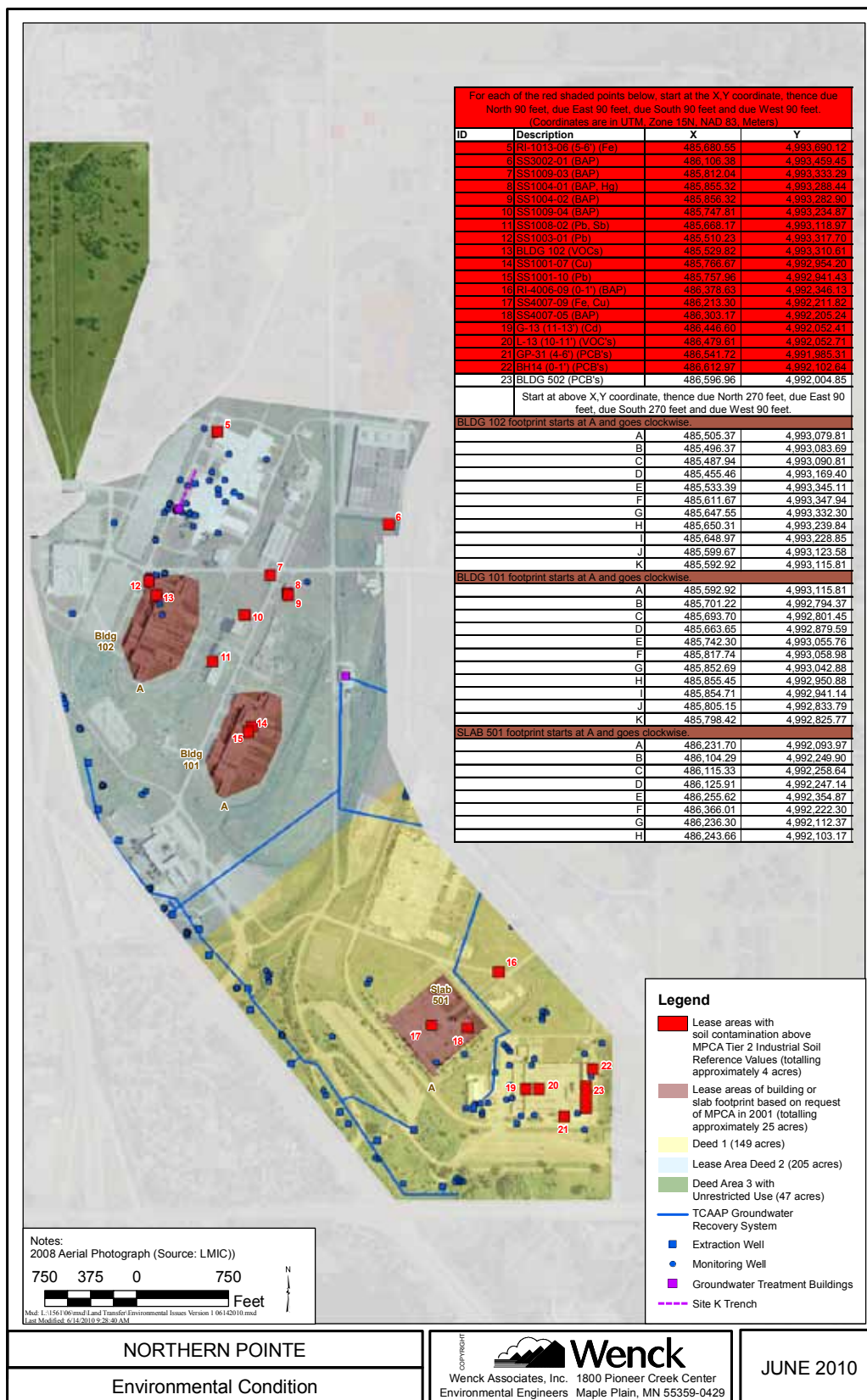
KIMLEY-HORN AND ASSOCIATES, INC.

By: Daniel J. Coyle, P.E.
Project Manager

Enclosures: Order of Magnitude Limited Estimate of Site Construction Costs

Ms. Arlene McCarthy, P.E., September 30, 2011

ORDER OF MAGNITUDE SITE DEVELOPMENT COST ESTIMATE ARDEN HILLS TCAAP SITE DEVELOPMENT IMPROVEMENTS			
Item		Low Estimate	High Estimate
On-Site Infrastructure - Parking			
1	Surface Parking for 21,000 to 25,000 Vehicles	\$32,500,000	\$65,000,000
2	Parking Lot Landscape Enhancements	\$3,900,000	\$7,800,000
3	Site Earthwork (No Borrow, No Waste)	\$7,800,000	\$9,800,000
4	On-Site Stormwater	\$6,500,000	\$9,100,000
SUBTOTAL On-Site Infrastructure - Parking		\$50,700,000	\$91,700,000
On-Site Infrastructure - Street			
5	Site Access (3 New)	\$3,900,000	\$7,800,000
6	Collector Streets with Curb and Gutter	\$3,900,000	\$5,200,000
SUBTOTAL On-Site Infrastructure - Street		\$7,800,000	\$13,000,000
On-Site Infrastructure - Other			
7	Demolition of 260 Acre Future Stadium Site	\$6,200,000	\$9,300,000
8	Demolition of 170 Acre Future Development Site	\$1,000,000	\$3,700,000
9	Streetscape Landscape Enhancements	\$6,500,000	\$13,000,000
10	Pedestrian Grade Separation (Bridge / Tunnel at Stadium)	\$5,200,000	\$11,700,000
11	Off-Site Sanitary, Storm and Water Improvements	\$2,600,000	\$7,800,000
12	On Site Stormwater Management System (Above Ground)	\$3,900,000	\$8,000,000
13	On Site Sanitary and Water	\$1,300,000	\$2,600,000
14	Sewer Availability Charge (SAC)	\$0	\$1,700,000
15	Private Utility Extensions and Connections	\$1,300,000	\$3,900,000
16	Chilled Water and Steam Plant (Outside Stadium)	\$13,000,000	\$19,500,000
SUBTOTAL On-Site Infrastructure - Other		\$41,000,000	\$81,200,000
Site Acquisition / Purchase Price			
17	Appraised Land Value	\$19,000,000	\$36,000,000
18	Remedial Credit	-\$12,000,000	-\$12,000,000
SUBTOTAL Site Acquisition / Purchase Price		\$7,000,000	\$24,000,000
Site Remediation / Environmental			
19	Stadium Clean Up (260 acres)	\$5,000,000	\$20,000,000
20	Other Development (170 acres)	\$7,000,000	\$15,000,000
21	Relocation of Groundwater Recovery Wells	\$500,000	\$2,600,000
22	Relocate Groundwater Plant	\$0	\$2,400,000
23	Insurance Costs	\$3,500,000	\$5,500,000
SUBTOTAL Site Remediation / Environmental		\$16,000,000	\$45,500,000
TOTAL		\$122,500,000	\$255,400,000





Minnesota Pollution Control Agency

520 Lafayette Road North | St. Paul, MN 55155-4194 | 651-296-6300 | 800-657-3864 | 651-282-5332 TTY | www.pca.state.mn.us

October 7, 2011

Arlene McCarthy
Director, Metropolitan Transportation Services
Metropolitan Council
390 North Robert Street
St. Paul, MN 55101

Re: Comments on Ramsey County/Vikings Stadium Risk Assessment Report

Dear Ms. McCarthy:

Thank you for the opportunity to provide some additional comments from our agency relative to your report on risk assessment for the TCAAP site being considered for potential construction of the Vikings stadium. The following more detailed comments are couched within the context of this very complex process. Attempting to evaluate the remediation costs and risks in a situation that is still evolving is very challenging. We do not have all the information regarding the contamination on site that will allow more definitive conclusions, and there are obviously many governmental entities that need to be highly coordinated and in good communication going forward. This potential transaction is unusual, and therefore the various options for how to accomplish the goal of transferring ownership and developing this site are complicated as well. The MPCA stands willing to work with all parties to complete appropriate regulatory actions and oversight in as expeditious a manner as possible. However, there remain a number of areas where the lack of existing information makes both cost and time estimates very challenging to establish with precision.

We have already provided some technical editing suggestions to your staff for a portion of the report dealing with various MPCA regulatory reviews and actions. The following comments are more general, and related to some concerns prompted by the document titled "Understanding of Land Transfer and Remediation Approach for Northern Pointe," which we understand will be included in the appendix. This document contains lengthy descriptions of potential options for the legal mechanisms by which the land currently owned by the federal government (GSA) could be transferred to a new owner (Ramsey County). The document was largely prepared by GSA staff and their attorneys, so not surprisingly it reflects a GSA preference for pursuing the eventual land transfer via a "partial deed/ partial lease" option. This is contrasted with a more common option termed an "Early Transfer." This document also contains some inaccurate statements regarding various steps of review by the MPCA, and should not be relied upon as a definitive description of state regulatory decision-making.

While the MPCA does not have a role in deciding which method to choose in moving the land transfer forward, it is important to note that this GSA-drafted document does contain some legal inaccuracies, as well as some opinions about the relative benefits of a "partial deed/lease" transfer compared to the "Early Transfer" that may not be shared by other governmental units. We would encourage those looking at the risks to pay close attention to how the eventual release of liability to the Army for future remediation costs is detailed in either option, keeping in mind, however, that the Army remains liable for meeting the terms and conditions for cleanup contained in the FFA and Record of Decision. The comparative length of time to complete the transfer under either scenario may also be different than is portrayed in this document.

Arlene McCarthy
October 7, 2011
Page Two

The agency does note that there is a clear legal barrier to a third option described in this document – a potential transfer of land via “partial deed/partial *license or easement*”. It is a similar concept to the title/lease option. However, using a license or easement as the land transfer mechanism for the remaining 30 acres during final cleanup poses complications under state law. MPCA’s issuance of liability protection to the County is limited in scope if it only has a license or easement because it is not in sufficient land use control over those parcels.

Finally, this document (and the risk assessment generally) focuses on the activity contained within the 430 acres. However, the Superfund site and remediation work continues more broadly outside the boundary line. There are interrelationships between the two areas that could influence activity and costs for remediation on the 430 acres. For example, if there is infrastructure activity that is required to support the stadium just outside the boundary of the 430 acres (where the groundwater remediation system is located), such as MnDOT highway work, it could impact that system already in place which the Army is required to maintain. There are existing detailed agreements, including with the affected cities, about how that groundwater system works and is managed that need to be taken into account. Close coordination between the on-site work and off-site work needs to be considered when assessing the overall risk for additional costs and time.

Thank you for the opportunity to provide this additional perspective. We are pleased to provide any additional assistance to you as needed.

Sincerely,



Michelle Beeman
Assistant Commissioner

POLLUTION LIABILITY INSURANCE PROGRAM: CONCEPTUAL PRICING AND
COVERAGE PROPOSAL
TCAPP Site Acquisition and Development
~ As of October 3, 2011~

In order to facilitate Ramsey County's acquisition of lands suitable for future development of the Minnesota Vikings stadium and manage the associated environmental risks, the County is investigating the potential cost and coverage available under a comprehensive Pollution Liability Program.

This program will consist of two coverage components as follows:

1. **Fixed Site Pollution Liability ("PLL").** The primary intent of the PLL is to insure Ramsey County's liability for loss arising from existence of pollution conditions on, at, under or migrating from the **"Insured Site"**;
2. **Contractor's Pollution Liability ("CPL").** The primary intent of the CPL is to insure Ramsey County's liability for loss arising out of pollution conditions related to the contracting activities rendered during the demolition and remediation phase.

For the purposes of this proposal, the following assumptions have been relied upon:

- **"Insured Site"** is defined as 4700 Highway 10, Arden Hills, MN – 430 acres of the former Twin Cities Army Ammunition Plant (TCAAP);
- **"Insured"** is limited to Ramsey County only. The addition of other stakeholders, such as the Army, State of Minnesota, Team, contractors/subcontractors, could alter the terms and conditions presented herein (depending on the extent of liability each party has to the Insured Site and/or construction project);
- The demolition and remediation budget is estimated to be \$20,000,000 (approx split is \$12,000,000 demolition and \$8,000,000 remediation). An increase in this budget will result in higher CPL premium. Timeframe for demo/remediation work will not exceed two (2) years.

This document is for discussion purposes only and is not to be used in any other capacity than to assist the County in obtaining a general cost and coverage indicator of the pollution liability insurance products available for insuring certain environmental liabilities related to the TCAPP site acquisition and future development. This is not a quotation for PLL or CPL. Obtaining a firm and bindable quote is subject to the availability of comprehensive environmental engineering documents/site development plans and the Insurer's full and satisfactory review same. Insurers reserve all rights to include additional exclusionary or conditional language (in addition to those found in the standard policy form) or make other policy modifications upon completion of the underwriting process.

A. FIXED SITE POLLUTION LEGAL LIABILITY (PLL):

The below estimated premium range(s) are based upon the following coverages / terms and conditions / endorsements:

CORE COVERAGE:

1. **Clean-up Costs including On-site and Off-site for both Pre-existing and New Conditions;**
2. **Third Party Claims for Bodily Injury (BI) and Property Damage (PD) including On-site and Off-site for both Pre-existing and New Conditions;**
3. **Defense Expense;**
4. **Emergency Costs;**
5. **Non-Owned Disposal Sites;**
6. **Transported Cargo.**

POTENTIAL KEY EXCLUSIONS:

- Indoor Air Quality (IAQ) Exclusion (ie mold/fungi);
- Cost to remove/abate Asbestos & Lead Based Paint (coverage for Third Party BI/PD and remediation to soil and groundwater MAY be available);
- Deed Restriction/Failure to Implement and Maintain Engineered Controls;
- Known Underground Storage Tanks (unless fully disclosed and scheduled on the policy);
- **Contaminant** Exclusion with “No Further Action” Clause give-back - subject to completion of full engineering, including but not limited to:
 - Chlorinated solvents in groundwater. This is a full exclusion and applies to any and all claims involving chlorinated solvents whether such impacts are “known” as of inception or not.
- **Known Conditions** Exclusion with “No Further Action” Clause give-back - subject to completion of full engineering, including but not limited to:
 - Metals, benzo(a)pyrene, PCBs **IN SOILS**. This exclusion applies to clean-up costs of identifiable impacts known to be in existence as of policy inception (ie disclosed in ESAs). Coverage IS afforded for Third Party claims for Bodily Injury & Property Damage.

NOTES:

- i) The above exclusions may be removed during the policy period once the site has been remediated and a satisfactory “No Further Action Letter” has been issued by appropriate regulators. Once the exclusions are removed, full “pre-existing conditions” coverage would be afforded should the County discover additional impacts during the policy period or a claim is made against prior to policy expiry.
- ii) Subject to satisfactory underwriting, carriers may offer “EXCESS OF INDEMNITY” coverage thereby removing the “contaminant” and “Known Condition” exclusions as noted above solely as they apply to the 400 acres of land in which the Army warrants to indemnify the County. Such coverage is

subject to receipt and satisfactory review of clear and concise contractual indemnity language in favor of the County. Furthermore, coverage would be subject to specific land use and deed restrictions and possibly higher retentions.

B. CONTRACTOR'S POLLUTION LIABILITY (CPL): OWNER-CONTROLLED

The below estimated premium range(s) are based upon the following coverages / terms and conditions / endorsements:

1. **Third Party claims for Clean-up Costs, Bodily Injury and Property Damage arising Contracting Activities rendered during the demolition and remediation phase of the TCAPP site development;**
2. **Defense Expense;**
3. **Emergency Costs;**
4. **Non-Owned Disposal Sites;**
5. **Transported Cargo;**
6. **Mold/Fungi;**
7. **Thirty-six (36) month Completed Operations and Extended Reporting Period.**

NOTES:

- i) Coverage is provided for entirely "New" pollution conditions first commencing after policy inception as well as the disruption and aggravation risk arising from the disturbance of pre-existing & known conditions. There are no "contaminant" restrictions applicable to the CPL;
- ii) Coverage can be expanded to include the construction of the new stadium subject to additional information and premium.

APPENDIX K

C. PREMIUM EXHIBIT

PLL (Includes 15% Broker Commission)			
Limits	Deductible/SIR	Policy Term	Estimated Premium
\$10M/\$10M	a) \$100,000 or b) \$250,000	Five (5) Years All Conditions	a) \$175,000 to \$205,000 b) \$155,000 to \$185,000
		Five (5) Years New Conditions & Ten (10) Years Pre-existing Conditions	a) \$260,000 to \$290,000 b) \$230,000 to \$260,000
\$25M/\$25M	a) \$100,000 or b) \$250,000	Five (5) Years New Conditions	a) \$335,000 to \$365,000 b) \$295,000 to \$325,000
		Five (5) Years New Conditions & Ten (10) Years Pre-existing Conditions	a) \$495,000 to \$525,000 b) \$435,000 to \$465,000
CPL (Includes 15% Broker Commission)			
Limits	Deductible/SIR	Policy Term	Estimated Premium
\$10M/\$10M	\$100,000	Two (2) Years (Plus 3 Yrs Completed Operations/ERP)	\$65,000 to \$95,000
\$25M/\$25M	\$100,000		\$120,000 to \$150,000

NOTES:

- i) Limits of liability are “linked” between the PLL and CPL and share a single term aggregate. Limits DO NOT re-instate annually;
- ii) Premiums are 100% due and earned at policy inception. Figures do not include applicable taxes or surplus lines fees.

We look forward to working with Ramsey County to complete the necessary information gathering and underwriting processes so that firm quotations may be provided. In order to proceed with “next steps” the following information is required:

- Completed, signed and dated PLL and CPL Applications;
- 5 years currently valued GL, Auto and Property Loss Runs (as available);
- Review of the Purchase and Sale Agreement (PSA) for terms & conditions of sale (including indemnity provisions);
- Schedule of Known USTs;
- Most recent GW monitoring results for OU1 & OU2 – if conducted more frequently than on an annual basis, please provide the last 4 quarters of results for review (as available);
- Copies of any other ESAs available to and/or commissioned by the County;
- Please provide any / all copies of NFA letters for the performed and closed out remediation that has occurred to date at the subject site (if not already included in the Phase I report by Wenck dated 6.2011);
- Copies of the Insured’s current Safety Plan (for construction work) – as available;
- Current bid packet for the contractor’s pollution exposure (if / as available).

PLEASE BE ADVISED THAT THIS LETTER IS FOR PRELIMINARY BUDGETARY AND CONCEPTUAL COVERAGE PURPOSES ONLY. INSURERS SHALL NOT BE OBLIGATED TO PROVIDE ANY OF THE ITEMS OUTLINED IN THIS LETTER IN THE QUOTATION. ANY QUOTATION THAT MAY BE OFFERED MAY NOT MATCH THE LIMITS OF LIABILITY, SIR or DEDUCTIBLE, POLICY TERM, PREMIUM RANGE, OR OTHER ITEMS STATED IN THIS DOCUMENT. ADDITIONALLY, IF A QUOTATION IS PROVIDED, THE POLICY FORM MAY BE AMENDED.



Minnesota Department of Transportation

Transportation Building

395 John Ireland Boulevard
Saint Paul, Minnesota 55155-1899

September 29, 2011

Ms. Susan Haigh, Chair
Metropolitan Council
390 North Robert Street
St. Paul, MN 55101

Mr. Ted Mondale, Chair
Metropolitan Sports Facility Commission
900 South Fifth Street
Minneapolis, MN 55415

RE: Minnesota Department of Transportation Supporting Assistance to Evaluate the Ramsey County/Minnesota Vikings' proposal for the Twin Cities Army Ammunition Plant (TCAAP)

Dear Chairs Haigh and Mondale:

I appreciate the opportunity to respond to Arlene McCarthy's email dated September 28, 2011 asking for additional information on the \$101 million in proposed roadway improvements that were developed through negotiations with Ramsey County and the Minnesota Vikings. Let me reassure you that my staff assigned to this effort recognizes the importance of providing accurate documentation supporting your evaluation of the Ramsey County/Minnesota Vikings' proposal.

The \$101 million estimate based on work done by SRF Consulting is MnDOT's best estimate for the proposed roadway improvements. Since the roadway improvement concepts are in the scoping phase of development and due to lack of performing a formal risk analysis of the concepts a 30% project contingency has been added to the base estimate. We feel confident the 30% project contingency will account for the uncertainties associated with rights of way and noise mitigation costs. Justification for the 30% project contingency is MnDOT's Cost Estimation and Cost Management Technical Reference Manual dated 2008. As we move forward in project development and environmental documentation, the level of uncertainties (known/unknowns) will be uncovered which will facilitate better cost refinement and risk retirement.

My staff (Scott McBride, Tom O'Keefe, Mark Lindeberg, and Wayne Norris) met with the FHWA (Derrell Turner and Brian Hogge) on August 18, 2011 to review the proposed TCAAP Regional Roadway Improvements (\$101M). It was pointed out that a reduction in game day level of service on the regional system is balanced with level of service improvements providing benefits for all users year round. FHWA liked what they saw especially the improvements proposed for the I-694 / I-35W interchange and did not see any hurdles to gaining approval for an Interstate Access Request. In addition, they were very interested in the managed lanes proposed as part of the improvements.

The project schedule is aggressive and is based on design-build delivery method. With a start in November 2011, and with parallel work on the environmental assessment, project layouts, right of way and DB procurement, design would start in February 2013 and construction in April 2013 with

construction finishing in August 2015. We initially have discussed packaging proposed projects that are on or over I-694 and I-35W as a design-build project. An environmental assessment would cover all of these projects (9 of the 13 proposed projects). Further discussion will need to take place with Ramsey County and the Minnesota Vikings concerning the other four projects.

The future of MnPASS lanes on I-35W will be protected. The managed lanes proposed as part of the \$101M of the off-site transportation improvements in the stadium proposal include both northbound and southbound segments. These lanes are not the I-35W managed lanes called for in the Transportation Policy Plan and are viewed as interim managed lane improvements. The concept of operation for these lanes will be established as a part of project development after more rigorous traffic modeling is completed. Control of these lanes will be handled by the Regional Traffic Management Center.

Finally, it is proposed that a permanent signal will be installed at the TH 10 Main Entrance. The signal will be fitted with swing-away mast arms. The mast arms will be swung into place to manage traffic for game day football events. For all other times, the mast arms will swing out of the way. Advanced signing technology will be used to alert users to the change in traffic operations at this location.

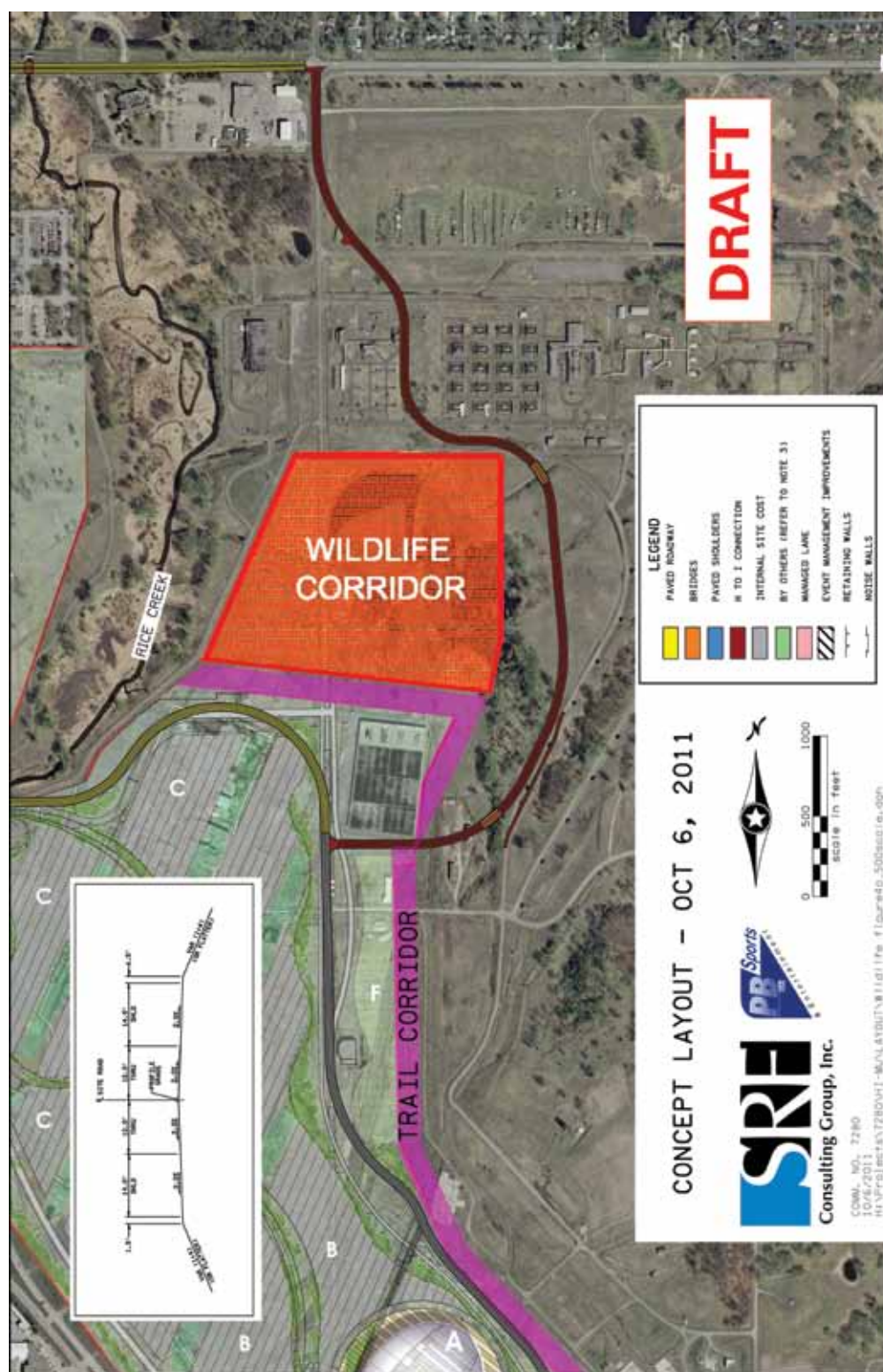
I hope the additional information provided will help support your evaluation of the Ramsey County/Minnesota Vikings' proposal. If you have other requests or need further clarification, please contact Wayne Norris, North Area Manager for the Metro District. He can be contacted at 651-234-7724.

Sincerely,



Thomas K. Sorel
Commissioner of Transportation

cc: Arlene McCarthy
Bernie Arseneau
Scott McBride





October 7, 2011

The Honorable Susan Haigh
Chair, Metropolitan Council
390 North Robert Street
St. Paul, MN 55101

The Honorable Ted Mondale
Chair, Metropolitan Sports Facilities Comm.
900 South Fifth Street
Minneapolis, MN 55415

Re: Impact of Proposed Arden Hills Vikings Stadium on Arden Manor

Dear Chairs Haigh and Mondale:

The Housing Preservation Project and All Parks Alliance for Change (APAC) are contacting you on behalf of the Resident Association of Arden Manor, a Manufactured Home (MH) Park community. The purpose of this letter is to ensure your assessment of the proposed stadium's impact includes consideration of the agreement reached in 2009 with the City of Arden Hills, Ramsey County, and the Arden Manor Resident Association.

Arden Manor MH Park is the only MH Park in Arden Hills. The park residents own their homes and pay lot rent. This park is located between Highways 10, I-35 and 96, west of the proposed Vikings stadium site known as the Twin Cities Army Ammunition Plant (TCAAP). In 2007, the City of Arden Hills was in the midst of negotiating the purchase of TCAAP from the US Army. At the same time, Ramsey County was proposing an alteration of the intersection of Highways 96 and 10. The proposed expansion of those two highways, and the City's desire to prepare Highway 10 for access onto TCAAP, would have resulted in the removal of more than 50 manufactured homes in Arden Manor. After several years of negotiations, with support from several advocacy organizations, the Resident Association negotiated an agreement with those entities, summarized as follows:

The expansion of Highway 96 was redesigned with minimum impact on the MH Park. The driveway access to the MH Park to Highway 96 was relocated; impacting approximately 2 manufactured homes. Both homes would be moved to empty lots within Arden Manor.

The final draft of the proposed access off Highway 10 to TCAAP minimized the impact to the homes along Highway 10; Six (6) or seven (7) homes would be moved to empty lots within the MH Park.

Any unforeseen homeowners who are impacted by the proposed highway alterations would be relocated to empty lots in Arden Manor provided lots are available.

Noise barrier walls would be erected to buffer noise from excessive traffic.

570 Asbury Street, Suite 105 • St. Paul, MN 55104 • tel: 651.642.0102 • fax: 651.642.0051

Dedicated to expanding and preserving the supply of affordable housing in Minnesota and nationwide

Arden Manor is the only Manufactured Home Park within the City limits of Arden Hills. The residents organized and negotiated the substance of this agreement over the course of two years because they wished to remain in Arden Hills. The success of this campaign led to action by several state legislators. Senators Marty and Murphy became aware of the adverse impact on a number of MH Parks due to highway expansion projects. As a result, the executive staff and relocation consultants for MnDOT joined a working group of MH Park residents and advocates to examine the highway planning process and policies that adversely impact MH Park residents. The working group successfully changed in MnDOT's projects and policies taking into account the impact not only on the park, but the individual residents therein. This collaborative group changed the decision-making process of highway expansions from a simple model of land acquisition and timelines to an additional focus on identifying and preserving critical affordable housing resources. APAC continues to work with MnDOT and others wherever road expansion decisions are being made.

Additionally, you should consider the impact the stadium will have on local land use. The TCAAP site is the last open tract of land in the City of Arden Hills. The population of Arden Hills is aging and the need for local affordable housing is critical for that population. Our organization spent many years working with and educating the City of Arden Hills on the need for affordable housing to be included in the mast plan. We also suggested they adopt an inclusionary zoning policy, and discussed various housing types and designs appropriate for this site. The land is currently owned by the U.S. Government. By Executive Order 12892, federal agencies are required to "affirmatively further fair housing" in their programs and activities. Further, 42 U.S.C. 3608 Sec. 808(d) provides that "All executive departments and agencies shall administer their programs and activities relating to housing and urban development (including any Federal agency having regulatory or supervisory authority over financial institutions) in a manner affirmatively to further the purposes of this subchapter and shall cooperate with the Secretary to further such purposes". Therefore we assert that the US Army and General Services Agency are required to dispose of this property in a manner that furthers fair housing. In this case that can be accomplished by including a requirement that the production of affordable housing units will be included in the Vikings stadium development plans. This would provide Arden Hills and Arden Manor residents with the added benefit of new affordable housing units to accommodate their aging population. Also, if the new stadium is built, many low wage workers will need affordable housing in the area. Given the direction the proposed funding for the stadium is heading, it would behoove the State and the County to insist on a nominal return to taxpayer investors. The purchase agreement and subsequent legislative action should reflect nominal returns to investors and should ensure community benefits are realized.

The Housing Preservation Project, APAC and a host of other organizations advocate for the preservation of MH Parks as they provide affordable and stable homeownership opportunities. Many of the residents of MH Parks are seniors and low income workers living on fixed incomes. Manufactured homes allow them to remain independent, afford their own home and live in a clean stable community, all without government subsidies. Arden Manor residents have good relationships with the City of Arden Hills and are a politically active community, hosting voter registration drives and turning residents out to meetings.

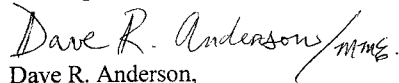
The study should acknowledge and honor the agreement previously reached to protect Arden Manor from encroachment due to highway expansions and other development. The residents of Arden Manor are concerned about the impact of the proposed stadium on their homes. They are concerned that their neighborhood will become commercialized, the traffic and noise will drive people out of the park and the park will close due to vacancies. We request that you take the neighborhoods directly west, southwest and northwest of the TCAAP site into consideration when determining the stadium structure, traffic access, commercial space, parking structures and location as well as stadium traffic and noise impacts.

Please contact us if you have any questions. Thank you for your time.

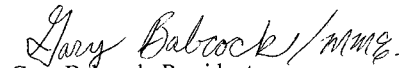
Sincerely,



Mona Langston, J.D.
Policy Advocate
Housing Preservation Project



Dave R. Anderson,
Executive Director
All Parks Alliance for Change



Gary Babcock, President
Arden Manor Resident Association

cc: City of Arden Hills
Ramsey County

9-26-11

Required Permits and Approvals

This table lists the identified approvals and permits that are anticipated to be required for development of the 260 acre site for a stadium and ancillary facilities. Similar approvals will also be necessary for the future 170 acres of mixed use development. This table assumes three separate environmental review documents; one Federal EA for the Interstate road improvements, one state EIS for the stadium development, and one state EIS for the private land development.

The timeline for the permit application submittals and reviews listed below are assumed to be concurrent (unless otherwise noted) with the environmental review process with the understanding that permit approvals cannot occur until the Finding of No Significant Impact and the EIS Adequacy Determination are made.

Appendix L, Table A - Required Approvals and Permits

Unit of Government	Type of Approval/Permit	Typical Schedule for Review and Approval from date of submittal	Potential Risks/Mitigation
FEDERAL			
U.S. Army Corps of Engineers	Clean Water Act Section 404/10 Wetland Permits *expect separate permits for County road improvements, stadium and future development	90 to 120 days for impact less than 5 acres; can be concurrent with EIS review with approval after Adequacy Determination	Minimize wetland and creek crossing impacts to minimize risk of delays
U.S. Environmental Protection Agency	Soil and Groundwater Remediation	60 days to Approve Remedial Action Plans	Mitigation if MPCA and EPA can enter into MOU allowing MPCA to direct efforts to expedite dual reviews. Risk- the development of RAP is contingent on adequate site investigations and contaminates characterizations.
Department of the Interior	Approval for trails/road in Rice Creek Corridor for CR H crossing of the creek	Up to 6 months; concurrent with EIS	Deed restriction on Rice Creek corridor property requires USDOT approval prior to any changes to property ¹
Federal Aviation Administration	Approval for stadium elevation (300') Notice of Proposed Construction or Alteration (FAA Form 7460-1)	90-120 days	Deed restriction requires determination of no hazard to navigable air space from FAA due to proximity to Anoka County-Blaine Airport ²
Federal Highway Administration	Environmental Assessment (EA) and Finding of No Significant Impact for	12 months or longer	MnDOT cannot start final design of road improvements until mitigation measures are

¹ Page 56 of TCAAP Draft AUAR Sept. 4, 2007.

² Page 56 of TCAAP Draft AUAR Sept. 4, 2007.

9-26-11

Unit of Government	Type of Approval/Permit	Typical Schedule for Review and Approval from date of submittal	Potential Risks/Mitigation
	Interstate Roadway Improvement Interstate Access Modification Requests	FONSI required before approval	defined and FONSI is issued by FHWA
US Fish and Wildlife Service	Endangered Species review; no species anticipated near site		No risk
STATE			
MN Pollution Control Agency	NPDES Construction Permit	7 to 14 days	Local impaired waters could require additional mitigation
	Sanitary Sewer Extension Permit	30-60 days	Low risk
	Wastewater Permit Soil and Groundwater Response Action Plan (RAP); Voluntary Investigation and Cleanup Program (VIC)	60 days to Approve Remedial Action Plans	Mitigation if MPCA & EPA can enter into MOU allowing MPCA to direct efforts to expedite dual reviews. Risk: the development of RAP is contingent on adequate site investigations and contaminates characterizations.
	Demolition Permit Notification	Prior to Demolition	Low risk
	Storage Tank Registration, if needed		Low risk
	401 Certification	Concurrent with Corps Section 404 review	Water quality concerns due to site contamination; address with storm water plan and RAP
MN Department of Natural Resources	Coordination on potential impacts to special concern and threatened species east of site	Addressed during EIS process	Blanding's turtle mitigation during construction would minimize risk of delays
	Public Waters Work Permit or License to Cross Public Waters for Rice Creek Bridge	60 to 120 days; can proceed concurrent with EIS but cannot be issued until ROD is approved	Minimize wetland and creek crossing impacts to minimize risk of delays
State Historic Preservation Office	Section 106 Review	Completed as part of GSA EA approved 1/26/11	Four archaeological sites found within Rice Creek Corridor; any new federal action or permit (Section 404 or 401 permits) could require additional review; *need to confirm no sites in area of new creek crossing at CR H
MN Department of Health	Abandonment of Water Wells		Low risk
	Water Main Extension		

APPENDIX O

9-26-11

Unit of Government	Type of Approval/Permit	Typical Schedule for Review and Approval from date of submittal	Potential Risks/Mitigation
	Permit		
MN Department of Transportation	Right of Way Permit/Limited Use permit /Construction permit for work within MnDOT right of way	30 to 60 days	Low risk
	Design Review for Road and Bridge Improvements on TH 10	Involved throughout design	Low risk if have input during EIS and design process; high risk if not included in design process
	Design review for Plat adjacent to MnDOT Right of Way		
	Drainage Permit		Low risk
REGIONAL			
Metropolitan Council	Comprehensive Plan Amendment – Arden Hills	60 to 120 days, beyond 120 days if agreed to by municipality	Minor potential for schedule delays
	Comprehensive Plan Amendment – Mounds View	60 to 120 days, beyond 120 days if agreed to by municipality	No risk identified, could be completed concurrent with Arden Hills comprehensive plan amendment
	Metropolitan Significance Review	90 days up to 12 months	Potential schedule delays, potential cost impact. Could be mitigated through Legislative action
	Sanitary Sewer Extension Permit		
	Controlled Access Approval	60 days	None identified
Rice Creek Watershed District	Storm and Water Quality Plan Approval	Submitted together at least 50 days prior to Board meeting for approval; preapplication meetings with staff recommended to work through issues/requirements	Potential schedule delays if Board tables approval, application determined incomplete, or requirements of RCWD Rules not met; may be most unpredictable permit timeline.
	Wetland Replacement Plan		
	Floodplain Alteration		
	Grading Permit with Erosion and Sediment Control Plan		
	Comprehensive Plan Amendment review		Low risk
LOCAL			
Ramsey County	Road Access Permit (access to Highway 96 and CR I)		Low risk
	Comprehensive Plan Amendment review		Low risk
	Adequacy Determination for stadium EIS	12 to 18 months	Design changes, lack of plan details, high level of controversy, and legal challenges can all increase risk for schedule delays

9-26-11

Unit of Government	Type of Approval/Permit	Typical Schedule for Review and Approval from date of submittal	Potential Risks/Mitigation
	Final Plat Approval		
	Utility and ROW Permits		
City of Arden Hills	Preliminary and Final Subdivision Approval		Low risk
	Rezoning and/or Planned Unit Development (PUD) Approval *Concept, Master and Final	Highly variable, from 60 days to an indefinite amount of time	Public involvement process required for the PUD approval could present significant delays to the proposed project schedule
	Site Plan Review and Approval		
	Demolition Permit		
	Utility Connection Permits		
	Building Permit		
	Comprehensive Plan Amendment	60 to 120 days, plus 60-day adjacent community review period	Potential for schedule delays due to public involvement
	Record of Decision for Future Development EIS	12 to 18 months	Undetermined – no current plan
	Erosion and sediment control permit		
	Municipal consent for MnDOT and County road improvements	30 to 60 days after FEIS; if appealed up to 12 months	
	Utility/ROW Permit		
	Intercommunity Flow Agreement	Variable, dependent on Mounds View and Arden Hills	
City of Mounds View	Tier II Sanitary Sewer Plan - Comprehensive Plan Amendment	60 to 120 days, plus 60-day adjacent community review period	
	Intercommunity Flow Agreement	Variable, dependent on Mounds View and Arden Hills	No risk identified
	Municipal consent for MnDOT and County road improvements	30 to 60 days after FEIS; if appealed up to 12 months	
Cities of New Brighton and Shoreview	Comprehensive Plan Amendment review		No risk identified
Cities of New Brighton, Mounds View, and Blaine	Municipal consent for MnDOT and County road improvements	30 to 60 days after FEIS; if appealed up to 12 months	



MEMORANDUM

DATE: September 23, 2011

TO: Arlene McCarthy, Metropolitan Council

CC: Dan Coyle, Kimley-Horn and Associates
Tom Lincoln, Kimley-Horn and Associates
Lester Bagley, Minnesota Vikings
Don Becker, Garden Homes Development

FROM: Patrick Klaers, City of Arden Hills
Jill Hutmacher, City of Arden Hills

SUBJECT: Clarification of Arden Hills Position

City staff met with representatives of the Metropolitan Council, the Metropolitan Sports Facility Commission and Kimley-Horn and Associates (KHA) on Tuesday, September 20, 2011, to discuss the report that the Metropolitan Council and the Sports Facility Commission are preparing at the request of Governor Dayton. Council and KHA representatives had several questions for City staff regarding transportation improvements, land use approvals, and public infrastructure/utility improvements. We apologize if some of our responses were not as clear or precise as you desire, and we appreciate the opportunity to clarify the City's position regarding infrastructure and private utilities.

The City understands that the Metropolitan Council is evaluating the entire 430-acre site. Due to the nature of the stadium proposal, the County's and Vikings' attention has been focused on the 260-acre stadium site. This is certainly understandable. Every party agrees that the stadium development is the near-term priority. Although the County, City, and Vikings agree that development of the 170-acre private land area is desirable, a concept plan for the private land has not been developed as everyone's attention is currently focused on the stadium site. As such, the City has not had an opportunity to discuss private land development with the Vikings. For every private development in the City, the City works with developers to consider options that protect the City and its taxpayers, allow flexibility to the developers, and manage project costs. The City looks forward to similar discussion with the Vikings. At this time, the City can only comment on what processes for infrastructure development could work.

City of Arden Hills

Internal Infrastructure

At the September 20 meeting, the City was asked how it envisions that internal infrastructure would be developed. It is the City's understanding that all internal infrastructure for the 260-acre stadium development would be privately constructed, owned, and maintained. Because the site is contemplated to be owned by a public stadium authority and be exempt from property taxes, the City will have no revenue source to provide infrastructure or municipal services to the 260-acre stadium site. If it is ultimately decided that the stadium site will benefit from some level of municipal services, the City is willing discuss PILOT as an option to accommodate that.

For the 170-acre private land development, the City's preferred option at this time is that internal infrastructure be privately constructed, owned, and maintained. The City believes that this is one option that would accommodate a project that requests flexibility in the location of private development, but the City acknowledges that there may be other ways to accommodate the private development and is willing to discuss those options with the developer.

For example, if the developer were to determine that a certain portion of the private land were to be contiguous, public infrastructure could be considered for that parcel. For instance, if it were known that 120 acres of the private land were to be contiguous, and its location decided upon, public infrastructure could be provided to that parcel. If the remaining 50 acres of private development were integrated within the 260-acre stadium site, then private infrastructure and utilities may be necessary for those parcels.

Master Association

At the September 20 meeting, the City indicated that private infrastructure and utilities could be maintained by a "master association". The master association would have an on-going obligation to maintain, replace, repair infrastructure including sewer, water, storm sewer systems, streets, and street lighting. The master association would also be responsible for on-going utility bills.

Townhome associations and regional malls are examples of a similar master association arrangement. Townhome developers submit requests to the City that the townhomes' internal infrastructure be private. Infrastructure costs are covered by an association agreement and paid by members to the association. In exchange, cities allow flexibility in the development pattern, usually through a Planned Unit Development, that the developers would not ordinarily have under the City's zoning and subdivision ordinances.

Cities provide infrastructure to the property line of regional malls. Within the site, mall developers and owners build and maintain internal roadways, lighting, stormwater systems, etc. As with townhome associations, in exchange for private ownership and maintenance of infrastructure, mall developers have flexibility on density and other development criteria.

Private Utilities

The City intends to treat the development of the TCAAP site similarly to any other development in the City. As such, it will be the developer's responsibility to submit for the City's review an evaluation of water infrastructure needs for domestic use and fire suppression. If the City concludes, based on the developer's evaluation and the City's review, that system improvements are required, it is then the developer's responsibility to design, construct, and finance those improvements.



35 W Financial

Ramsey County has proposed raising \$350 million through a bond issue backed by a .5% general sales tax throughout the County. I have analyzed the viability of such debt issuance.

The Minnesota Department of Revenue reports taxable sales in Ramsey County for the year 2009 in amounts sufficient to raise \$27.857 million if taxed at .5%. Springsted Incorporated has performed calculations for 2010 making use of data for Ramsey County in connection with its .25% Transportation Sales Tax. Springsted believes that \$28.4 million would be an accurate collection number for a .5% general sales tax in the County for the year 2010. The increase between 2009 and 2010 used by Springsted is consistent with the increase that the City of Minneapolis reports between those two calendar years. Springsted also ascribes to the proposed bond issue revenues of \$850,000 per year from a \$20 fee per vehicle sold. I assume the veracity of that projection.

I have calculated bond coverage ratios using 2 different scenarios:

- A 30-year sales tax revenue bond issue with level debt service payments throughout its life assuming an AA/Aa2 rating. Debt Service Reserve Fund would be provided out of bond proceeds, earning no significant interest but used to make the final year's debt service payments. Total costs of issuance are assumed to total ½% of principal amount of bonds. Most maturities would be issued with 5% coupons and sold at market premiums. Interest rates are based on a spread to MMD as published on September 20th and 21st, 2011. Bonds beyond 2022 would be callable on January 1, 2022 at par.
- A 30-year sales tax revenue bond issue with the same structure and assumptions as the first scenario except that the bonds would be rated A+/A1.

The following table shows the results of my analysis. I have shown coverage ratios for bond debt service only and for bond debt service plus a contractually obligated \$2.5 million annual County payment for stadium operating purposes.

APPENDIX Q

Scenario	30-Year Bond Issue; Level Debt Service; .5% costs; DSR Fund at Maximum Annual Debt Service; AA/Aa2 Rating	30-Year Bond Issue; Level Debt Service; .5% costs; DSR Fund at Maximum Annual Debt Service; A+/A1 Rating	AA/Aa2 Rating plus \$2.5 million in annual operating obligations	A+/A1 Rating plus \$2.5 million in annual operating obligations
2010 Springsted Revenue Forecast with No Growth	1.32x	1.28x	1.19x	1.16x

In every case I assumed a “no revenue growth” scenario because the rating agencies may focus on that assumption. I have also assumed no increase in the operational obligations year-to-year. How they will take potential growth and other factors into account is not predictable. It is also possible that the County might issue a lesser initial amount bonds and postpone additional bonds to a later date when the new .5% sales tax has an historical collection record which may reflect revenues higher than the 2010-based assumption.

It is interesting to note that the official statement issued in connection with Hennepin County’s three bond issues for its Ballpark, backed with a .15% sales tax, disclosed coverage ratios that included both no-growth and 1.5% growth scenarios. The more conservative standard follows:

1 st Lien Bonds (Aa1/AAA/AA+)	lowest ratio of 2.23 / highest ratio of 3.83
2 nd Lien Bonds (Aa3/AA+/AA)	lowest ratio of 1.37 / highest ratio of 1.95
3 rd Lien Bonds (A1/AA/AA-)	lowest ratio of 1.16 / highest ratio 1.61

The 3rd Lien Bonds represented the smallest issuance (\$75 million) and were covered by a letter of credit from U.S. Bank.

It may be possible for Ramsey County to succeed with a bond issue that provides \$350 million of net proceeds making use of the .5% general sales tax. Nevertheless there are definite weaknesses to the credit compared with the Hennepin County Ballpark issuances. Factors that will impact viability include the interest rate environment, whether increased actual tax revenues can be shown for fiscal 2011, whether other additional revenues are available to support the bonds and/or the County’s stadium operating obligations and the viewpoint of the rating agencies.

Mark Kaplan
35W Financial
September 23, 2011

**Multi Purpose Stadium
Minnesota Vikings
Ramsey County**



8/30/2011

Cost Category	Normal Recovery		Slower Recovery		Normal Recovery	
	2012 start 2015 open		2013 start 2016 open		2013 start 2016 open	
Open Air Stadium Costs (with Site Related Impacts)	\$	641,570,674	\$	661,883,694	\$	675,182,095
Stadium Enclosure and Fixed Roof Costs	\$	180,500,000	\$	186,449,535	\$	190,338,806
Total Stadium With Fixed Roof Costs	\$	822,070,674	\$	848,333,229	\$	865,520,901
¹ Public Infrastructure Costs	\$	187,980,172	\$	193,595,835	\$	197,232,205
Total Project Costs	\$	1,010,050,847	\$	1,041,929,064	\$	1,062,753,107
Transportation Related Improvements	\$	101,000,000	\$	103,897,887	\$	105,790,895
Total Project Costs with Transportation Improvements	\$	1,111,050,847	\$	1,145,826,951	\$	1,168,544,002
Delay Delta Costs			\$	34,776,104	\$	57,493,155

Public Infrastructure: "Public Infrastructure" means all property, facilities, and improvements determined by the authority or the county to facilitate the development and use of the stadium, including but not limited to property and improvements for drainage

Costs indicated above are calculated to represent a one year delay in approval and start of construction for the Stadium. Costs indicated above are The costs utilize escalation rates calculated to represent a one that have been reduced from the year delay in approval and start baseline estimate of construction for the Stadium

Multi Purpose Stadium Minnesota Vikings Ramsey County

Cost Category	Normal Recovery 2012 start 2015 open	Slower Recovery 2013 start 2016 open	Normal Recovery 2013 start 2016 open
Public Infrastructure Detail Listing			
On Site Improvements			
Site preparation / Subsurface	\$ 7,449,664	\$ 7,693,434	\$ 7,874,295
Utilities, Energy	\$ 33,380,784	\$ 34,558,050	\$ 35,283,489
Site Finishes	\$ 10,279,328	\$ 10,615,691	\$ 10,865,250
Pedestrian Access and Area Improvements	\$ 8,945,244	\$ 9,237,952	\$ 9,455,122
Street Improvements (with Team's Share)	\$ 10,800,000	\$ 11,153,400	\$ 11,415,600
Total On Site Improvements	\$ 70,855,020	\$ 73,258,526	\$ 74,893,756
Surface Parking			
Parking (21,000 Stalls)	\$ 87,125,152	\$ 90,337,309	\$ 92,338,449
Total Surface Parking	\$ 87,125,152	\$ 90,337,309	\$ 92,338,449
Site Acquisition Costs and Remediation			
Metrodome site Land Credit	\$ 30,000,000	\$ 30,000,000	\$ 30,000,000
Total Site Acquisition and Other Costs	**** Team to Cover Cost / Receive Sale Profits \$ 30,000,000	\$ 30,000,000	**** \$ 30,000,000
Total Public Infrastructure Costs	\$ 187,980,172	\$ 193,595,835	\$ 197,232,205



STATE OF MINNESOTA

Office of Governor Mark Dayton

130 State Capitol ♦ 75 Rev. Dr. Martin Luther King Jr. Boulevard ♦ Saint Paul, MN 55155

August 3, 2011

The Honorable Susan Haigh
Chair, Metropolitan Council
390 North Robert Street
St. Paul, Minnesota 55101

The Honorable Ted Mondale
Chair, Metropolitan Sports
Facilities Commission
900 South Fifth Street
Minneapolis, Minnesota 55415

Dear Chairs Haigh and Mondale:

I am writing to request your assistance and the assistance of your agencies in the evaluation of the Ramsey County/Minnesota Vikings' proposal for the Twin Cities Army Ammunition Plant ("TCAAP") site.

As I have stated consistently, the Minnesota Vikings are a very important asset to the State and we have worked closely with the team over the past several months to advance the goal of building a new people's stadium in Minnesota.

Now that the regular and special sessions of the Legislature are completed, I would like to sharpen our focus on the Ramsey County/Vikings' proposal and address the remaining issues. I ask your assistance to identify all remaining issues and then make recommendations for how they should be resolved, with the goal of removing as many uncertainties as possible before a transaction is finalized. Specifically, I would like you to ascertain the potential risks, if any, of the proposal and suggest ways to mitigate or eliminate any exposure to the public. At a minimum, an analysis of potential risks should include, but not be limited to, an examination of the requirements of an Environmental Impact Statement and Alternative Urban Area-wide Review, remediation needs, transportation needs, costs and cost-overrun exposures, scheduling issues, funding projections, and permitting and approval issues for each of the local, metropolitan, state, and federal jurisdictions involved. Please note that I have told the Vikings that I intend to use the Vikings stadium as an example of our Administration's commitment to a streamlined and speedy review and permitting process.

I request that you and your agencies work together to assess the proposal from the perspective of your agencies and statutory oversight responsibilities, and deliver to me a comprehensive analysis of your findings and recommendations. Time is of the essence, and I ask that you complete your analysis with all due speed, as soon as possible.

Thank you for your assistance.

Sincerely,

A handwritten signature of Mark Dayton in black ink.

Mark Dayton
Governor

Voice: (651) 201-3400 or (800) 657-3717
Website: <http://governor.state.mn.us>

Fax: (651) 797-1850

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———— in cooperation with ————



Metropolitan Sports Facilities Commission

Metropolitan Council
390 Robert Street North
Saint Paul, MN 55101

Metropolitan Sports
Facilities Commission
900 South Fifth Street
Minneapolis, MN 55415

October 2011

Publication no. 10-11-066