



March 31, 2011

Dear Colleague:

As we all know, the primary focus of this legislative session is to resolve the state's budget deficit and add jobs to improve Minnesota's economy. While resolving the stadium issue is of secondary importance, the matter has some urgency this session due to the fact that the Vikings 30 year lease to play in the Metrodome expires at the end of this coming season. In addition, the collapse of the Metrodome roof underscores the problems with an aging facility and the need to develop a long-term facility plan.

While there have been previous attempts to develop a long-term facility plan for the stadium, a plan has not yet been adopted. Therefore, we have continued to gather input on the stadium issue from various stakeholders. Now, the time has come to move forward on a bill that offers a framework for achieving a stadium plan for Minnesota. A bill has been drafted, and we are now in the process of securing bi-partisan co-authors. Next week, the last of the omnibus budget bills will have been processed, and we will be ready to introduce the bill. The goals of the bill will be to:

- Establish a governance structure for requesting proposals from local partners and choosing the best long-term facility option for the state.
- Give potential local partners the options needed to reach an agreement with the Vikings.
- Limit the state's involvement and require a substantial commitment from the Vikings.
- Avoid increases in statewide income or sales taxes and avoid transfers from the general fund.
- Have those who use or benefit from the stadium pay the state's share.
- Provide needed construction jobs, as well as create and retain jobs for the facility and all related economic activity.
- Provide a multi-purpose stadium facility with a roof that will serve the needs of Minnesota and keep the Vikings in Minnesota for many years to come.

Attached is a House Research summary of the key provisions of the bill.

As authors of the bill, we look forward to the opportunity to move this bill through the legislative process, and we welcome your input. It is clearly understood that final consideration of this legislation will not occur until there is a resolution to the state's budget.

Rep. Morrie Lanning

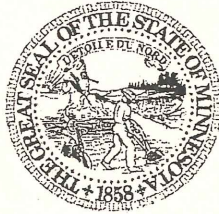
Sen. Julie Rosen



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Minnesota House of Representatives

March 29, 2011

TO: Representative Morrie Lanning
FROM: Patrick McCormack
RE: Major Positions of Your Stadium Bill

The stadium bill as introduced has the following major positions:

- The state creates revenues sufficient to cover \$250 million to \$300 million in bonds, which would be sold by local governments – or the Metropolitan Council;
- Local Governments are allowed to bid to be the site of the stadium, and can use local taxes to make up the financing for their bids;
- The Vikings are required to make up the remainder, including any cost overruns;
- A new Minnesota Stadium Authority is the governance structure and selects the site;
- If a site is selected, and the Vikings sign a lease, a stadium with a roof is constructed; if a site is not selected, or a lease not signed, the revenues from the state share are available for a later stadium deal and for Metrodome operations;
- The lease is not signed and construction does not start if the current labor conflict is not resolved.

This tri-level partnership is based on a reasonable state share, willing bidders from local governments, and a team that agrees to its role within this partnership.

STATE SHARE

The State role in the stadium involves both a process and a set of financial tools.

- The State solicits bids from local partners, and structures a site selection process in a fair and unbiased manner;
- The State creates a new Minnesota Stadium Authority, which will own and run the new stadium.

The State covers its share of the stadium costs as follows:

- A professional sports memorabilia tax is created;
- Naming rights to the stadium are sold by the state and used for stadium construction;
- A pro football player income tax surcharge is created;
- A sales tax on luxury boxes in the new stadium is created;
- Sales tax (during construction) and property tax exemptions for the stadium are created;
- A lottery game has its revenues dedicated to the stadium;
- A sales tax on digital video equipment designed to facilitate satellite downloads;
- The net result of these taxes is about \$30 million in 2013, growing thereafter. This is sufficient to cover the necessary state share.

LOCAL SHARE

Either a local government or if necessary the Metropolitan Council would be responsible for the sale of bonds to construct the stadium. The local share of this bill comes from a series of local taxes as determined in the bid from the local governments. These sunset after bonds are paid off:

- Local governments may include a 0.5 percent sales tax in their bids;
- Local governments may include taxes on entertainment, lodging, liquor, food and beverage, or admissions – but these amounts are capped at stated rates;
- Local governments may sell the bonds, or those bonds may be sold by the Metropolitan Council;
- Special provisions allow a bid from Hennepin County to use excess Twins stadium revenues; and allow a bid from Minneapolis to use excess convention center revenues.
- Special provisions allow jurisdictions that want to cooperate with the stadium site designee to also levy local taxes, if 40 percent is given over for the Vikings stadium; 60 percent may then be retained by these “cooperating” jurisdictions for their own facilities of regional or state significance.

TEAM SHARE

The team share is specified in this draft:

- The team must pay at least \$1 for every \$2 paid by state or local sources – the state and local shares are capped and the team is responsible for cost overruns.