

# Request for City Council Committee Action from the Convention Center

**Date:** May 18, 2010

**To:** Lisa Goodman, Chair Community Development Committee

**Referral to:** Betsy Hodges, Chair Ways and Means Budget Committee

**Subject:** 2010 Budget Appropriation for Target Center

**Recommendation:** Receive and File staff report on Target Center 2010 Budget and Updated Target Center Finance Plan

## Previous Directives:

Council Resolution 2009R-281 amending the 2009 general appropriation resolution to: recommend accompanying Resolution 2009R-282 regarding transfer of Target Center property and agreements from the MCDA to the City of Minneapolis; appointing the Minneapolis Convention Center (MCC) Executive Director as Contract Administrator for Target Center Arena leases and contracts; receiving the Department of Community Planning & Economic Development (CPED) report detailing the transfer of responsibility for operations and management oversight of Target Center from CPED to MCC

Council Resolution 2009R-282 Transfer of Target Center from the Minneapolis Community Development Agency to the City of Minneapolis

## Department Information

Prepared by: Christopher Larson, Director of Facility Services

Approved by:

Jeff Johnson, Executive Director Convention Center

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Presenters in Committee: Jeff Johnson, Chris Larson

## Financial Impact

- Financial actions are within the long term financial plan for Target Center, Capital funds requested are within the 10 year Target Center Capital Plan

- Funds utilized are available within the 2010 Projected Revenue Sources for Target Center remaining after Debt Service

### **Background**

In 2009 the City Council transferred the responsibility for all operations and management oversight of Target Center from CPED to MCC

The Arena Reserve Fund receives all non-tax increment revenues that support the Target Center Finance Plan, including entertainment tax, parking revenues and base property taxes, estimated to be \$3,947,738 in 2010.

The CPED Fund 01CPK (Arena Tax Increment) holds all tax increment revenue generated from the Arena District, as well as the annual Common Project contribution. 2010 revenues in the Arena Tax Increment Fund are estimated to be \$2,891,925 and may only be used for debt service, capital improvements and administrative costs. Since the revenues in this fund are restricted it was determined that the most prudent method would be to incur costs in the Arena Reserve Fund and then reimburse the Arena Reserve Fund for those costs that are eligible to be paid from tax increment.

Attached to this report is a table summarizing the 2010 projected revenues and expenditures for the Target Center Project.

When the Consolidated Tax Increment Financing District has been certified by Hennepin County, MCC proposes to return to the Council to present a revised Target Center Finance Plan, reflecting the revised sources and uses of revenues included in the Plan.