

RESOLUTION OF THE CITY OF MINNEAPOLIS

By Ostrow and Johnson

In Support of a Private-Public Partnership to Preserve Major League Baseball in Minneapolis

Whereas, keeping the Minnesota Twins in the City of Minneapolis contributes to the City's position as the economic and cultural center of the upper Midwest, a status that benefits the entire State; and

Whereas, the Minnesota Twins contribute significantly to the local and State economy; and

Whereas, the Minnesota Twins are a valuable amenity to this City, County, region and State; and

Whereas, City staff has completed in-depth analysis of the Rapid Park site and evaluated options for site control, the impact of the Basset Creek tunnel and the impact on transit as directed by the City Council on April 6, 2001; and

Whereas, the Rapid Park site offers the City, County and region a unique opportunity for a compact, urban ballpark that takes advantage of significant existing parking infrastructure, convenient freeway access, connection to the Hiawatha LRT line and a future commuter rail line, as well as substantial adjacent development; and

Whereas, any successful ballpark development will require leadership from the Minnesota Twins and the business community and will require responsible participation from the public sector;

Now, Therefore, Be it Resolved by the City Council of the City of Minneapolis:

That the City of Minneapolis supports a private-public financing partnership for a new ballpark in Minneapolis, in partnership with Hennepin County, the Minnesota Twins, the private sector, the City of Minneapolis, the State of Minnesota and the Metropolitan Sports Facilities Commission.

Be it Further Resolved that the City of Minneapolis may contribute up to 10 million dollars towards infrastructure or land acquisition for a new ballpark from funding generated through user fees or other "but for" dollars.

Be it Further Resolved that the City of Minneapolis reaffirms its support for the Rapid Park site as the best possible location for a new ballpark for the Minnesota Twins.

Be it Further Resolved that any ballpark legislation should maximize to the extent possible revenue from user fees or from Twins fans or businesses benefiting directly from the construction of a new ballpark.

Be it Further Resolved that any local option taxes which are not user fee generated or "but for" dollars should be subject to a referendum.

Be it Further Resolved that as potential ballpark development plans proceed there must be continued insistence that Major League Baseball's financing and organizational structures must change and our Intergovernmental Relations Office is directed to support and track federal legislation to hold Major League Baseball accountable.

Be it Further Resolved that the City encourages the Legislature and the owners to consider the benefits of co-generation and steam heat from the Hennepin Energy Resource Center as an environmentally and financially sound method to provide fan comfort.

Be it Further Resolved that as ballpark proposals move forward, the Intergovernmental Relations Office is directed to track State legislation and to advocate for legislation consistent with the provisions of this resolution.



HENNEPIN COUNTY
Proposal for a Twins Ballpark in Minneapolis
Preliminary Financing Plan

This proposal has been developed for discussion with the elected leadership of Hennepin County, the City of Minneapolis, the legislative delegations for Minneapolis and Hennepin County, the Metropolitan Sports Facilities Commission and New Ballpark, Inc. The County Board of Commissioners, the City Council or the Mayor have yet to approve this proposal. A bill is being drafted that reflects the following terms.

1. Hennepin County would act as the lead local government, owning the land for the ballpark and overseeing construction, financing, and operations.
2. A restructured Metropolitan Sports Facilities Commission would negotiate the lease with the Twins and operate the Ballpark. The Commission's board would have a majority of members appointed by the County Board with the balance appointed by the City Council and the chair appointed by the Governor.
3. The Ballpark would be owned for tax purposes by a private entity to enable the business community to privately invest in the Ballpark in the manner proposed by New Ballpark, Inc.
4. The Ballpark would be located in Minneapolis at the Rapid Park site, which is between the Target Center and the Hennepin Energy Recovery Corp. (HERC) plant. This site is available for purchase or long-term lease and is expected to require little new infrastructure to accommodate traffic and parking.
5. Based on the preliminary design of the Ballpark site the cost of the project, including land, site preparation, design, construction and financing is estimated to be approximately \$370 million. The estimated cost includes making the Ballpark "roof-ready", at a cost of \$20 million.
6. Funding the Ballpark would be from the Twins, the business community, the State, and local governments. A preliminary schedule of funding sources is attached.
7. The Twins are expected to receive revenues from the Ballpark and pay for the operating and maintenance costs. Revenues from the Twins use include naming rights, advertising, concessions, seat licenses, luxury suites, club seats, ticket sales, and restaurants in the ballpark.

HENNEPIN COUNTY
Potential Ballpark Tax Revenues

	Tax Rate	Estimated Annual Revenue	Maximum Amount of Debt*
Downtown Minneapolis Taxes			
Liquor - on Sale	1.25%	\$1,125,000	\$13,000,000
Downtown Restaurant	1.25%	\$3,375,000	\$40,000,000
Lodging (citywide more than 50 rooms)	0.5%	\$700,000	\$8,200,000
Hennepin County Car Rental Tax**			
	1%	\$1,100,000	\$12,900,000
	2%	\$2,200,000	\$25,900,000
	3%	\$3,300,000	\$38,800,000
	4%	\$4,400,000	\$51,700,000
	5%	\$5,500,000	\$64,700,000
	6%	\$6,600,000	\$77,600,000
	7%	\$7,700,000	\$90,500,000
State Sales Tax on Ballpark Tickets**	6.5%	\$4,100,000	\$48,000,000

* Assumes 20 year tax-exempt debt @ 5.25%.

** Statewide collections in 2000 were \$12,123,000, tax rate of 6.2%, assumes 60% of rentals occur in Hennepin County

*** 81 games, 30,678/game, average ticket \$25.41.