

ROSEVILLE
REQUEST FOR COUNCIL ACTION

Date: July 18, 2011
Item No.: 12.b

Department Approval

City Manager Approval



Item Description: Discuss Issues Related to Vikings Stadium

1 **BACKGROUND**

2
3 At the July 11 City Council meeting, Councilmembers reviewed information about the Vikings
4 stadium. The Minnesota Legislature is considering ways to pay for building a new Vikings
5 stadium. The stadium deal that is being considered is expected to include a half-cent sales tax
6 levied solely in Ramsey County.

7
8 Kathy Lantry, President of the Saint Paul City Council, has asked cities in Ramsey County to
9 adopt the attached resolution opposing the half-cent sales tax.
10

11 **STAFF RECOMMENDATION**

12 Discuss issues related to the Viking Stadium and options for paying for a new stadium.

13 **REQUESTED COUNCIL ACTION**

14 Discuss issues related to the Viking Stadium and options for paying for a new stadium.
15
16

Prepared by: William J. Malinen, City Manager

17 **Attachments:** A: Email from Carol Monroe, on behalf of the Ramsey County Manager's Office
B: Email from Ramsey County Commissioner Tony Bennett
C: Draft Resolution

Margaret Driscoll

From: Bill Malinen
Sent: Tuesday, July 12, 2011 2:46 PM
To: Margaret Driscoll; *RVCouncil
Subject: 12.b Monroe email stadium benefits Myths v VIKINGS STADIUM INFORMATION FW: UPDATED
Attachments: Stadium Benefits.pdf; Vikings Stadium - Myth vs Reality.docx

FYI

-----Original Message-----

From: Monroe, Carol [<mailto:Carol.Monroe@CO.RAMSEY.MN.US>]
Sent: Tuesday, July 12, 2011 2:16 PM
To: CM CITY MANAGERS-ADMIN
Cc: Parker, Jan
Subject: UPDATED VIKINGS STADIUM INFORMATION

Several of you have requested updated information on the Vikings stadium, so we are sending you our latest fact sheets. Please share this with your elected officials.

Art Coulson

Ramsey County Communications Manager

651-266-8017

From:

Carol Monroe

Ramsey County Manager's Office

651-266-8008

carol.monroe@co.ramsey.mn.us

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Ramsey County Vikings Stadium Benefits



JOBS

- This project will support 13,000 full and part-time jobs, including 7,500 construction jobs, over a three-year construction period.
- The stadium will require 4.2 million work hours, including 900,000 in the first 12 months and generate over \$286 million in construction wages and \$10 million in income taxes.
- Off-site transportation-related infrastructure improvements will create a substantial number of additional jobs. Once the Stadium is completed in 2015, it will support 3,400 ongoing full- and part-time jobs with over \$100 million in personal earnings, according to Conventions, Sports & Leisure International.
- Private development of nearby properties, both on the TCAAP site and across the northern suburbs, will generate new jobs and ongoing positive economic impacts for the region.

RETURN ON INVESTMENT

- Ramsey County is leveraging a billion-dollar redevelopment of the largest Superfund site in the state and millions of dollars in sorely needed north metro highway improvements for a \$350 million investment.
- Once the adjacent TCAAP property is fully developed, according to the Ramsey County Assessor's Office, assuming taxable value of the developed property of \$232 million, it would generate approximately \$6.6 million in total property taxes annually.
- The Vikings currently pay nearly \$20 million in sales, liquor and income taxes annually. Visiting NFL teams pay approximately \$1 million in income taxes annually.
- A 2009 study by Conventions, Sports & Leisure International showed a new stadium will generate \$26 million in taxes annually.
- Over 22% of Vikings Season Ticket Owners live outside Minnesota and approximately 40% of Season Ticket Owners reside outside of the metro area. 50% of fans who come from outside the Twin Cities stay in a hotel and spend money in the community when they attend a Vikings game.
- A 2010 study completed by the University of Minnesota on the January 2010 Vikings-Cowboys playoff game showed visiting game-day attendees (non-metro residents) spent \$5.8 million in restaurants, hotels and retail stores and on transportation.
- Overall sales in the Twin Cities economy expanded by \$9.1 million for the playoff game weekend.
- CSL's study also showed the project will lead to \$145 million in direct annual spending by fans, the Vikings, the team's employees and players, visiting teams and the NFL in connection with games and the operation of the facility.



ENVIRONMENT

- The project will dramatically accelerate the redevelopment and revitalization of the largest Superfund site in the state. The project will also transform a grossly underutilized site into a productive site that will create jobs and economic activity.
- Road improvements around the stadium site will decrease traffic congestion, thereby improving air quality.
- Modern environmental design principles will be followed in construction of the stadium.

OTHER PUBLIC BENEFITS

- The stadium will be publicly owned and available for high school/amateur sports and other community events.
- Improvements to the state highways and interstates serving the site are long-overdue and needed with or without a stadium.
- The stadium parking lot may be used year-round for multiple public uses, including park and ride facilities and recreation.
- A multi-purpose, year-round facility will allow the Twin Cities to continue to host events — such as the Super Bowl — and visitors from across Minnesota and beyond.

PUBLIC SAFEGUARDS

- The stadium will be owned and controlled by a 5-member public stadium authority.
- The Vikings will operate and maintain the facility and pay approximately 90% of operating and maintenance expenses.
- The Vikings will cover all cost overruns on construction and a portion of any cost overruns on land acquisition and remediation.
- There is a profit-sharing agreement if the team is sold within 10 years.
- The Vikings will commit to a 30-year lease and pay for all municipal services, including police, traffic, fire, trash removal, etc. The lease will have no early termination provisions and will not allow the Vikings to relocate.

SALES TAX COMPARISONS

- Even with a half-cent sales tax to fund stadium development, it will still be cheaper to buy a hamburger and cup of coffee in St. Paul than it already is in Minneapolis. The sales tax increase is equivalent to a nickel on a \$10 purchase. The rate comparison:
 - Minneapolis: 10.775% (with food and beverage tax, current)
 - St. Paul: 8.125% (with proposed ½ cent stadium tax)
 - Suburban Ramsey County: 7.625% (with proposed ½ cent stadium tax)
 - Suburban Hennepin County: 7.275% (current)

The Minnesota Vikings have been engaged in seeking a new stadium for nearly a decade. During that time, Minnesotans have expressed a desire to keep the team here, but a stadium solution has been elusive.

In May, the Vikings announced a partnership with Ramsey County that would build a new state-of-the-art stadium on land once used by the military for the Twin Cities Army Ammunition Plant (TCAAP). This is a 430-acre site located near two of the Twin Cities major freeways – Interstates 35W and 694.

MYTH #1: The development and economic growth opportunities related to the stadium project will be short-lived.

REALITY:

- Stadium construction will take approximately three years and will provide 7,500 construction jobs.
- The project will support a total of 13,000 full- and part-time jobs.
- One of the advantages to the Arden Hills site is available space and opportunity for related development. The vision for the area includes a convention center/hotel complex and a corporate campus, in addition to the stadium. This additional development will provide construction jobs for many years.

MYTH #2: Infrastructure costs are too high at the Arden Hills site.

REALITY:

- The Minnesota Department of Transportation has estimated road and highway infrastructure improvements would cost \$131 million – but that figure includes a 30% “contingency” amount, meaning actual costs could be closer to \$100-110 million.
- These infrastructure improvements would be similar to the improvements in the I-494 and Hwy. 77 area related to the Mall of America development.
- Many of these improvements would need to take place regardless of the type of development that occurs at the TCAAP site.
- These infrastructure improvements will benefit everyone who currently travels through the area, including cabin owners in Northern Minnesota, residents in the immediate area, and employers in the Northern Ramsey County communities.

MYTH #3: Taxpayers will be required to pay for cost overruns at the site and the owners will benefit from selling after the stadium is built.

REALITY:

- The public is well-protected by this agreement. The Vikings will cover all cost overruns on stadium construction and a portion of any cost overruns on land acquisition and remediation.
- There is a profit-sharing agreement if the team is sold within 10 years.
- The Vikings will operate and maintain the facility under the direction of a public stadium authority and pay approximately 90 percent of operating and maintenance expenses.
- The Vikings will commit to a 30-year lease and pay for all municipal services, including police, traffic, fire, trash removal, etc. The lease will have no early termination provisions and will not allow the Vikings to relocate.

MYTH #4: The proposed 0.5 percent sales tax increase in Ramsey County will make it difficult for businesses in the county to compete.

REALITY:

- Even with a half-cent sales tax to fund stadium development, it will still be cheaper to buy a hamburger and cup of coffee in St. Paul than it already is in Minneapolis. The sales tax increase is equivalent to a nickel on a \$10 purchase. The rate comparison:
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MYTH #5: There is no evidence that building a new stadium will help the economy.

REALITY:

- This project will support 13,000 full- and part-time jobs, including 7,500 construction jobs, over a three-year construction period.
- The stadium will require 4.2 million work hours, including 900,000 in the first 12 months and generate more than \$286 million in construction wages and \$10 million in income taxes.
- Off-site improvements will create a substantial number of additional jobs. Once the stadium is completed in 2015, it will support 3,400 ongoing full- and part-time jobs with more than \$100 million in personal earnings, according to Conventions, Sports & Leisure International.
- Private development of nearby properties, both on the TCAAP site and across the northern suburbs, will generate new jobs and ongoing positive economic impacts for the region.

MYTH #6: Money spent by fans attending a football game would be spent in the community in another way if there wasn't a football team and stadium in the Twin Cities.

REALITY:

- The economic impact of a new Vikings stadium will be significant. A 2010 study completed by the University of Minnesota on the January 2010 Vikings-Cowboys playoff game showed visiting game-day attendees (non-metro residents) spent \$5.8 million in restaurants, hotels and retail stores and on transportation.
- Overall sales in the Twin Cities economy expanded by \$9.1 million for the playoff game weekend.
- A study shows the stadium project will lead to \$145 million in direct annual spending by fans, the Vikings, the team's employees and players, visiting teams and the NFL in connection with games and the operation of the facility.

MYTH #7: The site is too contaminated to build on – it's not possible to clean up a Superfund site for this type of development.

REALITY:

- The U.S. Army is required to retain responsibility for groundwater cleanup and for soil remediation to commercial/industrial standards.
- The nature and extent of the required remediation are obstacles that can be overcome and will not prevent the development of the property.
- Other examples of Superfund site cleanups are numerous. One such example in our region is the Upper Landing in St. Paul. Once a scrap metal yard and grain elevator, the Upper Landing is now a 22-acre, \$175 million Mississippi riverfront residential neighborhood with 1,000 residents.
- The Vikings stadium development envisions a stadium, convention center/hotel complex, and corporate campus, and does not include residential property.

MYTH #8: Ramsey County will have too much control over the new stadium when it should reflect the statewide nature of the project.

REALITY:

- The proposal envisions creation of a new public stadium authority.
- Members would be appointed by the Governor, the Ramsey County Board and the City of Arden Hills.

MYTH #9: The stadium would only be used a limited number of times each year.

REALITY:

- The facility would have a retractable roof and would be available for use year-round.

- It would be publicly owned and would be available for high school/amateur sports and other community events.
- The stadium parking lot could provide additional uses year-round, including park and ride facilities and recreation.
- The stadium would allow the Twin Cities to host major events, such as the Super Bowl, in future years.

MYTH #10: The Vikings have not committed to paying their fair share of the project.

REALITY:

- In partnership with Ramsey County, the Vikings have committed to providing \$407 million as part of this development. This is the only site the Vikings are invested in.
- The Vikings share of financing – at approximately 40 percent of the project cost, is larger than the private financing share for stadiums built in Cleveland (1999, 25 percent), Indianapolis (2008, 14 percent), Arizona (2007, 32 percent), and Houston (2002, 27 percent), as examples.
- The Vikings have agreed to cover all cost overruns on stadium construction
- The Vikings will pay for all municipal services, including police, traffic, fire, trash removal, etc.

Email from Tony Bennett

Sent: Friday, July 8, 2011 1:08:20 PM

Subject: Ramsey County/Vikings Stadium Project

From Ramsey County Commissioner Tony Bennett:

I'm forwarding you a fact sheet v myth regarding the proposed construction of a new Vikings stadium located in Arden Hills at the TCAAP site. I have also included a draft resolution of support for this project if your community chooses to support it. If you have any questions regarding this project please call my office 651-266-8362 or cell phone 651-485-1700.

Thank you.

Ramsey County Commissioner

Tony Bennett

District 1

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- The Vikings will pay for all municipal services, including police, traffic, fire, trash removal, etc.

DRAFT RESOLUTION FOR CITY COUNCILS SUPPORTING VIKINGS STADIUM

Title

Supporting construction of a Vikings Stadium and related development in Arden Hills.

Body

WHEREAS, the _____ City Council recognizes the social and economic value of the Minnesota Vikings Football Team to the State of Minnesota; and,

WHEREAS, to preserve the Minnesota Vikings as a valuable State amenity, the _____ City Council understands the desire to find a solution to the Vikings' stated interest in developing a new stadium; and,

WHEREAS, a proposal has been put forth by the Minnesota Vikings and the Ramsey County Board of Commissioners to construct a new stadium in Arden Hills on the site of the former Twin Cities Army Ammunitions Plant (TCAAP); and,

WHEREAS, stadium construction will provide 7,500 construction jobs and the project will support a total of 13,000 full and part-time jobs; and

WHEREAS, private development of nearby properties, both on the TCAAP site and across the northern suburbs, will generate new jobs and ongoing positive economic impacts for the region; and,

WHEREAS, much needed transportation infrastructure improvements will be part of the project; and,

WHEREAS, the public is protected by the agreement between Ramsey County and the Vikings, including provisions that the Vikings cover all cost overruns on stadium construction and will pay for all municipal services including police, traffic, fire, and trash removal; and,

WHEREAS, even with the proposed 0.5% sales tax increase, purchases like a hamburger and cup of coffee would still be less expensive in St. Paul (8.125% with proposed 0.5% tax) and suburban Ramsey County (7.625% with proposed 0.5% tax) than in Minneapolis (10.775% with current food and beverage tax).

WHEREAS, a study shows the stadium project will lead to \$145 million in direct annual spending by fans, the Vikings, the team's employees and players, visiting teams and the NFL; and,

WHEREAS, the redevelopment of the TCAAP site has been an important priority for northern metro communities for decades;

NOW THEREFORE, BE IT RESOLVED, that the _____ City Council supports the work of the Ramsey County Board of Commissioners to build a Vikings stadium in Arden Hills; and,

BE IT FURTHER RESOLVED, that the _____ City Council encourages the Governor, the Legislature, and other interested parties to support this project.

**EXTRACT OF MINUTES OF MEETING
OF THE
CITY COUNCIL OF THE CITY OF ROSEVILLE**

* * * * *

Pursuant to due call and notice thereof, a regular meeting of the City Council of the City of Roseville, County of Ramsey, Minnesota was duly held on the th day of July, 2011, at 6:00 p.m.

The following members were present:

and the following were absent: .

Member introduced the following resolution and moved its adoption:

RESOLUTION No.

Opposition to Ramsey County Half-Cent Sales Tax for Viking Stadium

WHEREAS, the Roseville City Council recognizes the social and economic value of the Minnesota Vikings Football team to the State of Minnesota; and,

WHEREAS, to preserve the Minnesota Vikings as a valuable State amenity, the City Council understands the desire to find a solution to the Vikings’ stated interest in developing a new stadium; and,

WHEREAS, a proposal has been put forth by the Minnesota Vikings and the Ramsey County Board of Commissioners to construct a new stadium in Arden Hills on the site of the former Twin Cities Army Ammunitions Plant (TCAAP); and,

WHEREAS, to finance the construction of this facility, the Ramsey County Board has proposed the imposition of a half-cent sales tax collected in Ramsey County in an amount sufficient to generate \$350 million; and,

WHEREAS, at a time when our city is facing significant cuts to essential services the City Council asserts that our number one policy priority is funding basic municipal functions, including police, fire, parks and public works which should be provided at a reasonable cost to all taxpayers; and,

WHEREAS, it is unfair and inequitable for the residents and businesses of Roseville to be asked to bear a disproportionate financial burden for the construction of a State and regional amenity, particularly when the benefit to Roseville taxpayers is tangential at best;

46 NOW THEREFORE, BE IT RESOLVED, that the Roseville City Council opposes the
47 imposition of a half-cent sales tax in Ramsey County to support the construction of a
48 Vikings stadium in Arden Hills; and,

49
50 NOW, THEREFORE, BE IT RESOLVED, that the Roseville City Council encourages
51 the Governor, Legislature, Ramsey County Board, Minnesota Vikings and other
52 interested parties to consider options for constructing a stadium that minimize risk to the
53 taxpayers, limit the level of public subsidy (particularly for the host community), and
54 promote a fair, multi-jurisdictional participation for a State-wide amenity.

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57 The motion for the adoption of the foregoing resolution was duly seconded by Member

58
59 , and upon a vote being taken thereon, the following voted in favor thereof:

60
61 and the following voted against the same: none.

62
63 WHEREUPON said resolution was declared duly passed and adopted.

64
65

