

Unofficial Minutes of the Stadiums Task Force

MEETING: Monday, January 28, 2002
1:00 P.M. to 5:30 P.M.
Room 10, State Office Building, St. Paul

Present: Dean Barkley, Karla Blomberg, Kevin Goodno, William Haddeland, Mary Liz Holberg, Al Juhnke, Steve Kelley, Cal Larson, Harvey Mackay, Barb Muesing, Tom Osthoff, Sandra Pappas, Jim Robinson, Roy Terwilliger, and Pam Wheelock.

Excused: Dorothy Bridges (proxy to William Haddeland), Larry Buegler (proxy to Pam Wheelock), and James Lawrence (proxy to Kevin Goodno).

For purposes of verifying text and results on action, these minutes are linked to the video record of the meeting which may be viewed at the “archives” entry at: <http://www.house.leg.state.mn.us/taskforces/stadium.htm> .

- 00:01:15 Chairman Goodno called the meeting to order.
- 00:01:30 Senator Kelley provided an overview of the report of the Drafting Committee.
- 00:18:45 **ACTION:** Senator Kelley moved the draft of the report of the Drafting Committee, with the exception of sections titled “proposed for discussion. [See final resolution of motion at 04:09:30.]
- 00:25:15 **ACTION: Amendment 1:** Mr. Haddeland moved to delete duplicative language at page 14, lines 12 & 13, which related to affordability and accessibility of events at proposed new facilities. **Passed** by voice vote.
- 00:26:00 **ACTION: Motion 1:** Senator Kelley moved to adopt the language at page 10, lines 3-6, which related to a local option sales tax.
- 00:32:40 **Amendment 2:** Commissioner Wheelock accepted a friendly amendment by Senator Kelley and moved to modify page 10, lines 4-5 to read “local options taxes” and “local tax authority.” **Passed** by a voice vote.
- 00:34:10 Senator Kelley renewed his motion to adopt the language at page 10, lines 3-6, as amended. **Passed** by a voice vote.
- 00:36:00 **ACTION: Motion 2:** Senator Kelley moved to adopt the language at page 10, lines 7-10, which related to state financing of a portion of a facility if the lease included provisions for uses involving collegiate or amateur athletics. **Passed** by voice vote.
- 00:41:40 **ACTION: Motion 3:** Senator Kelley moved to adopt the language at page 10, lines 11-16, which related to a preference of tax-exempt bonds. He accepted a friendly amendment by Commissioner Wheelock to insert the word “of” after the word “goal” on line 12.
- 00:43:10 Senator Kelley renewed his motion to adopt the language at page 10, lines 11-16. **Passed** by voice vote.
- 00:43:15 **ACTION: Motion 4:** Senator Kelley moved to adopt the language at page 11, lines 1-9, which related to coverage factors of certain proposed revenue streams. **Passed** by voice vote.
- 00:46:40 **ACTION: Motion 5:** Senator Kelley moved to adopt the language from page 11, line 10 through Page 12, line 2, which related to the Streamlined Sales Tax Project. **Passed** by voice vote.
- 00:48:40 **ACTION: Motion 6:** Senator Kelley moved to adopt the language at page 12, lines 3-8, which related to two issues: public ownership of equity stock and commemorative stock. At the suggestion of Chairman Goodno, Senator Kelley agreed to split this motion.
- 00:50:00 **ACTION: Motion 7:** Senator Kelley moved to adopt the language at page 12, lines 3-4, which related to

public ownership of equity stock.

- 00:53:15 **Amendment 3:** Senator Pappas moved to amend the language to “citizen ownership of the professional baseball franchise through the issuance of equity stock.” **Passed** by voice vote.
- 00:53:40 Senator Kelley renewed his motion to adopt the language at page 12, lines 3-4, as amended. **Passed** by voice vote.
- 00:54:00 **ACTION: Motion 8:** Senator Kelley moved to adopt the language at page 12, lines 4-8, which related to commemorative shares of non-equity stock.
- 00:55:00 Senator Kelley accepted a friendly amendment from Representative Holberg, who was concerned that the potential revenue stream from commemorative stock would apply only to the Twins because of the language in Amendment 3. The phrase “. . . for either or both of the baseball or football facilities.” was added at the end of page 12, line 10.
- 00:56:00 Senator Kelley accepted a friendly amendment from Chairman Goodno, who was concerned that the commemorative stock could raise tax issues under Minnesota law. The phrase “Minnesota law or” was added after the word “under” on page 12, line 6.
- 00:57:20 Senator Kelley renewed his motion to adopt the language at page 12, lines 4-8, as amended. **Passed** by voice vote.
- 00:57:30 **ACTION: Amendment 4:** Chairman Goodno moved to adjust the grammar on the word “believes” on page 13, line 7. **Passed** without exception. [This was voided by deletion of that sentence at 03:37:00.]
- 00:58:30 **ACTION: Motion 9:** Senator Kelley moved to adopt the language from page 15, line 9 to page 16, line 4. which related to reforms in Major League Baseball.
- 00:59:00 **Amendment 5:** Representative Juhnke moved to amend the section.
- 01:14:14 Commissioner Wheelock moves to split Amendment 5.
- 01:20:00 **Amendment 5, Part A:** Representative Juhnke moved to amend the caption of Recommendation 7 at page 15, lines 9-11 to read “We recognize that Major League Baseball’s business structure needs to be reformed,” and to replace the words “a salary cap” with the phrase “some form of payroll equalization formula to reduce the disparity between high payroll and low payroll teams” at page 15, line 17. **Passed** by voice vote.
- 01:28:00 **Amendment 5, Part B:** Representative Juhnke moved to delete the sentence on page 16, lines 2-4 which would have required that Major League Baseball implement reforms before public dollars would be released for a baseball stadium.
- Passed** by **ROLL CALL VOTE 1** by a 10-8 margin.
- YEA: Blomberg, Bridges, Haddeland, Juhnke, Larson, Mackay, Osthoff, Pappas, Robinson, Terwilliger.
- NAY: Barkley, Buegler, Goodno, Holberg, Kelley, Lawrence, Muesing, Wheelock.
- 01:29:00 Senator Kelley renewed his motion to adopt the language from page 15, line 9 forward, as amended.

Passed by **ROLL CALL VOTE 2** by a 12-6 margin.

YEA: Blomberg, Bridges, Haddeland, Juhnke, Kelley, Larson, Mackay, Muesing, Osthoff, Pappas, Robinson, Terwilliger.

NAY: Barkley, Buegler, Goodno, Holberg, Lawrence, Wheelock.

01:31:00 **ACTION: Amendment 6:** Senator Kelley moved to insert “legislators,” after “teams,” at page 1, line 14. **Passed** by voice vote.

01:38:15 **ACTION: Amendment 7:** Director Barkley moved to amend the language at page 2, line 7, by inserting “after completing work on the operating budget, capital budget, and redistricting” after the word “that.”

01:39:20 **Motion 10:** Mr. Haddeland moved to table the amendment.

The tabling motion **failed** on **ROLL CALL VOTE 3** by a 5-11-2 margin.

YEA: Blomberg, Bridges, Haddeland, Juhnke, Terwilliger.

NAY: Barkley, Buegler, Goodno, Holberg, Kelley, Lawrence, Mackay, Muesing, Pappas, Robinson, Wheelock.

ABS: Larson, Osthoff.

01:44:18 Director Barkley accepted a friendly amendment from Senator Kelley to insert “subject to” and delete “after” in the proposed amendment.

01:57:00 Director Barkley withdrew Amendment 7.

01:57:30 **ACTION: Amendment 8:** Commissioner Wheelock offered an oral amendment to page 2, lines 7-10.

01:58:15 Commissioner Wheelock withdrew Amendment 8.

02:13:00 **ACTION: Amendment 9:** Senator Kelley moved to delete “Action” at page 2, line 11 and insert “We recognize that the 2002 Legislature and the Governor have several critical responsibilities, including balancing the operating budget, passing a capital budget, and redistricting. Nonetheless, the Task Force recommends that action . . .”. **Passed** by voice vote.

02:15:30 **ACTION: Amendment 10:** Ms. Blomberg moved to amend the language at page 4, line 11 by deleting “stadiums only” and inserting “stadiums. The financing should occur only . . .”. **Passed** by voice vote.

02:18:30 **ACTION: Amendment 11:** Representative Holberg moved to delete the sentence beginning on page 8, line 19 and ending on page 9, line 2 which related to two specific potential gaming-related revenue streams. **Passed** by voice vote.

02:20:20 **ACTION: Amendment 12:** Senator Terwilliger moved to delete the sentence beginning on page 8, line 9 and to insert “If naming rights are utilized for stadium construction, the franchise ownership and the state should negotiate an equitable sharing agreement on naming rights revenues.”

02:22:00 Senator Terwilliger accepted a friendly amendment from Representative Osthoff to delete “equitable sharing” from Amendment 12.

02:28:00 Senator Terwilliger accepted a friendly amendment from Representative Osthoff to replace “state” with “landlord” in Amendment 12 and on page 8, line 6 and page 8, line 7.

02:32:40 Amendment 12 **passed** by a division of 10-8.

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02:33:00 **ACTION: Amendment 13:** Director Barkley moved to amend page 7, line 12 by inserting the phrase “the incremental increase in ongoing revenues in the first tax year after completion of the facility/facilities” after “Estimate . . .”.

have sought to provide guidance to the Legislature on allocating construction management and responsibility for cost overruns between franchise owners and landlords. **Passed** by voice vote.

- 03:31:00 **ACTION: Amendment 23:** Mr. Robinson moved to add the following sentence at the end of page 12, line 17. "A construction management team should be in place prior to the letting of any bids for the facilities." **Passed** by voice vote.
- 03:32:30 **ACTION: Amendment 24:** Mr. Robinson moved to add the following language at the end of page 13, line 10: "... only if building and operating it does not add to the debt service of the University and does not take away from the money given to the University by the State."
- 03:36:45 Mr. Robinson withdrew Amendment 24.
- 03:37:00 **ACTION: Amendment 25:** Representative Holberg moved to delete the sentence at page 13, lines 6-10, which would have implied a preference for a site for a football facility immediately after the prior three sentences expressed a preference for a site-neutral recommendation. **Passed** by voice vote.
- 03:37:40 **ACTION: Amendment 26:** Mr. Robinson, with a nod to Commissioner Wheelock, moved to insert the following language at the end of page 3, line 11. "However, the Task Force recommends a shared facility between the Gophers and Vikings only to the extent that it does not increase any financial obligations on the behalf of the University of Minnesota, specifically through increased debt service or use of the State's appropriation to the University of Minnesota." The amendment was **defeated** by voice vote.
- 03:43:00 **ACTION: Amendment 27:** Director Barkley moved to insert the phrase "and the respective league" after "team" on page 14, line 14. **Passed** by voice vote.
- 03:44:20 **ACTION: Amendment 28:** Chairman Goodno moved to delete the stray "0" at the end of page 14, line 7. **Passed** without exception.
- 03:44:30 **ACTION: Amendment 29:** Chairman Goodno, with a nod to Ms. Blomberg, moved to insert a new recommendation on lease items as a new "item I" after page 14, line 18. "I. In the event of state financing, terms that outline the use of the facility for amateur and collegiate athletics." **Passed** by voice vote.
- 03:45:45 **ACTION: Amendment 30:** Senator Pappas, after incorporating friendly amendments from Representative Osthoff and Senator Kelley, moved to insert the phrase "and economic development opportunities" after "community" on page 16, line 15. **Passed** by voice vote.
- 03:48:00 **ACTION: Amendment 31:** Mr. Haddeland, after incorporating a friendly amendment from Chairman Goodno, moved to insert the following language after page 16, line 4. "The Task Force supports the further consideration of a Shared Appreciation agreement between the owners of the professional baseball franchise and the public entity owning the facility. Upon the sale of the professional baseball franchise, or its relocation out of the State of Minnesota, during the term of the lease agreement, the franchise would pay a percentage of the appreciated value of the franchise to the public entity." **Passed** by voice vote.
- 03:55:00 **ACTION: Motion 11:** Upon consultation with tax counsel, Chairman Goodno moved to withdraw Amendment 18, which would have placed an income tax surcharge on all players of professional sports in a manner which tax counsel deemed to be infeasible. The motion **passed** by voice vote.

- 03:56:00 **ACTION: Motion 12:** Senator Kelley moved the adoption of the report of the Drafting Committee, as amended by the day's proceedings. This omitted the "proposed for discussion" language at page 15, lines 1-8 which related to defining the public percentage of specific dollar amounts to be spent on proposed baseball and football facilities.

04:09:30 The motion **passed** on **ROLL CALL VOTE 5** by a 16-1-1 margin.

YEA: Barkley, Blomberg, Bridges, Buegler, Goodno, Haddeland, Juhnke, Haddeland, Kelley, Mackay, Muesing, Osthoff, Pappas, Robinson, Terwilliger, and Wheelock.

NAY: Holberg.

ABS: Larson.

04:14:30 Chairman Goodno adjourned the final meeting of the Task Force.