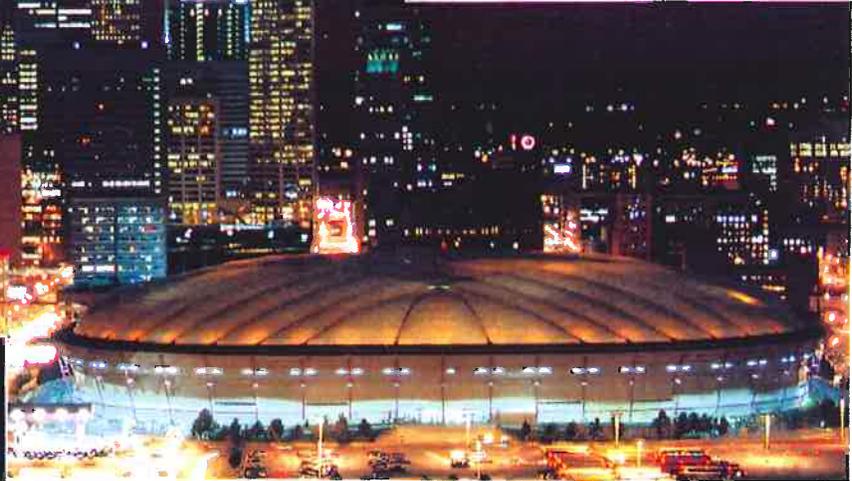




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Analysis of Stadium Options



e Metropolitan Sports Facilities Commission

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Analysis of Stadium Options

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March 11, 1997

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A. Overview

A. Overview

The Metropolitan Sports Facilities Commission was established by legislative charter in 1977, and its purpose was set forth:

"The Legislature finds that the population in the metropolitan area has a need for sports facilities and that this need cannot be met adequately by the activities of individual municipalities, by agreements among municipalities, or by the private efforts of the people in the metropolitan area. It is therefore necessary for the public health, safety and general welfare to establish a procedure for the acquisition and betterment of sports facilities and to create a Metropolitan Sports Facilities Commission.

This legislation further empowered the MSFC to acquire property for a site, equip, improve, operate, manage, maintain and control a stadium and lease space to sports teams. The result is the Hubert H. Humphrey Metrodome.

The Legislature had two other primary objectives. First, "It is the intent of the Legislature that the Commission shall, to the maximum extent possible impose rates, rentals and other charges in the operation of the Metrodome which will make the Metrodome self-supporting..."

Second, the charter ensured that the stadium would be a community facility, not the sole province of professional athletes and team owners. The Commission was authorized to enter into agreements with the University of Minnesota, and to lease space to the public for "athletic, educational, cultural, commercial or other entertainment, instruction, or activity for the citizens of the metropolitan area."

Since opening its doors in 1982, the Hubert H. Humphrey Metrodome has served its mission without fail. It is the only stadium in the nation that does not rely on continuous public support. It has hosted a Super Bowl, two World Series, an NCAA Men's' Basketball championship (Final Four), and countless events for the community.

However, in recent years, the economics of professional sports has evolved. Stadium design has changed significantly, with newer stadia designed to maximize revenues from sources such as luxury seats, club or VIP seating, signage, club rooms and more. The way in which professional teams are built has also changed, with the expansion and proliferation of free agency. Teams without these expanded sources of stadium revenues -- especially smaller-market teams such as the Vikings and the Twins -- now find themselves at a distinct competitive disadvantage.

The Minnesota Twins are entering a critical year. They can exercise the escape clause of their Metrodome lease following the 1998 season if:

- the team does not sell 80 percent of the of tickets sold by all teams in the American League for three consecutive seasons (1995, 1996 and 1997); or
- if the team shows cumulative net operating losses for the same period.

The Minnesota Vikings and the University of Minnesota football program are committed to longer-term Metrodome leases, however they too are confronted by many of the same economic challenges facing the Twins.

The MSFC has been committed to working with the Twins, Vikings and University to provide the best possible environment in which to compete, and thus ensuring that Minnesotans will continue to enjoy professional and collegiate sports. In order for the MSFC to continue fulfilling its mission, however, serious decisions must be made relative to stadium facilities.

This report and the recommendations herein were formulated by the MSFC based on many years of study and analysis, and from the experience gained in operating one of the most financially successful stadia in the nation. Its focus is addressing sports facilities needs, and it does not attempt to answer other questions that are currently surrounding professional sports.

This report is comprised of four primary sections:

- brief analyses of the current stadium situations of the Minnesota Twins, the Minnesota Vikings and the University of Minnesota, and the Metrodome;
- a review of stadium options as identified by the Metropolitan Sports Facilities Commission;
- the final stadium recommendations by the Metropolitan Sports Facilities Commission; and,
- a collection of supporting documents and background analyses.

This report also draws from the work done by the "Advisory Task Force on Professional Sports" which was established by the MSFC in 1995 to study the overall impact of professional sports in Minnesota. The Task Force subsequently made recommendations on how to retain and attract professional major league teams and those findings are incorporated in this report.

The Metropolitan Sports Facilities Commission is comprised of:

Henry Savelkoul
Chair

John Pacheco, Jr.
Vice Chair

Paul Rexford Thatcher, Sr.
Secretary

Loanne Thrane
Treasurer

Don Early

Peggy Lucas

Terrell Towers

Bill Lester
Executive Director

B. Situation Analyses

Situation Analysis, Minnesota Twins

As stated previously, the Minnesota Twins will have the ability to exercise an escape clause in their Metrodome lease following the 1998 baseball season. According to financial statements that have been reviewed and verified by the MSFC and its consulting auditors, the Twins have had several consecutive years of operating losses and are among the lowest revenue-generating clubs in baseball.

The MSFC recognizes that the Metrodome is no longer a viable baseball stadium, especially when compared to newer baseball stadia such as Orioles Park at Camden Yards, Jacobs Field and Coors Field, all of which have far superior revenue-generating capacity. This current inability to generate sufficient stadium revenues is due in large part to the Metrodome's architecture. This puts the Twins in a distinct disadvantage, especially in this new era of competing for free agent ballplayers.

To address their needs for increased stadium revenues, the Twins have proposed a new \$331-million open-air baseball-only ballpark in downtown Minneapolis that they believe will address many of the shortcomings of the Metrodome:

- **Poor Sightlines:** The Metrodome is rectangular in shape with ideal sightlines for football, but poor for baseball. All of the seats in the Metrodome are oriented towards the 50-yard-line, which makes the Metrodome a great place to watch football. However, the ideal focal point for baseball is the pitcher's mound, which makes the Metrodome a poor place to watch a baseball game
- **Lack of Advertising and Naming Rights Revenue:** The Metropolitan Sports Facilities Commission controls the majority of Metrodome stadium advertising, which also includes scoreboards and concourse advertising. The Twins also derive no benefit from stadium naming rights, which have proven to be an effective revenue source for teams (*The Metropolitan Sports Facilities Commission has, to date, not attempted to sell the naming rights to the Metrodome*).
- **Lack of Suite Revenue:** The Minnesota Vikings control all of the Metrodome's private suites and therefore collect all of the revenue they generate.
- **Lack of Parking Revenue:** The Twins do not receive any parking revenue from the Metrodome.

Situation Analysis, Minnesota Vikings

The Minnesota Vikings' situation is significantly different from that of the Twins in that the Vikings have a lease with the MSFC that runs through the 2011 season. Also, the Metrodome's sightlines and seating are much better suited to football than they are to baseball, and as a football stadium, the Metrodome is still considered viable.

The Vikings have stated that, like the Twins, they too need the opportunity to increase stadium revenue in order to remain competitive. The MSFC cannot accurately assess the Vikings' financial picture because, to date, the club has not submitted its financial statements for review. However, the MSFC acknowledges the Vikings' need for increased stadium revenue, especially in light of the recent stadium revenue improvements made by most of the Vikings' competitors in the NFL.

In a December 19, 1996, presentation to the MSFC, Vikings' President Roger Headrick made the following points during his summary;

- The Vikings have the fourth lowest revenues in the National Football League (24th out of 28 teams).
- NFL television revenue is shared evenly and gate receipts are shared 60 percent to the home team and 40 percent to the visiting team. The only significant revenue opportunity remaining for the Vikings is stadium revenue.
- The Vikings' present lease arrangement is among the worst in the NFL. Viking ticket taxes are the highest in the league and net ticket receipts are second lowest. The Vikings pay more annually in rent than they receive in stadium revenue from concessions and suites.
- The Vikings are currently operating with annual revenues that are \$7 million below league average.
- Revising the present lease could generate \$4 to \$9 million in additional revenue, bringing the Vikings to the current league average.
- Virtually every other NFL team with lower than average revenues has obtained, or is presently seeking, a new stadium or major revenue enhancements in their current facility.

- To remain competitive long-term, the Vikings need to increase revenues by \$15 to \$18 million annually. To accomplish this, the Vikings recommend that three options be examined:
 - „ A \$100 to \$150 million upgrading of the Metrodome
 - „ Vikings participation in a new state-of-the-art dual-use stadium with retractable roof.
 - „ A new \$200 to \$250 million football-only stadium.

Recently, the Vikings have stated that the major Metrodome upgrade (the \$158 million they proposed) is becoming a much less attractive option and that they strongly encourage consideration of the dual-use stadium concept.

Situation Analysis, University of Minnesota

The University of Minnesota uses the Metrodome for football and early spring baseball. As a facility, the Metrodome is well-suited to both of these uses, and the University has expressed few stadium concerns.

However, concern has developed over the future of the Gopher baseball program if the Metrodome is no longer available for its use. The proposed new Twins stadium would not be able to house February and March baseball because the stadium's natural turf would not be ready. Also, the Metrodome would not be available for Gopher baseball if it was converted to a permanent football-only configuration.

Representatives of the University have stated that the Metrodome has been critical to the baseball program's success, and that it would suffer severely without such a facility (*a letter to the MSFC from Gopher Coach John Anderson is located in the "University of Minnesota Background" section of this report*). If the University were to drop its baseball program because the Metrodome was not available in winter and spring, there could be Title IX implications to the University's athletic programs. Title IX is the federal statute that deals with gender-equity.

In addition to the baseball concerns, Dr. Mark Dienhart, Director of Men's Intercollegiate Athletics at the University of Minnesota, requested several changes in their Metrodome lease. The request came in a February, 1997, letter to the MSFC (*which also appears in the background section of this report*), and includes the following points:

- that the Commission tax currently charged on Gopher football tickets be rebated to the university or that the Metrodome provide a similar economic rebate to the department by absorbing all game operations and transportation expenses associated with our home games;
- that all net income from concessions for Gopher football games go to the university;
- that control of all Metrodome parking be given to the university on game days;
- that all net revenue from the Plaza, including beer sales, go to the university;

- that one-third of the permanent signage revenue enjoyed by the Metrodome as well as all of the game-day temporary signage revenue associated with Gopher games be remitted to the university;
- that significant improvements be made to the Gopher locker room, including expansion to 120 lockers to finally create sufficient capacity for our team during home games;
- that a dedicated and adequately decorated facility, such as the Vikings Lounge, be created for university activities (including recruiting) that surround our games;
- that the Commission negotiate the right for the university to receive all suite income for Gopher games or be provided a comparable financial benefit;
- that the university continue to have access to the Metrodome for baseball (and soccer) and that the physical configuration of the Metrodome continue to be suitable for baseball as was promised in our original Use Agreement (this was, obviously, one of the significant factors in causing the university to leave its home on campus in Memorial Stadium and move to the Metrodome);
- that the Commission create a permanent ticket office location on the west side of the Metrodome near the Plaza where customers can be better and more easily served; and
- that the Commission allow use of the Metrodome video board for game day sponsorships and commercial messages for Gopher games.

Situation Analysis, the Metrodome From a Facilities Perspective

The Hubert H. Humphrey Metrodome was completed in early 1982 at a total project cost of approximately \$ 80 million. Since then, more than \$ 34 million in capital improvements have been made to keep the stadium competitive for its tenants and comfortable for its fans.

The Metrodome was the last major multi-purpose stadium built in this country, and it has served its tenants and the public very well. However, the recent trend toward single-purpose stadia which have provided their sole tenants with far greater and more creative sources of revenue. At the same time, professional sports has changed in that there is a much more active free agent market for players. The result has been that the teams which have the favorable leases in the modern stadia have more resources to acquire talent. That puts teams such as the Vikings and Twins at a competitive disadvantage.

As this trend developed over the past decade, the MSFC monitored these developments and explored ways to incorporate these new revenue-generating opportunities into the Metrodome. Several studies have been conducted by the MSFC to determine whether the Metrodome could accommodate improvements such as club seats, wider concourses for enhanced concessions sales, more suites and stadium lounges.

It was determined that many of these features could be added to the Metrodome, but not without extensive re-construction and capital investment. For example, two of the most needed improvements for baseball -- adding potential season ticket seats around the infield and changing the orientation of all seats to better accommodate baseball -- would require a change to the stadium's very foundation at a cost far greater than the original cost of the Metrodome. Even with those changes and the massive investment, the Metrodome would be, at best, a retro-fitted stadium, not on par with the new baseball stadia which have recently come on line.

The Metrodome's future as a football stadium is much brighter, in that its sightlines are much better suited to football. However, additional capital improvements will need to be made at some point -- beyond simple maintenance and repair -- to maintain the Metrodome as a competitive NFL stadium.

Over the last year, the MSFC has invested \$750,000 in upgrading the concessions delivery systems on the first concourse of the Metrodome while certain other scheduled capital improvements (such as restroom renovation and food court construction) have been postponed while discussions have progressed relative to a new baseball stadium. Regardless of the final baseball stadium outcome, these \$50 million in capital improvements must proceed if the Metrodome is to remain viable.

Situation Analysis, the Metrodome's Public Purpose

Since its opening on April 3, 1982, when the Twins played an exhibition game against the Philadelphia Phillies, more than 42 million people have visited the Metrodome. Drawing them through the gates were: professional and college football, baseball and basketball; amateur baseball, volleyball and soccer; in-line skating; monster truck events; sport and recreation exhibitions; rock concerts; the International Special Olympics; the Scandinavia Today cultural festival; display of the AIDS quilt; U.S. Olympic Festival and more. It has been rented for a surprise birthday party, model airplane fly-offs, weddings, police canine training, and fire-fighting recruitment tests, among many other uses.

The Metrodome has been a key to bringing several high-impact events to the Twin Cities. It is the only stadium in the world to have hosted the NFL Super Bowl (1992), Major League Baseball's All-Star Game (1985), two World Series (1987 and 1991) and the NCAA Men's Final Four (1992).

The economic impact of such events can be considerable. The Super Bowl, for example, brought approximately 70,000 visitors to the area. Their spending, combined with construction and pre-game preparation expenditures, was estimated at \$150 million. Minnesota reaped additional tax revenues estimated at \$2.1 million. Beyond that, the NFL contributed \$250,000 to the Metrodome to put up a second Sony Jumbotron color scoreboard.

The U of M serves as host institution to bring NCAA events such as the Men's Final Four basketball tournament, first held in the Metrodome in 1992 and returning to the Twin Cities in 2001, when it is expected to draw 50,000 fans. The Twin Cities will host the NCAA Men's Basketball Regional Tournament in 2000, when 35,000 people are expected to attend.

Arguably the premier college athletic event in the nation, the Final Four has an estimated impact on its host community of more than \$60 million. It had been 40 years since the Twin Cities had hosted the event.

To serve the public and raise money for operations and facility improvements, the Metrodome works to fill every possible date. By doing so, it contributes to the vitality of the Twin Cities. The Metrodome has an excellent reputation with organizers for providing a clean workable facility and accommodating staff, from ticket takers to security to operations.

The Metrodome is also the only indoor facility in Minnesota big enough to host a motorcycle race. Some 55,000 fans thrill to the noise, the speed and the competitive excitement of the Supercross at the Metrodome. The Metrodome also stages monster truck shows, when the playing field becomes a mud-

encrusted pit made of three tons of dirt. Also, some 500,000 people have come to see shows by: Pink Floyd (1994, 1988); Paul McCartney (1993); Guns N' Roses, Faith No More, Metallica (1992); The Rolling Stones (1994, 1989); Bob Dylan, Tom Petty and the Heartbreakers, Grateful Dead (1986); and Wrestlerock (1986). The Metrodome has also been the host of other major events that wouldn't have to come to Minnesota without a facility such as the Metrodome:

- In 1996, the Metrodome hosted the Billy Graham Crusade which attracted 349,000 people from different corners of the state, region and country.
- Promise Keepers has held two national conferences at the Metrodome, uniting nearly 60,000 men each year.
- In 1993, Castle Rock Entertainment filmed *Little Big League*, spending more than \$7.1 million in the state.
- In 1993 and 1995 the Metrodome was transformed into a carnival, complete with carnival rides and midway games, for Indoor SuperFair.

As future sports stadium facilities are being considered, it is essential to remember the impact the Metrodome has had on the people of Minnesota, and be sure that events such as these -- as well as events such as the Prep Bowl -- have an appropriate home in Minnesota.

C. Stadium Options

In the past 15 years, the Metrodome has been the site of nationally prominent events such as the NCAA Final Four, the Super Bowl, the World Series and the Billy Graham Crusade. And it has also been the home to events that don't have quite the national prominence, but are still very important to the people of Minnesota. These include events such as the Prep Bowl, the Minnesota State High School League's girls' soccer championship and the Minnesota Crisis Nursery Lego building contests.

There is little doubt that the Metrodome has served the people of Minnesota well in its 15 years. However, in those 15 years, the economics of sports has changed. The Metrodome was the last major multi-purpose stadium built in this country, and its very design has limited its ability to generate the amount of stadium revenue being generated today by newer competing stadia.

Of most immediate concern are the Minnesota Twins, who may be free to leave the Metrodome -- and Minnesota -- following the 1998 season if certain conditions enable them to trigger the escape clause of their Metrodome lease. Of equal importance is determining the future of the Metrodome. In order to keep the stadium viable and comfortable for fans, approximately \$50 million in Metrodome capital improvements are currently under consideration. The allocation of these resources needs to be part of an overall stadium facilities plan.

Certainly, in the best of all worlds, each sports team would have its own stadium with its own exclusive revenue-generating capabilities. However, given the limited resources, and the size of the market in which we operate, the challenge is to determine that combination of stadium facilities that will best serve the public and generate revenues sufficient to keep our sports teams competitive, and construct, operate and maintain these facilities.

Several options for new stadium facilities have been discussed. The Twins have proposed a retractable-roof baseball-only stadium in downtown Minneapolis. The Vikings have advanced the idea of a prototypical dual-use stadium they believe could meet current and future needs of the Twins, the Vikings and Gopher football team. However, when reviewing these options, it quickly becomes apparent that the issues are inter-locking. For example, the construction of a baseball-only stadium has significant financial impact on the future of the Metrodome, while that impact is quite different if a dual-use stadium is built.

Therefore, after careful study and review by the MSFC, and after determining that major improvements to the state's stadium facilities must be made to ensure the long-term viability of professional sports in Minnesota, the MSFC has identified two stadium options that are analyzed in the following pages.

Baseball-Only Stadium Option

Key points:

- The Twins would play in a new retractable-roof baseball-only stadium located in Minneapolis.
- The Vikings would continue to play in the Metrodome. However, the MSFC acknowledges that the Vikings' long-term facilities needs must be addressed. In the near-term, the MSFC would consider lease modifications that would return additional stadium revenues to the Vikings.
- The Metrodome would receive \$50 million in capital improvements, which would include: moving the football press box to the stadium's upper deck, expanding restroom facilities for women and families, widening the concourse, increasing concessions points of sale, creating a stadium club or restaurant, and the creation of food courts.
- To date, the City of Minneapolis is the only municipality that has publicly indicated its desire to be the site for the new stadium. The MSFC supports either of the two sites that have been identified by the City.
- The Gopher football team would continue to play in the Metrodome, and their lease would be re-visited.
- The Gopher baseball team would continue to play February and March baseball in the Metrodome.
- Other public events such as the Prep Bowl and motor sports would continue in the Metrodome.
- If a new baseball stadium is built without a retractable roof, it has been suggested that the Metrodome could be used as an alternative Twins site during inclement weather.

Analysis:

Project Costs

- Approximately \$424 million for retractable, baseball-only stadium (*see project cost comparisons on "roof" and "non-roof" options at the end of this section of this report*)
- \$50 million in Metrodome capital improvements

Operating Costs

- There may be some operating efficiencies if both stadia were operated by one authority.

Revenue Generation

- According to the Twins, the new baseball-only stadium would generate sufficient stadium revenues to meet the Twins' needs for the foreseeable future.
- \$50 million in capital improvements and lease enhancements would modestly increase Vikings' stadium revenues.
- Loss of 81 Twins dates could result in commensurate reduction in signage and suite revenue in the Metrodome.

Team Response

- The Twins proposed the baseball-only stadium and strongly support the concept.
- The Vikings have publicly stated that they prefer the dual-use stadium concept, but would support a refurbished Metrodome at capital improvement levels of \$150 million.
- The Gophers have requested lease improvements and modest capital improvements to the Metrodome.

Public Purpose

- Gophers football and indoor baseball would remain at the Metrodome.
- The Metrodome would also remain the home of the other public events.
- The proposed baseball stadium would be minimally available for any other public purpose.

Future of the Metrodome

- Vikings lease modifications will require the MSFC to replace revenue to cover Metrodome operating expenses and capital improvements.

Accomplishments of Baseball-Only Stadium Option:

- Twins would be able to achieve stadium revenue goals.
- Metrodome would be refurbished.
- Gophers baseball team and other public events would still have home in the Metrodome.
- Vikings would increase stadium revenue through lease modifications and capital improvements.

Shortcomings of Baseball-Only Stadium Option:

- Vikings' long-term needs are not addressed to their satisfaction or requested capital improvement levels.
- Metrodome's long-term future is not addressed.

Dual-Use Stadium Option

Key points:

- The Twins, Vikings and Gophers football team would play in a new dual-use, retractable-roof stadium constructed in Minneapolis.
- The HOK stadium that has been discussed features large moveable seating sections that align in differing locations for either football or baseball.
- In theory, the dual-use stadium would allow for each tenant to have better control of individual streams of stadium revenue. For example, tenants could market and package suites, advertising and club seats independently, enabling them to capture most of the revenues they could capture from their own exclusive, single-use stadia.
- A natural grass, retractable roof, dual-use stadium would not be able to accommodate the number and variety of events that are currently housed in the Metrodome. Traditional Metrodome events such as NCAA championship basketball, early spring Gophers' baseball, high school championships, motorsport events, the Golf Show and many others are not suited to the new dual-use stadium.
- Therefore, the Metrodome would remain in operation to house the public events and Gophers indoor baseball.

Analysis:

Project Costs

- Approximately \$566 million for retractable-roof, dual-use stadium (*see project cost comparisons on "roof" and "non-roof" options at the end of this section of this report*).
- The Metrodome would need a minimal capital improvement budget for repair and replacement.

Operating Costs

- If built, the design proposed by HOK would be the most sophisticated convertible, dual-use stadium in the world. No data exists to accurately gauge operating costs, however, converting the stadium between uses would require moving large, multi-leveled sections of seating, suites and concessions, along with the systems which serve them.

Revenue Generation

- The Twins, Vikings and Gophers would all derive most of the stadium revenues associated with their events. That is, suites, advertising, club seats, and club rooms would be sold by the Twins for their 81-game home season, the Vikings would control the stadium for their 10-game season, and the Gophers would do the same for their six-game season.
- Proponents maintain that the dual-use stadium would meet the Twins' stadium revenue needs for the foreseeable future, however, the Twins disagree with that. A division of stadium revenues of this magnitude has never been attempted and there are many unknowns. One major potential revenue source, stadium naming rights, could not be sold independently by the tenants.
- The Vikings have stated that a dual-use stadium would provide sufficient stadium revenue for the foreseeable future.
- The Gophers would benefit from substantially increased stadium revenue from the dual-use concept.

Team Response

- The Twins are opposed to the dual-use concept.
- The Vikings prefer the dual-use concept to other stadium options.
- The Gophers have not taken a position on the dual-use stadium.

Public Purpose

- Gophers indoor baseball would remain at the Metrodome.
- The Metrodome would also remain the home of the other public events.
- The dual-use stadium could minimally be available for other public purposes.

Future of the Metrodome

- The departure of the Twins, Vikings and Gophers would require the MSFC to replace certain revenues in order to continue to operate the Metrodome (*see "Metrodome Financial Projections," located under Section I in the "Supporting Documents and Background Information" section of this report*).
- If the Metrodome were not in operation, Gophers indoor baseball and the other public events would not have homes.

Accomplishments of Dual-Use Stadium Option:

- Twins may be able to achieve stadium revenue goals.
- Vikings would be able to achieve stadium revenue goals, and the club endorses the concept.
- Gophers baseball team and other public events would still have homes in the Metrodome.

Shortcomings of Dual-Use Stadium Option:

- Dual-use concept is a prototype.
- The Twins are opposed to the concept.
- The MSFC will need to replace revenue to cover Metrodome operating expenses and capital improvements in order to keep the Metrodome operational.

<u>Project Costs</u>	Minnesota Twins "No Roof"	Minnesota Twins Inc. Roof	*Dual Use Stadium Inc. Roof	*Dual Use Stadium "No Roof"
Construction Hard Costs	\$ 214,712,000	\$ 218,712,000	\$ 269,800,000	\$ 263,092,000
Hard Cost Contingency	15,030,000	19,130,000	25,592,000	18,400,000
Equipment (scoreboard & concessions)	16,800,000	16,800,000	24,000,000	24,000,000
Roof Construction Cost	0	76,450,000	135,205,000	0
Architectural/Engineering Fees & Reimbursables	15,600,000	20,000,000	25,850,000	18,450,000
Miscellaneous Start Up	2,750,000	2,750,000	3,250,000	3,250,000
Other Soft Costs	15,861,000	15,861,000	16,861,000	16,861,000
Project Contingency	12,327,000	16,555,000	22,730,000	15,275,000
Prepaid Deposit Reserve	2,833,000	2,833,000	2,833,000	2,833,000
Land Cost	<u>35,000,000</u>	<u>35,000,000</u>	<u>40,000,000</u>	<u>40,000,000</u>
Total Project Costs	\$ <u>330,913,000</u>	\$ <u>424,091,000</u>	\$ <u>566,121,000</u>	<u>402,161,000</u>

Cost of Retractable Roof

	<u>Twins New Stadium - Ellerbe Model</u>		<u>* HOK Model - Dual Use</u>	
Increase in Construction Cost	\$ 69,000,000		\$ 122,000,000	
Increase in Bonds/Escalation/Insurance	<u>7,450,000</u>		<u>13,205,000</u>	
Roof Construction Cost	76,450,000	\$ 76,450,000	135,205,000	\$ 135,205,000
Increase in Contingency Cost		3,800,000		6,700,000
Increase in A/E & CM fees, Testing, Inspections & Permits		8,700,000		14,600,000
Increase in Project Contingency		<u>4,228,000</u>		<u>7,455,000</u>
Total Cost Associated with Roof		\$ <u>93,178,000</u>		\$ <u>163,960,000</u>

* These costs are currently being examined by M.A. Mortenson Co. and are subject to change

D. MSFC Recommendations

MSFC Recommendations

After careful study and review, the Metropolitan Sports Facilities Commission recommends the following:

- That a retractable-roof, natural-turf, baseball-only, stadium be constructed in Minneapolis on either of the two sites that have been heretofore identified by the City;
- That the Metrodome undergo \$50 million in capital improvements and be maintained as the playing site for the Minnesota Vikings and University of Minnesota football teams; and for the University of Minnesota baseball program during February and March; it should be noted that this figure could be adjusted pending completion of the MD&A (Coopers & Lybrand) process for the Minnesota Vikings;
- That the Metrodome continue to belong to the public and be the site for the diverse array of events -- such as NCAA championship basketball -- that have occurred in the Metrodome since it opened in 1982;
- That the MSFC work with the Vikings to develop a short-term plan for increasing stadium revenue, as well as a plan that examines the future of the Metrodome, and its long-term viability as a competitive National Football League stadium;
- That the Commission, in addition to its existing duties and obligations, be authorized to negotiate with the City and the County to capture additional revenue generated within the Stadium District, and have the ability to issue revenue bonds; and,
- That the Commission enter into a 30-year lease with the Twins to play in the new baseball stadium; ensuring that Minnesota will remain the home of Major League Baseball.

Rationale for Recommendations

The MSFC strongly believes that a thorough review of the information in this report leads ultimately to the conclusions that are described on the previous page. Following is a summary of the key points that led to the MSFC's recommendations:

New Baseball-Only Stadium

- The baseball-only concept has been recommended for several reasons. After much study, it is the best option for providing the necessary revenue streams to keep Major League Baseball viable in Minnesota. It is also the concept that has been endorsed by the Twins and by Major League Baseball. Community leaders in cities such as Cleveland, Baltimore, Denver and Dallas wrestled with many of the issues that confront us today, and decided that a baseball-only stadium was the best venue for baseball, its fans and the public. The dual-use concept is intriguing, however, it is untested and unproved -- both from an operations and a revenue-generating perspective. Also, in the opinion of the certain experts, the dual-use concept presents unique engineering challenges, especially in Minnesota's harsh climate.
- The retractable roof is required to generate the amount of revenues necessary to meet the financial goals of this project. Concerns about weather -- both temperature and precipitation -- will reduce attendance and all associated revenues. Some estimates set the figure as high as \$7 million annually in lost revenues (*see the "Financial Analysis of Retractable Roof," located in the background section of this report*).
- The retractable roof is especially important to the people of Greater Minnesota, and this has been a theme heard by many Commissioners. Attending a Twins game from outside the Metro requires a significant commitment in terms of lodging, transportation and meals. A postponed game -- or one made uncomfortable by poor weather -- can ruin a holiday and lead to future vacation planning that steers away from baseball and toward more reliable destinations.
- The construction of a dual-use stadium would not eliminate the need for the Metrodome, but instead would require that two multi-purpose stadia be in operation.

The Future of the Metrodome

- As stated above, construction of either the dual-use or baseball-only stadium will require the continued operation of the Metrodome if Minnesota is to continue to attract major events such as NCAA championship basketball, major concerts, the Promise Keepers and the Billy Graham crusades. The Metrodome is also essential for University of Minnesota early spring baseball and most of the public events referenced in this document. In its 15 years of operation, the Metrodome has truly been the people's stadium, and Minnesota would suffer a severe loss if such a facility did not exist.
- The \$50 million identified in the MSFC Recommendations represents the on-going commitment to continually upgrade the Metrodome and avoid premature obsolescence. This commitment would also provide modest stadium revenue increases. Since it was completed in 1982, the Metrodome has received \$34 million in capital improvements. Regardless of where the Twins play, the Metrodome will require continued capital investment if it is to remain viable and protect the investment already made in the facility.
- According to MSFC projections, the Metrodome could remain financially self-supporting, despite the Twins' departure to a baseball-only stadium, if the stadium's remaining debt of approximately \$36 million was retired, and if the Vikings and the University remain as tenants without significant changes to their leases. However, both the Vikings and the University are requesting significant lease changes and, therefore, decisions will need to be made relative to how resources will be allocated.

The Needs of the Minnesota Vikings

- The Vikings have stated that they need to increase stadium revenues in order to remain competitive. However, the MSFC cannot be more specific about the needs of the Vikings until its auditors are able to examine the Vikings' financial position through the MD&A (Coopers & Lybrand) process.

- A long-term solution to the Vikings' challenges is required because the Metrodome will be 30-years-old at the end of the team's current lease. Careful study will be required to ensure that all capital improvements made in the next several years are compatible with the long-term Metrodome plan.
- In evaluating Minnesota sports facilities issues, the Twins are the first priority because there is the strong possibility they will be able to terminate their Metrodome lease following the 1998 season, which could result in the departure of Major League Baseball from Minnesota. The Minnesota Vikings are experiencing many of the same economic challenges, however they are committed to a Metrodome lease through the 2011 season.

**Supporting
Documents and
Background
Analyses**

I. Additional Tenant and Metrodome Background

Minnesota Twins Background

MINNESOTA TWINS

COMMITTEE PRESENTATION

Before getting into a fairly lengthy presentation, we want to thank you for the opportunity to appear before you. We are here today to talk about the future of Major League Baseball and its impacts on the community . . . regardless of who owns the team. We have a lot of information to present, and we view the assembling of this task force to be a very positive step.

I've had the opportunity to get to know many of you in the past, and I look forward to working with each and every one of you.

Most of you may know that I became president of the Minnesota Twins in 1987. I like to say that shortly after my arrival the team went on to win the first World Series in the club's history. But believe me, that Series had to do with people named Puckett and Hrbek and MacPhail and Pohlrad, and not the new team president.

Immediately before joining the Twins, I had served as executive director of the Metropolitan Sports Facilities Commission, and I joined the Commission in 1977--

just about the time people were beginning to think that a new stadium was a real possibility.

This meeting is to focus on the future, but I want to take a few minutes to talk about the past . . . just to set the stage for a discussion of where we are today and where we hope to be going.

Together.

The Minneapolis Lakers left this market in 1960, leaving us without a major league team in any sport. Then Calvin Griffith moved his Washington Senators here, and they began play in the spring of 1961 at Met Stadium, which was then only about five years old. It was considered to be a "state-of-the-art" ballpark, and I'd bet you never heard that phrase before.

Met Stadium proved to be an adequate home for the Twins and the Vikings who joined the National Football League that same fall. Multipurpose stadiums were the order of the day, and teams derived most of their revenue via ticket sales. Radio and television broadcast rights were important, but cable hadn't been

invented, and somebody's idea of in-stadium advertising was a green tree on top of the scoreboard.

Times in professional sports were a lot simpler, and the Twins did well.

The Twins drew over a million fans each of the first 10 years, leading the league in attendance in both 1963 and 1965 the year the team advanced to the World Series. Revenues kept pace with the league, and the team was able to develop star talent such as Harmon Killebrew, Tony Oliva, and Rod Carew.

Things began to change in the next decade. The team drew over 1 million fans only twice in the next 11 years. The team's revenue began to fall far below the league average, and owner Calvin Griffith saw his team lose virtually all of its marquee players through trades or free agency.

The plight of the Twins didn't go unnoticed around the league, and other cities began targeting the Twins as a franchise that could be purchased. The Vikings too were exploring other undeveloped markets, and the leaders of this community--sensing the prospect of losing one or two of their major league teams--rallied around the idea of a new stadium.

Design work on the Metrodome began in 1978, at a time when drawing 1 million fans was the goal of every major league team. Broadcast revenues were becoming an increasingly important part of the revenue mix, and in-stadium advertising was still a young market. No one had even thought of the value of *naming rights* for the facility itself.

So the Metrodome was built and we began playing here in 1982. The team failed to draw 1 million fans in either of the first two years in the Dome, and it reached that level in 1984 only because of a community-led ticket buyout program that kept the team from exercising its escape clause in the lease. In Tampa-St. Pete, it was conventional wisdom that the team would be playing there by 1986. Calvin found himself in the worst possible dilemma: without enough money to operate the team and with his escape blocked by the ticket buyout program.

That set the stage for Carl Pohlad to purchase the team on June 22, 1984. In the 11 years since that purchase, the team has won World Championships in 1987 and again in 1991.

We've drawn over 1 million fans every year, topping 2 million five times and setting a then league record in 1988 with over 3 million fans.

So, what's the problem you might ask?

This is where the history ends and talk of the present and future begins. Times have changed and the market has changed--dramatically!

Stadium revenues from parking, suites, signage, concessions, and--most importantly--a strong season ticket base, which requires "quality seats," have become the key growth areas for sports teams, and the Twins are woefully deficient in all these areas. In the Metrodome, not only are we last in parking and suite revenues, we have no parking or suite revenues! And we are within \$200,000 of last in signage revenues. Per-fan concession spending is significantly below the industry average; and again most importantly, we have the lowest average ticket price in the American League. The deficiencies in these areas have an overwhelming impact on the bottom line.

Kevin Mather, our chief financial officer, will now present some charts which will illustrate our predicament.

CHART 1

[LEAGUE STADIUM REVENUES GRAPH]

CHART 2

[LEAGUE STADIUM REVENUES - RANKED]

CHART 3

[AVERAGE TICKET PRICE]

Largely because of this, this franchise is non-competitive from a financial standpoint.

Only the financial strength of our owner has kept us in business.

Major League Baseball needs the chance for this team to be competitive and to remain an asset to this community for the next 30 years and more.

We are about to share with you some detailed information about our finances. If you want additional information, just ask for it. You can see every number you want. If you want to verify any information through an independent set of expert eyes, that's fine with us.

You have begun a process that will be best served through total openness.

We've brought along a chart that shows the problems confronting Major League Baseball today. Some, as you will see, are shared by all of baseball, while others apply directly to certain clubs--and the Minnesota Twins in particular.

Let's look at the first chart.

CHART 4

[EXTERNAL CHALLENGES ARE BEING MET]

- **NO COLLECTIVE BARGAINING AGREEMENT**
- **NO REVENUE SHARING AGREEMENT (note 1)**
- **LINGERING EFFECTS OF STRIKE**
- **DECLINE IN NATIONAL TELEVISION REVENUES**

(Note 1) Some may point to revenue sharing as a potential solution to our financial concerns. Major League Baseball is in the process of approving revenue sharing; but make no mistake, Major League Baseball does not intend for revenue sharing to support a team in a market that does not have a chance to be financially competitive. Revenue sharing will be a means of equalizing market size, not a subsidy for a team that does not take full advantage of its local market revenue opportunities.

CHART 5

[LOCAL CHALLENGES]

- DEPRESSED ATTENDANCE
- MODEST BROADCAST REVENUES
- NO PARKING REVENUES
- NO SUITE DOLLARS
- LIMITED CONCESSIONS REVENUES
- VIRTUALLY NO STADIUM SIGNAGE REVENUES
- FEWEST NUMBER OF QUALITY SEATS FOR BASEBALL

CHART 6

[STADIUM FOOTPRINTS]

CHART 7

[ILLUSTRATES QUALITY SEATING]

It doesn't take a rocket scientist to see that many of these local challenges have to do with the Metrodome as it is currently configured.

The simple facts are that the Metrodome, which helped save this franchise some 15 years ago, no longer provides enough stadium-related revenue streams to allow a tenant to compete in Major League Baseball.

Here's an interesting point to keep in mind: the Metrodome was the last multipurpose domed facility to be built in this country. The economics of professional sports had already begun changing by the time the Metrodome opened in 1982. Today, these market changes have made the Metrodome economically obsolete for Major League Baseball purposes.

Just as we are not about to accept our current position in the American League standings, nor are we willing to be last or near last in virtually all stadium revenue areas.

These numbers won't come as a surprise to anyone who's been close to our situation. We've shared them with interested members of the Minneapolis City Council and the Metropolitan Sports Facilities Commission, and together we've been working on some things that have the potential to make us more competitive. With the cooperation and leadership of Henry Savelkoul, we've made a great deal of progress and have found the Commission open to

discussing a number of ideas for next season and the short term. While these ideas help, they do not solve the problems of Major League Baseball in this marketplace.

So, what does baseball need . . .

More than anything else, we need to ensure that Major League Baseball stays in Minnesota.

For a long, long time.

Carl Pohlad purchased the team to keep it in Minnesota. The goal he had in 1984 remains in place today.

While the task force works through its deliberative process, the team will not be offered for sale. All of our personal efforts will be focused on working with you to keep the team here.

We've met with Henry a number of times, and he is absolutely on target when he talks about "taking the wheels off a franchise." We are only interested in a

solution that will keep this team here for at least the next 30 years. It is too hard on a community, and it is too hard on the team, to revisit this question every 10 years.

Accomplishing that will require a creative solution. Mr. Pohlad's goal is to keep the Twins in Minnesota; however, Mr. Pohlad will not continue subsidizing the team indefinitely. At the end of 1998, the Twins will have fulfilled our requirements under our current Metrodome lease. If no solution can be put forth within a reasonable time, Major League Baseball will draw the conclusion that the support needed from all sectors to keep baseball in our area does not exist.

As we see it, if the Twins and the task force fail to find a local solution, there are three options available for baseball:

The first is to play what is known in the trade as "studio baseball" . . . spending just enough to get by, drawing far below the league average and managing to minimize losses. This has been tried, and while it offers bottom-line improvements, the product suffers and the entertainment value of the product is greatly diminished in the eyes of the fans. Ultimately this is a path that leads to slow death and merely delays the inevitable.

Secondly, we could attempt to sell the team locally, in essence, let our problems become someone else's problems.

Thirdly, the team could attempt to sell to an ownership group from outside this market. Our priority is to find a local solution.

We have time to find a local solution; that is the purpose of our being here today.

It might be helpful to briefly review the financial history of the Twins since 1984 when Mr. Pohlad acquired the team, and examine the current economics of baseball as they apply to the Twins. We share these numbers with you to dispel the popular notion that any operating losses absorbed over the years would be more than made up by an eventual sale of the team. While that may have been true in the early days of the franchise, that is not the case today, and it certainly will not be the case in the future.

Kevin has a chart summarizing our investment over the past 11 years.

CHART 8

[FRANCHISE INVESTMENT]

As you can see from the chart, even if the team were to sell for \$85 million today, a figure that has been suggested as a fair price, that price would result in an amount lower than what has been spent to acquire and sustain the team since 1984.

In other words, it would be a loss, and the loss will increase with each passing year.

Even with all the player personnel moves that we made recently, this year will result in a net operating loss of some \$8 million. This is the operating loss referred to in what has become known as the "escape clause" in our lease. I will repeat again, however, we are here today looking for ways to improve Major League Baseball--not to escape.

The next three charts are critical to the point we are trying to make.

As you will see, even under the most optimistic scenarios, we still lose money.

CHART 9
[SCENARIO I]

This scenario takes a look at what would happen if we drew 2 million fans with a league-average payroll. *(Jerry notes highlights of chart ending with a loss of more than \$13 million.)*

CHART 10
[SCENARIO II]

The second scenario shows that even if we increase attendance to 2.5 million--the second highest total in club history--and maintain an average payroll, we still would lose more than \$9 million. So increasing attendance isn't the solution.

CHART 11

[SCENARIO III]

Under this case we draw 2.5 million fans and keep all the revenue we generate within the Metrodome. This includes the Commission's profit on concessions, signage, suites, parking, the scoreboard, and suite concession sales. We call this one the "kitchen sink" scenario. And even with all this, we still lose \$2.5 million with the league average payroll.

CHART 12

[LEAGUE AVERAGE STADIUM REVENUES]

The third scenario, 2.5 million fans and all available revenues in the building, is what led us to question whether the long-term, 30-year answer to our baseball situation is within the Metrodome.

In order to keep baseball in Minnesota for the next 30 years or more, it will require the following:

First, we need a one- to five-year "quick fix." We have had some excellent discussions with the Commission and the Vikings about a Twins/Vikings partnership to operate the Metrodome.

By joining forces with the Vikings and assuming operational control of the Metrodome, we immediately improve both teams' revenue and expense opportunities in the short term.

We and the Vikings are enthusiastic about the potential for this plan. However, while the increased Metrodome revenues and reduced expenses would diminish some of our losses over the next several years, we consider this only a bridge to the real solution.

Second, we have studied this situation carefully comparing the Metrodome with the rest of the teams in Major League Baseball, and have concluded that the major requirements for making baseball viable in Minnesota over the long term are as follows:

CHART 13

[LONG-TERM REQUIREMENTS]

- 1) A significant increase in quality seats available and a commitment to purchase those seats . . . and improved sight lines for other seats.

- 2) Exclusive control over the following:
 - Suite marketing and revenue and firm commitments to purchase,

 - All in-stadium advertising revenue opportunities,

 - Concessions and other food service opportunities,

 - All stadium-related licensing opportunities, and

 - The ability to unilaterally develop stadium amenities, such as clubs or other future revenue enhancements.

- 3) Substantial parking revenue.

We are not here today to tell you how these requirements can be met. Naturally, we do have ideas as a result of our exhaustive study of the situation.

We will be happy to share our thoughts with you, including dispelling some popular misconceptions regarding new stadium construction, at your convenience.

If the appropriate solutions are found, Major League Baseball would make a long-term commitment to Minnesota in a lease that would secure the future of baseball in Minnesota for the next 30 years.

Before finishing, we want to say one more thing. We believe a Major League Baseball franchise is a valuable resource to the Twins Cities and the state of Minnesota. We need sufficient revenues so we can reinvest in a competitive team and support this business on an ongoing basis. To do this will require a commitment for a substantial investment by us, the business community, government, and the public.

We know there are many important competing needs for financial resources. We are not saying that baseball is our most compelling social need. We are saying that baseball in Minnesota creates jobs, taxes, and economic and social benefits equal to or greater than the required investment.

Minnesota is one of 16 states with Major League Baseball. We have seen cities and states without major league sports wage aggressive efforts and pay huge sums to attract either established or expansion teams to their communities. Clearly, these communities see more than an economic value in having professional sports.

Just as Mr. Pohlad does not intend to subsidize the team in the future, he does not expect or want the community to do so. We will work with you to examine the economics of this situation; but if in the end you conclude that the community cannot get a positive return on its investment, either tangibly or intangibly, baseball should not stay in Minnesota.

As we all know, the competitive landscape has changed. At the time the Metrodome was discussed, planned, and built, this state had no lottery, no horse racing, no pull tabs, and no casinos. Today, while the Twins scramble to make

up a \$15 million shortfall in revenue, gambling has become an estimated \$2.6 billion annual business in this state . . . \$2.6 billion annual business in this state.

Your deliberations on this task force over the next few months will lead you into some very complex issues, but in the end your decision will be simple.

You need to answer two questions:

- Can you make an investment in the future of baseball?

- Should you make the investment?

In closing, let me summarize the key points the Twins are committed to:

- 1) The Twins require significant short-term economic changes in the Metrodome situation, and those changes need to come as soon as the 1996 season.

- 2) The Twins have significant long-term requirements that must be met.

- 3) Economics and public opinion should guide your solution--not threats.

- 4) We will work with you to explore expeditiously the feasibility of all alternatives.

You have a very difficult task in front of you. Good luck, and thank you for your time. Are there any questions?

LOCAL CHALLENGES

- Depressed attendance
- Modest broadcast revenues
- No parking revenues
- No suite revenues
- Limited concessions revenues
- Virtually no stadium signage revenues
- Fewest number of quality seats in baseball

EXTERNAL CHALLENGES

- No collective bargaining agreement
- No revenue-sharing agreement
- Lingering effects of strike
- Decline in national television revenues

LONG-TERM REQUIREMENTS

- 1) A significant increase in quality seats available . . . and improved sight lines for other seats
- 2) Exclusive control over suite marketing and revenue
- 3) Exclusive control over all in-stadium advertising revenue opportunities
- 4) Exclusive control over concessions and food service opportunities
- 5) Exclusive control over all stadium-related licensing opportunities
- 6) The ability to unilaterally develop stadium amenities, such as clubs or other future revenue enhancements
- 7) Substantial parking revenue



MINNESOTA TWINS

Western Division Champions: 1969, 1970, 1987, 1991
American League Champions: 1965, 1987, 1991
World Champions: 1987, 1991

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MINNESOTA TWINS UNVEIL NEW BALLPARK DESIGN

The State-of-the-Art Ballpark Features Convertible Roof, Real Grass and 42,000 Seats

MINNEAPOLIS, MN -- The Minnesota Twins today unveiled plans for a proposed state-of-the-art, convertible-roof ballpark which will provide fans throughout the Upper Midwest with the nation's premier baseball venue.

Designed by the Minneapolis-based architecture, engineering and construction firm of Ellerbe Becket, the proposed Twins ballpark combines advanced movable roof technology with an overall style reminiscent of the more traditional baseball-only facilities. While multi-purpose venues such as the Metrodome are not designed specifically for the game of baseball, the Twins new ballpark will give fans one of the most intimate seating configurations in sports today.

"The Twins organization is excited about unveiling a ballpark designed for Minnesota's next generation of baseball fans," Twins President Jerry Bell said. "Thanks to a design that incorporates the elements of America's best ballparks along with the comfort and amenities presented by twenty-first century technology, we think the fans are going to love this stadium."

The ballpark will consist of four seating levels with a projected capacity of 42,000. The four deck's consist of a **Street Level** (Includes box seats and 20 private suites), a **Skyway Level**, a **Suite/Club Level** (Includes 32 private suites, three party suites, 4,300 Club Seats and a full-service restaurant/bar) and an **Upper Level**. Unlike the Metrodome, every seat will be angled toward home plate providing fans with a better, unprecedented perspective of the game. Although ticket prices for the ballpark are yet to be determined, the Twins remain committed to providing fans with the region's most affordable professional sports entertainment option.

In addition to great baseball, this facility is designed to be a family-oriented entertainment complex. Outside the park, plans call for a Plaza Area featuring locations for entertainment, outdoor dining and retail opportunities. Once inside the stadium, fans will enjoy the region's widest concourses, an outstanding selection of foods, an interactive area for kids and a full-service restaurant and bar. In addition, plans call for the ballpark to house a Minnesota Baseball Hall of Fame Museum and retail store designed to be open and accessible to the public twelve months a year.

- more -

The Twins ballpark will be the fourth convertible-roof facility to be constructed (Milwaukee's Miller Park, Arizona's Bank One Ballpark and the Seattle Mariners ballpark are currently under construction). However, while the roof will remain in view when open in Milwaukee, Arizona and Seattle, Minnesota's design calls for the roof to move completely off the ballpark in less than 15 minutes. When open, fans inside the park will have the experience of an open-air ballpark as the roof covers a plaza area outside the stadium's confines. During cold or inclement weather, the roof will be closed and the environment can be conditioned to always ensure a comfortable fan experience and no rainouts.

The natural grass playing field will be located 13 feet below street level and will be slightly asymmetrical. From home plate to the left field foul pole will be 330 feet, while the distance down the right field line will be 320 feet. The power alleys will be 376 feet to left and 360 feet to right with straightway center field 405 feet from home plate. The height of the outfield wall varies, ranging from 13 feet in left to eight feet in right and 39 feet in center (batter's eye).

One of the ballpark's most fan-friendly features is an area of outfield seats known as The Porch. Accessed from the Street Level, this 1,500-seat left field section is made up of a pair of porches slightly overhanging the outfield wall. Similar to the famous upper deck right field porch from Detroit's Tiger Stadium, The Porch is certain to be a favorite destination for fans seeking the elusive home run ball.

The ballpark's color schemes feature the familiar rich tan tones of Minnesota-native kasota stone in combination with a light-brown brick. The building's exterior is complimented by the deep maroon steel framework with all seating shaded Fenway green.

"It's important to the Twins, and to the people here, that the ballpark be knitted into the fabric of the Twin Cities," said Bill Johnson, vice president and design principal for Ellerbe Becket. "We've built on a sense of tradition to create a themed environment where the ballgame is the centerpiece of a day's activities."

Headquartered in Minneapolis, Ellerbe Becket is one of the oldest (1909) and largest architecture, engineering and construction firms in the United States. The firm's sports practice has designed some of the latest and most successful complexes in the world: Bank One Ballpark, the first retractable roof stadium in Phoenix, AZ, 1996 Olympic Stadium/Atlanta Braves Ballpark, Atlanta, GA, Lee County Sports Complex, the Twins spring training home since 1991 in Fort Myers, FL, America West Arena for the NBA Phoenix Suns, and the Saitama Dome in Japan, which converts from soccer to hockey through movable sections.

Twins Hall of Famer Harmon Killebrew joined the club's star designated hitter Paul Molitor and team officials at today's unveiling ceremony at Mall of America. Killebrew and Knoblauch unveiled a video, working model and renderings of the new ballpark which will be on display for fans to view at TwinsFest '97 scheduled for Saturday (9 am to 6 pm) and Sunday (9 am to 4 pm) at the Metrodome.

New Twins Ballpark: A Comparison to the Metrodome

H.H.H. Metrodome

New Twins Ballpark

Seating Information

Seating Capacity	48,678	42,000
Number of Private Suites	115	52
Number of Party Suites	---	3
Number of Club Seats	---	4,300

H.H.H. Metrodome

New Twins Ballpark

Concourse Widths

Lower Level/Street Level	20 Feet	60 Feet
Skyway Level	-----	40 Feet
Suite/Club Level	-----	26 Feet
Upper Level	20 Feet	40 Feet

Proximity to Seats

H.H.H. Metrodome

New Twins Ballpark

	H.H.H. Metrodome			New Twins Ballpark		
	No. of Rows	Height From Field	Distance From Home	No. of Rows	Height From Field	Distance From Home
Lower Levels						
Lower Level/Street Level	36	10 Feet	58 Feet	26	0 Feet	60 Feet
Skyway Level	---	-----	-----	12	22 Feet	116 Feet
Suite/Club Level	---	-----	-----	10	43 Feet	140 Feet
Upper Levels						
Upper Level	31	62 Feet	136 Feet	25	71 Feet	158 Feet

New Twins Ballpark: A Comparison to the Metrodome

	H.H.H. Metrodome	New Twins Ballpark
<i>Playing Field</i>		
In Relation to Street Level Playing Surface	47 Feet Below Artificial Turf	13 Feet Below Natural Grass
Dimensions		
Left Field Line	343 Feet	330 Feet
Left Field Power Alley	385 Feet	376 Feet
Center Field	408 Feet	405 Feet
Right Field Power Alley	367 Feet	360 Feet
Right Field	327 Feet	320 Feet
Height of Outfield Fences		
Left Field	7 Feet	13 Feet
Center Field	7 Feet	* 39 Feet
Right Field	23 Feet	8 Feet
<i>Roof</i>		
Type	Fixed -- Supported by Air	Retractable
Surface	Teflon-Coated Fiberglass	Steel
Height above Playing Field	195 Feet	216 Feet

* Denotes Height of Batters Eye

New Twins Ballpark: Level by Level

The design of the seating configuration for the new Twins ballpark is based upon elements from some of the most fan-friendly, intimate and traditional parks in baseball today. With that in mind, the Twins' goal is to create several varied and unique seating opportunities, each developing its own sense of identity and personality. Those objectives are met thanks to the following four seating levels:

Street Level

Located at field grade, the Street Level will provide fans with the ballpark's most intimate seating options. As the primary entrance point for most fans, this level features three distinctive gates located at first base, third base and behind home plate. The Street Level features 26 rows of seats along with a partially-open 60-foot wide concourse offering a full-range of fan concession and novelty options. Two of the level's most exciting features are a pair of left-field porches, one positioned in the corner resembling Wrigley Field, and the other overhanging the outfield wall similar to Tiger Stadium. The Street Level will house the Twins ticket office, Pro Shop and Minnesota Baseball Hall of Fame. Access to the Skyway Level and Upper Level is available via escalators, stairs or elevators.

Skyway Level

Located just 22 feet above the playing field, the Skyway Level will provide fans with an incredible view of the action while continuing the Minnesota tradition of skyways. Along the baselines, fans can enjoy a 40-foot wide open concourse with views to the field and access to 12 rows of seats. One of the level's fan-friendly elements is found in right field where there are seats located directly adjacent to two elevated bullpens. An interactive kids/family area is also found along this level in centerfield.

Suite/Club Level

Located 43 feet above the playing field, the Suite/Club level will offer fans the region's most exciting hospitality options. Perched along the third base line, this level features 10 rows of club seats holding 4,300 fans plus a total of 32, 12-person private suites, each featuring deluxe upholstered seats with a private bar and restroom. Fans can also reserve one of three 24-person party suites which are found on this level along with a full-service restaurant and bar. Fans on this level will enjoy access to personal computers and on-line services in addition to other special amenities throughout the 26-foot wide private concourse.

Upper Level

Located 71 feet above the playing field, the Upper Level wraps around the ballpark from right field to the left field corner. This level features a 40 foot open concourse designed to give fans a view of the city. Fans will enter this deck at row eight with the option of going up or down. In total there will be 25 rows of seats on the Upper Level. The Upper Deck rises at a gentle 32 degrees, which is comparable to Baltimore's Camden Yards, Cleveland's Jacobs Field and Denver's Coors Field. In comparison, the Metrodome's Upper Level rises at more than 33 degrees.

New Twins Ballpark: Around the Horn

- While a site is yet to be determined, the proposed Twins ballpark has been designed to fit on a generic four-square city block. Once a site is selected, slight variations in the project design will be necessary in order to accommodate parking, historical buildings, etc.
- A look at Major League Baseball's newest stadium's indicates that the Twins new ballpark would be among the most intimate in baseball. In fact, when compared to the five most recently completed stadiums, the projected capacity of 42,000 for the Twins ballpark ranks as the smallest.

<u>Stadium</u>	<u>Capacity</u>
Coors Field	50,249
Arlington	49,178
Camden Yards	48,876
Comiskey Park	44,347
Jacobs Field	42,859
<i>New Twins Ballpark</i>	<i>42,000</i>

- A single-level press box will be situated on the Skyway Level behind home plate and will accommodate 150 print and electronic media representatives. The media will have direct elevator access from the press area to the team clubhouse areas.
- The entire park will be wheelchair accessible and compliant with the Americans with Disabilities Act. Disabled seating areas are designed to provide clear sight-lines of the playing field. All concession, retail stores and public amenities are accessible, and there will be numerous ramps and elevators throughout the ballpark.
- The Twins home dugout will be located along the third base line, and the visitor dugout will be opposite the first base line. The home and visitor bullpens are elevated in right field.
- Located in left field, The Porch will give fans the ultimate experience of being literally "on top" of the action. Similar to the right field porch in Detroit's Tiger Stadium, The Porch will overhang the left field wall in the Twins new ballpark. Fans in Minnesota will be closer to the action than their Detroit counterparts. The first row of seats in The Porch are just 20 feet above the field, while the Tigers porch sits 34 feet above the playing surface.
- The ballpark gives fans plenty of leg room thanks to 33 to 36-inch wide rows. The seats will be among the most comfortable in baseball ranging from 19 to 22 inches wide.

New Twins Ballpark: How the Roof Works

The design of the proposed Minnesota Twins ballpark demonstrates Ellerbe Becket's ability to develop the next evolution of practical and viable movable roof technology.

The Twins ballpark will feature a convertible roof supported with a structural steel frame covering an area of 10 acres with a span of over 600 feet (approximately two city blocks). In total the structure weighs in excess of 11,000 tons and can be moved at a rate of 60 feet per minute.

The roof is designed to completely move off the ballpark in less than 15 minutes. When open, fans will enjoy the experience of an open-air stadium with fresh air, the sun, the moon and natural grass. Once off the stadium, the roof becomes a giant canopy for an interactive plaza and entertainment area located adjacent the ballpark.

However, during cold or inclement weather, the roof can be closed and the environment conditioned to ensure a comfortable fan experience and no rainouts. When closed, the roof sits 216 feet above the playing field. The Metrodome's roof is 195 feet above the playing surface.

The drive mechanism and operable systems are derived from those used in heavy industrial applications such as steel plants or large mining operations. The system is composed of winches, cables and wheeled supports which move on rails. Similar technologies have been in use since the 19th century. The application of the technology to a ballpark roof is unique, but it is proven and does not involve risks.

- twins -

Twins New Ballpark: Why is a retractable roof essential?

The Twins are Minnesota's team, not just the Twin Cities'. Like the Rockies (known as the Colorado Rockies, not the "Denver" Rockies), the Twins are not a team supported just by a metropolitan area with a multiple-million population; but the team of choice for millions of fans broadly dispersed across a sparsely populated yet geographically wide area. Like the Rockies (who draw fan support not just from Colorado, but also Wyoming, Utah, New Mexico, Idaho and western Nebraska), the Twins draw fans from far beyond the metropolitan area, and even far beyond Minnesota's borders. We are supported by fans from Iowa, North Dakota, South Dakota, eastern Nebraska, western Wisconsin, and even eastern Montana.

A retractable roof is the best possible solution -- and a necessary one -- for the baseball fans in the Upper Midwest who often must travel great distances to see a game or two. In fact, over 40% of Twins ticket holders travel to games from outside the Twin Cities. Additionally, over 50% of our home games played during Minnesota's unpredictable weather months of April, May and September -- and the baseball season keeps getting longer. In 1987 and 1991 games were played here in late October. Opening Day in some cities may soon occur in March. Knowing that 85% of Minnesotans agree that the Twins are a major asset to the state and that it would be a big loss to the state if the team were to leave, having a facility that attracts fans from outside the Twin Cities truly makes the ballpark a regional, not just a Twin Cities, facility.

Additionally, the Twins are a major attraction for state tourism, especially for visitors to the Twin Cities metro area, and especially after the national exposure the team and Minnesota received after winning two World Championships in the past ten years. The Minnesota Twins are a team that conducts itself appropriately both on and off the field; and because of the length of the baseball season and the relative affordability of tickets, going to see a Twins game is the most popular professional sports opportunity for families and senior citizens in Minnesota and the Upper Midwest.

These are people who do not want to be disappointed by a rainout, and in the case of children and senior citizens, may not be able to sit through a game in cold or inclement weather. They need not be disappointed when the technology exists to offer a solution. A full 9% of all Twins games played at the old Met Stadium in Bloomington were rained out or otherwise canceled because of weather -- equivalent to a whole season of home games.

Losing nearly 10% of your games to weather conditions not only greatly inconveniences and disappoints fans; it also has a significant negative impact on team revenues. Current estimates show that the new ballpark should generate close to \$1 million in net revenue per game. This means a baseball team operating in Minnesota without a roof might lose as much as \$8 million to \$10 million in just one season.

Finally, people in the Upper Midwest are arguably more passionate in their love of the outdoors than people in any other part of the country. We will venture outside to exercise or enjoy nature even in the coldest and most inclement weather. While that's part of our heritage, unfortunately, it is not part of baseball's. Baseball is not a sport that can be played in inclement or severe weather. To hedge against the risk of inclement weather, other ballclubs in both cold weather cities (Toronto, Montreal, and Milwaukee) and warm weather cities (Houston, Phoenix, and Tampa) have decided it is in their cities' and franchises' best interests to construct retractable roof ballparks.

Simply put, people here can't stand the thought of being indoors on a nice day after months of being cooped up more often than they'd like during our long winters. Baseball fans in the Upper Midwest were compromised once before with the bargain-basement construction of the Metrodome, and Minnesota ended up with what is universally renowned as the worst place to watch baseball in the major leagues. Now that the opportunity is at hand, we should make sure we anticipate all problems and solve them, so in the end we will have a structure for the ages.

Minnesota Vikings Background

**Minnesota Vikings
Football Club
Presentation to the
Sports Facilities
Commission
*December 19, 1996***

Minnesota Vikings



MINNESOTA VIKINGS
FOOTBALL CLUB PRESENTATION
TO THE SPORTS FACILITIES COMMISSION

December 19, 1996

GOOD AFTERNOON. I WELCOME THIS OPPORTUNITY TO PRESENT THE VIKINGS STORY TO THE FULL COMMISSION. I HAVE BEEN IN CONVERSATION WITH YOUR CHAIRMAN, HIS PREDECESSOR AND THE EXECUTIVE DIRECTOR SINCE 1992 DISCUSSING THE ISSUES THAT FACE US TODAY. I AM HOPEFUL THIS MEETING WILL LEAD TO SOME MEANINGFUL ACTION AIMED AT ADDRESSING THE PROBLEMS THE VIKINGS FACE IN OUR CURRENT NFL OPERATING ENVIRONMENT. I'M GLAD TO SEE THAT MANY OF YOU WERE PRESENT IN SEPTEMBER OF LAST YEAR WHEN I MADE A REPORT SIMILAR TO THIS ONE BEFORE THE PROFESSIONAL SPORTS ADVISORY TASK FORCE. THE FACTS I PRESENTED THEN ARE ESSENTIALLY THE SAME AS I WILL PRESENT TODAY. BUT IN THE ENSUING MONTHS SINCE THAT FIRST PUBLIC DISCUSSION OF OUR COMPETITIVE SITUATION THERE HAVE BEEN A NUMBER OF EVENTS THAT

HAVE CAUSED OUR POSITION WITHIN THE NFL TO
DETERIORATE. THE SENSE OF URGENCY THAT I FELT THEN HAS
ESCALATED. THE NEED TO FIND A SOLUTION TO OUR
PROBLEMS IS NOW ACUTE. THUS, I AM HOPEFUL WE CAN
MUTUALLY AGREE TO WORK IMMEDIATELY TO RESOLVE OUR
ISSUES IN A MANNER WHICH PROVIDES THE MAXIMUM
BENEFITS TO THE CITIZENS OF MINNESOTA.

OUR MESSAGE THEN, AND OUR MESSAGE NOW, IS SIMPLE AND
STRAIGHT FORWARD. WE ARE NOT SEEKING TO MAKE A CASH
RETURN ON OUR INVESTMENT - WE PAY NO FEES, INTEREST, OR
DIVIDENDS TO OUR INVESTORS, AND OVER THE PAST FIVE
YEARS, WE HAVE LOST MONEY ON OUR FOOTBALL
OPERATIONS. ALL OF OUR AVAILABLE INCOME AND CASH
FLOW GOES TO SUPPORTING THE FOOTBALL TEAM. THUS, THE
PRINCIPAL GOAL WE HAVE IS TO MAINTAIN A COMPETITIVE
FOOTBALL TEAM ON THE FIELD WHICH IS A CREDIT TO
EVERYONE IN MINNESOTA, THAT IS, A PLAYOFF PARTICIPANT
AND AN NFL CHAMPIONSHIP CONTENDER ON A CONSISTENT

BASIS OVER THE LONG-TERM. THIS IS THE PATH WE ARE ON - THIS YEAR MARKS THE FOURTH TIME IN THE LAST FIVE YEARS THAT WE HAVE MADE THE NFL PLAYOFFS - A FEAT MATCHED BY ONLY FIVE (PERHAPS SIX IF BUFFALO MAKES IT THIS YEAR) OTHER TEAMS IN THE ENTIRE NFL. TO CONTINUE TO ACHIEVE THIS PERFORMANCE IS BECOMING INCREASINGLY DIFFICULT. IT REQUIRES AMONG OTHER THINGS, THAT WE GENERATE AND RETAIN SUFFICIENT REVENUES FROM OUR STADIUM OPERATIONS TO COMPETE WITH OTHER NATIONAL FOOTBALL LEAGUE PLAYOFF/CHAMPIONSHIP CONTENDERS. THAT IS NOT THE CASE TODAY, AND, IF WE CONTINUE AS WE ARE, OUR SITUATION WILL ONLY WORSEN. SINCE, IN THE NFL ALL TEAMS SHARE NATIONAL TV REVENUE EQUALLY AND SPLIT TICKET REVENUE 60% TO THE HOME TEAM, 40% TO THE VISITOR, THE ONLY SIGNIFICANT REVENUE DIFFERENTIAL AMONG TEAMS IS STADIUM INCOME AND EXPENSE - RENT, ADMISSIONS TAXES, CONCESSIONS, ADVERTISING, NAMING RIGHTS, STADIUM CLUBS, SUITES, CLUB SEATS, PARKING, ETC. THE VIKINGS CANNOT, WITH OUR EXISTING STADIUM REVENUE SOURCES,

COMPETE EFFECTIVELY WITH THE HIGHER REVENUE NFL
TEAMS IN THE WORLD OF FREE-AGENCY WHERE CASH
BONUSES, PAID UP-FRONT UPON CONTRACT SIGNING, ARE
INCREASINGLY BECOMING A KEY ELEMENT IN ATTRACTING,
AND RETAINING, DESIRABLE TALENT. OUR ABILITY TO RETAIN
OUR HIGHLY RATED PLAYERS OBTAINED IN THE DRAFT - BRAD
JOHNSON IS A KEY CURRENT EXAMPLE - AND ACQUIRE
TALENTED FREE AGENT PLAYERS WHEN NEEDED, IS AN
ESSENTIAL COMPONENT TO MAINTAINING COMPETITIVENESS
ON THE FIELD TODAY IN THE NFL.

LET'S NOW TURN TO A DISCUSSION IN SOME DETAIL OF WHERE
THE VIKINGS STAND WITH OUR CURRENT LEASE AND WITHIN
THE NFL.

SLIDE 1

LET ME BEGIN WITH OUR PRESENT METRODOME LEASE
AGREEMENT (SIGNED AUGUST 8, 1979).

MINNESOTA VIKINGS
METRODOME LEASE
Football Use Agreement (Aug. 8, 1979)

- 30 Yr. Term - April 1982 thru March 2012
- Vikings Pay:
 - 10% Admissions Tax on Net Receipts
 - 9.5% Rent on Net Receipts
 - Operating Costs for Game Day-Field Lighting, Air Conditioning, Cleanup, Scoreboard Operations, Insurance, etc.
 - Vikings Receive 10% of Concessions Receipts
 - No Share of Parking, Advertising, Scoreboard Revenue

SLIDE 2

THE VIKINGS SUITE (PRIVATE SPECTATOR BOX OPTION AGREEMENT) AGREEMENT WAS SIGNED AT THE SAME TIME.



**MINNESOTA VIKINGS
METRODOME LEASE**

Private Spectator Box Option Agreement (Aug. 8, 1979)

- 20 Yr. Term - April 1982 thru March 2002
- 10 Yr. Option thru March 2012

- **VIKINGS RECEIVE RIGHT TO CONSTRUCT AND OPERATE SUITES AND LOUNGE**
 - Vikings Invested Over \$4.9 Million to Construct and Upgrade Suites
 - Vikings Pay Commission Escalating Lease for Suites (Currently \$1.0 million per year, rising to 1.3 million next year)
 - Vikings Pay Commission 30% of Suite Food & Beverage Sales
 - Vikings Net Suite Revenue (1982-1995): \$17.4 million

LET'S LOOK AT HOW THE VIKINGS HAVE FARED UNDER THESE LEASE AGREEMENTS BY COMPARING THE VIKINGS SITUATION WITH THAT OF THE TWINS, THE ONLY OTHER MAJOR TENANT IN THE METRODOME.

SLIDE 3

VIKINGS/TWINS LEASE COMPARISON



LEASE COMPARISON

\$ in thousands

	<u>VIKINGS</u>	<u>TWINS</u>	
		Original	Current
Admission Tax	10%	10%	10%
Rent	9.5%	7.5%	0.0%
Concession Share	10%	30%	35-45%
Suites	100%	0%	0%
Stadium Advertising	\$0	\$0	\$220
Parking	0%	0%	0%
Utilities Expenses Share			
- Field Lighting	100%	100%	100%
- Air Conditioning	100%	100%	0%
Cleanup & Game Expenses	100%	100%	100%

In addition, Twins have headquarters offices furnished at no additional cost, while Vikings have invested over \$9 million in Winter Park facility, with annual property tax payments of nearly \$400,000.

SLIDE 4

1982-1995 METROPOLITAN SPORTS FACILITIES COMMISSION NET
REVENUES FROM VIKINGS/TWINS



**1982-1995 COMMISSION NET REVENUES
FROM VIKINGS AND TWINS**

\$ in millions

	<u>VIKINGS</u>	<u>TWINS</u>
RENT	\$24.6	\$2.7 *
ADMISSIONS TAX	15.9	19.9
CONCESSIONS (NET OF COSTS)	14.4	17.1
FOOD SERVICE FEE (30%)	2.9	0.0
PARKING	<u>0.4</u>	<u>1.0</u>
TOTAL	<u>\$58.2</u>	<u>\$40.7</u>
DIFFERENCE		<u>\$17.5</u>

Source: MSFC Annual Reports

SLIDE 5

1982-1995 NET TEAM PAYMENTS TO COMMISSION



**1982-1995 NET TEAM PAYMENTS
TO COMMISSION**

\$ in millions

	<u>VIKINGS</u>	<u>TWINS</u>
RENT	\$24.6	\$2.7
ADMISSIONS TAX	15.9	19.9
FOOD SERVICE FEE (30%)	2.9	0.0
CONCESSIONS SHARE	<u>(3.2)</u>	<u>(35.4)</u>
NET TO (FROM) COMMISSION	<u>\$40.2</u>	<u>(\$12.8)</u>
DIFFERENCE		<u>\$53.0</u>

Source: MSFC Annual Reports

NOW I WOULD LIKE TO SHIFT FROM OUR LOCAL COMPARISON
TO SHOW WHERE WE STAND VIS-A-VIS THE NFL. FIRST, I'D LIKE
TO EXPLAIN THE SALARY CAP.

SLIDE 6

NFL SALARY CAP - 1995

NFL SALARY CAP - 1995

(\$ millions)

DEFINED GROSS REVENUE (DGR)	\$2,000
- Total of All revenue in League from Ticket sales and Broadcast revenues (national & local)	
AVERAGE TEAM DEFINED GROSS REVENUE	\$66.7
- NFL includes \$2.4 per team from Prior TV Contract	
SALARY CAP PER TEAM	\$42.0
1995 SALARY CAP PERCENTAGE per CBA	63%

SLIDE 7

NFL SALARY CAP WITH VIKINGS - 1995

NFL SALARY CAP - 1995

(\$ millions)

	NFL	VIKINGS
DEFINED GROSS REVENUE (DGR) - Total of All revenue in League from Ticket sales and Broadcast revenues (national & local)	\$2,000	
AVERAGE TEAM DEFINED GROSS REVENUE - NFL includes \$2.4 per team from Prior TV Contract	\$66.7	\$60.9
SALARY CAP PER TEAM	\$42.0	\$42.0
1995 SALARY CAP PERCENTAGE per CBA	63%	69%

SLIDE 8

RANKINGS: VIKINGS VS. NFL (1995 SEASON)



RANKINGS

VIKINGS vs. NFL

(For 1995 season)

	vs. All teams <u>(30 total)</u>	vs. Playoff teams <u>(12 + Vikings)</u>
Average Gross Ticket Price	18	7
Average Net Ticket Price	24	10
Average Visitor's Share Paid	22	10
Total Net Revenue	24	10 (est)
Stadium Capacity	21	9
Concessions Share	24	11
Effective Rent	30	13

SLIDE 9

1994/1995 NFL REVENUES BY TEAM

PRIVATE & CONFIDENTIAL

1994/95 NFL REVENUES BY TEAM

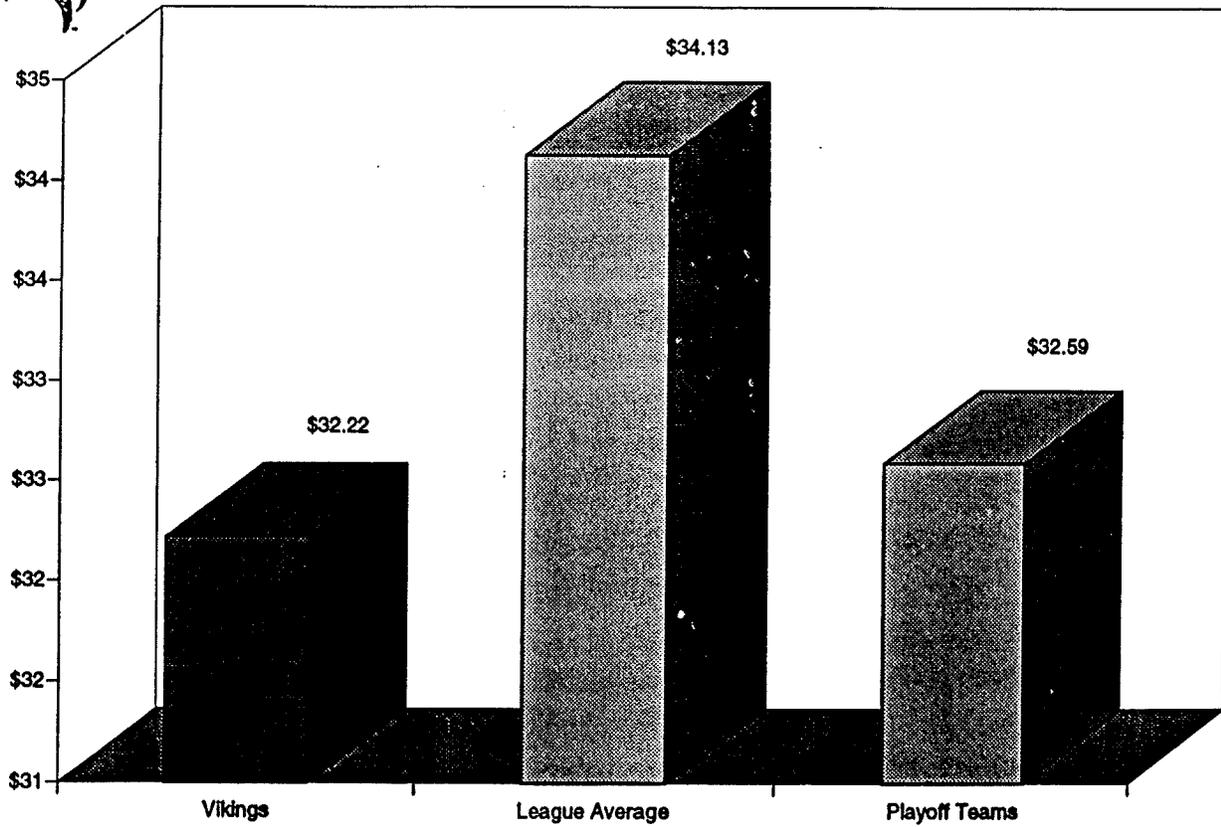
1994		1995	
TEAM RANK	NET REVENUE	TEAM RANK	GROSS REVENUE
1	92.9	1	104.3
2	70.9	2	85.9
3	67.4	3	79.2
4	67.1	4	79.1
5	66.8	5	75.9
6	66.4	6	74.0
7	65.8	7	73.9
8	64.2	8	72.5
9	63.4	9	71.9
10	63.2	10	71.8
11	62.4	11	71.1
12	61.0	12	70.5
13	59.9	13	68.4
14	59.2	14	68.2
15	59.2	15	68.0
16	59.1	16	67.9
17	58.9	17	67.4
18	58.7	18	66.5
19	58.4	19	66.2
20	58.4	20	66.2
21	58.2	21	65.4
22	57.5	22	65.3
23	57.1	23	64.9
24	56.9	24	64.5
25	56.3	25	64.4
26	56.2	26	64.1
27	54.8	27	63.3
28	53.3	28	63.0
AVERAGE	61.9		70.8

SLIDE 10

1995 NFL GROSS TICKET PRICES



1995 NFL GROSS TICKET PRICES

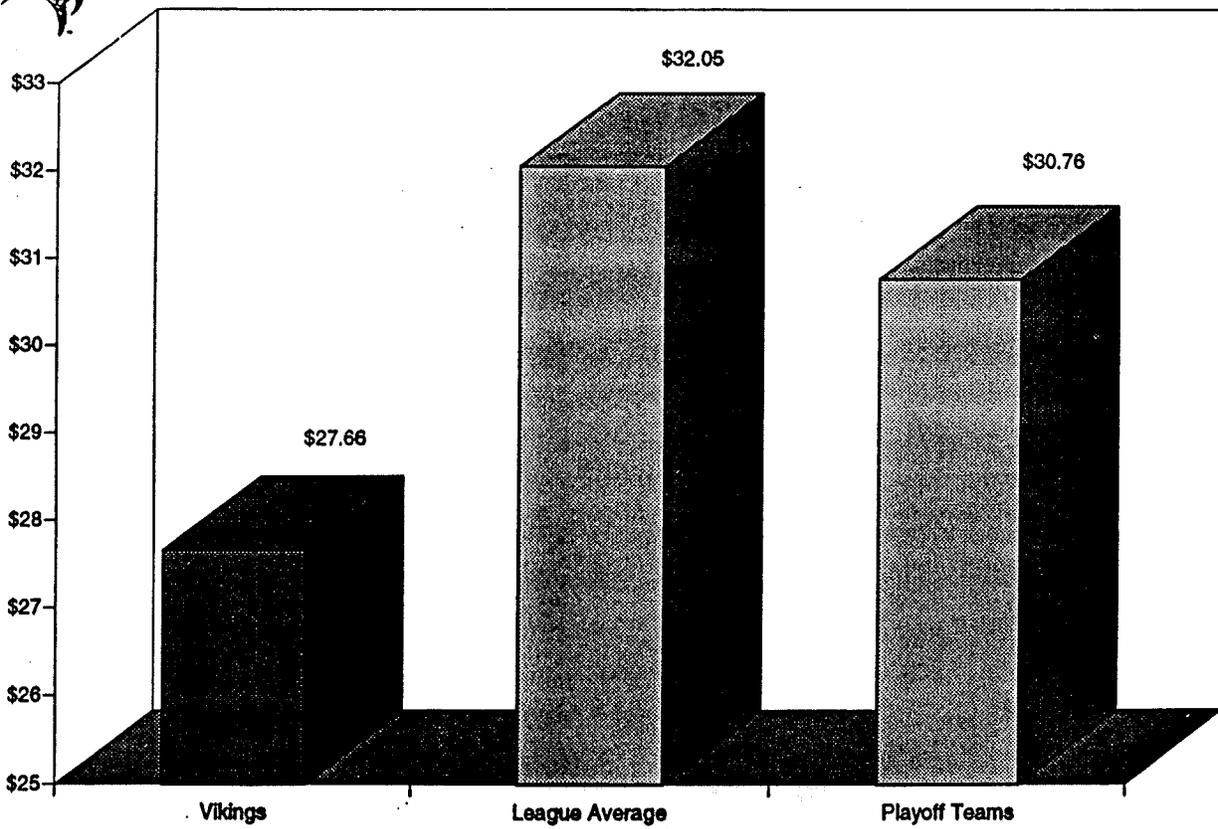


SLIDE 11

1995 NFL NET TICKET PRICES



1995 NFL NET TICKET PRICES

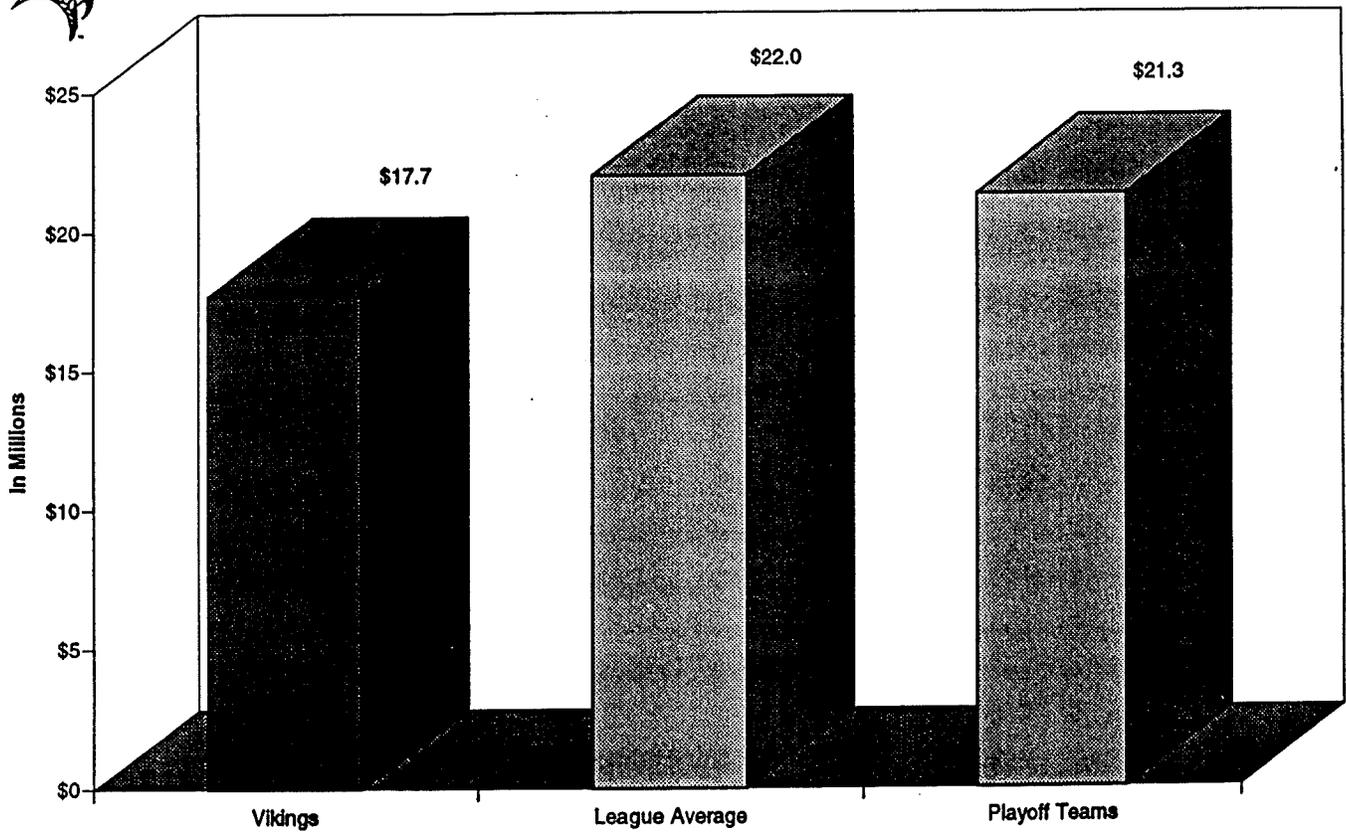


SLIDE 12

1995 VIKINGS NET TICKET REVENUE POTENTIAL



1995 NET TICKET REVENUE POTENTIAL



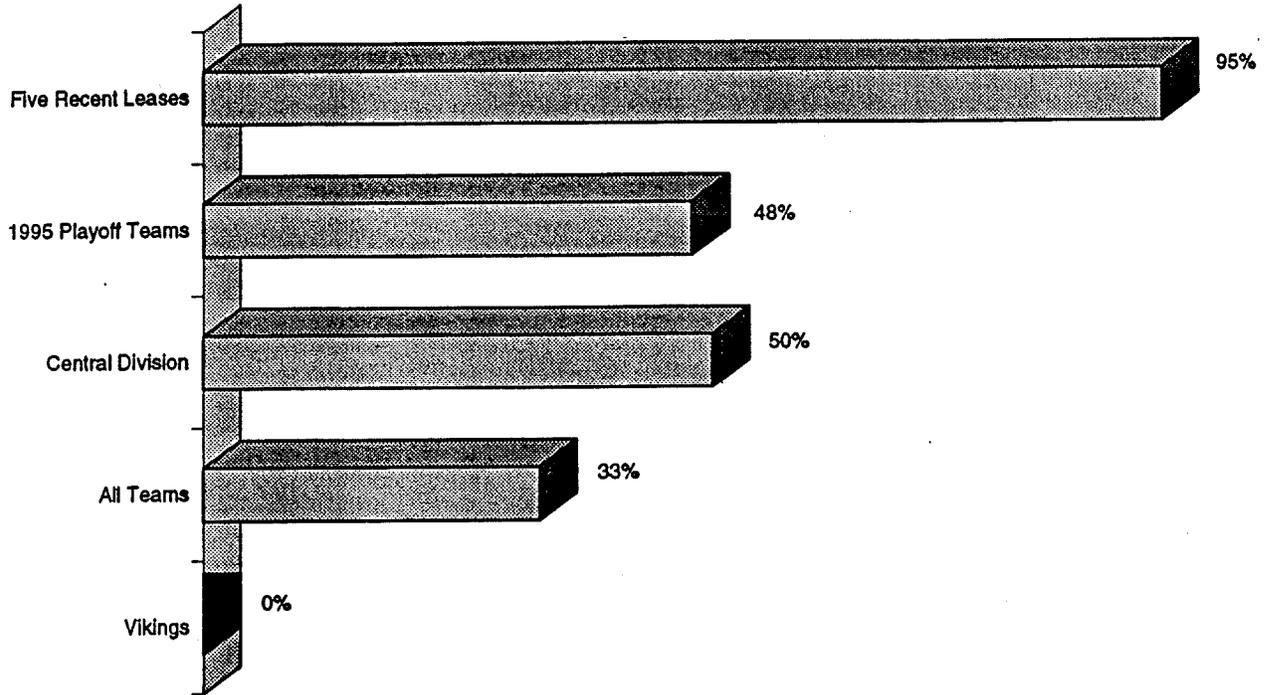
SLIDE 13

NFL TEAM SHARE OF REVENUE - ADVERTISING



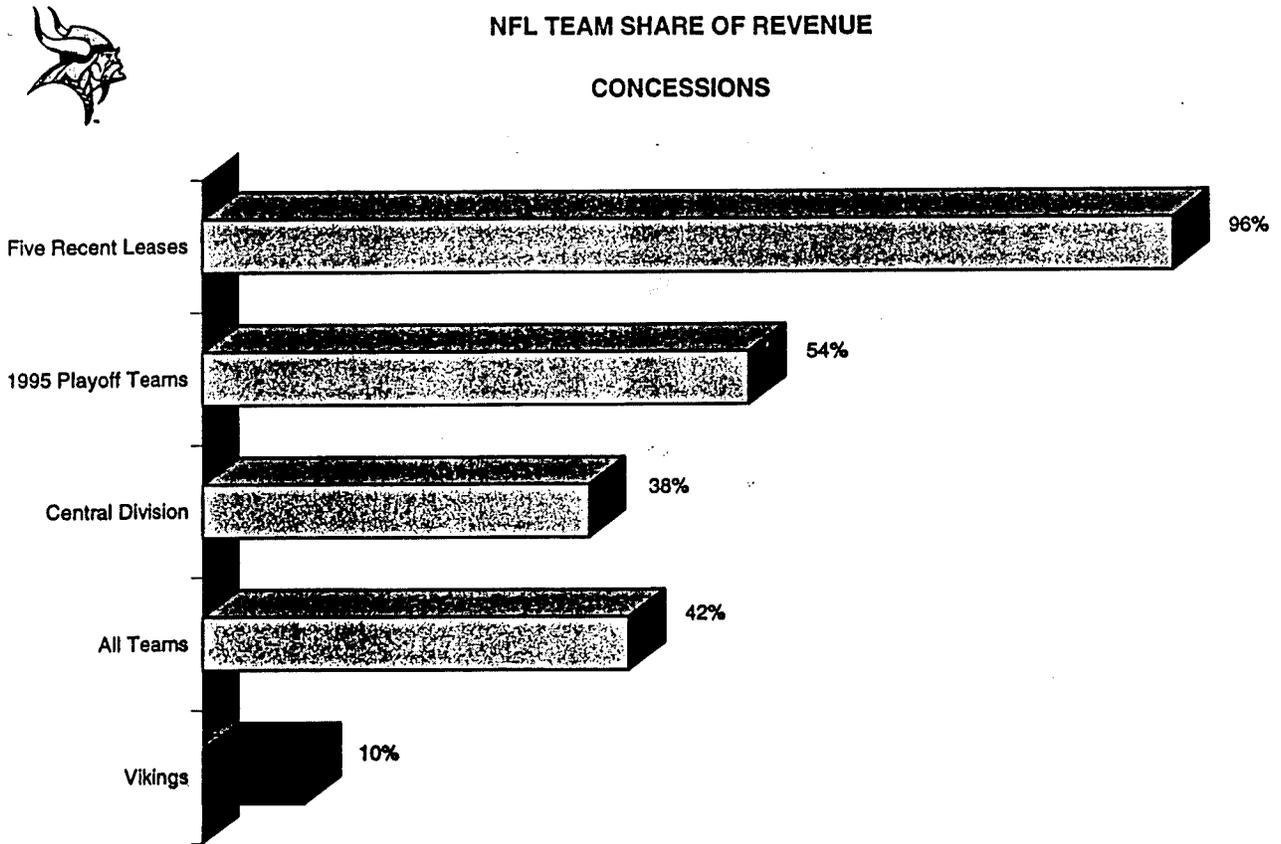
NFL TEAM SHARE OF REVENUE

ADVERTISING



SLIDE 14

NFL TEAM SHARE OF REVENUE - CONCESSIONS



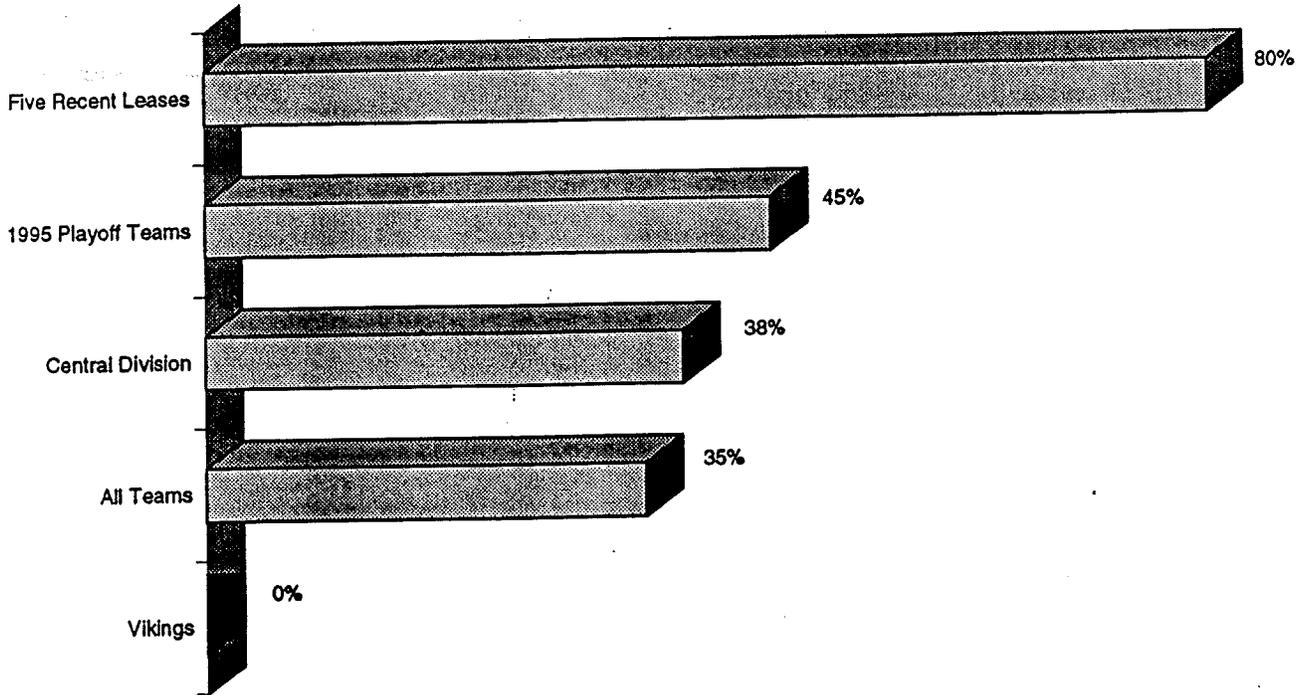
SLIDE 15

NFL TEAM SHARE OF REVENUE - PARKING



NFL TEAM SHARE OF REVENUE

PARKING



RECENT FOOTBALL & SUITES INCOME STATEMENTS



**RECENT FOOTBALL & SUITES
INCOME STATEMENTS**

\$ In Millions

	<u>1995 Actual</u>	<u>1994 Actual</u>
REVENUE:		
Game Receipts	\$ 18.3	\$ 17.2
TV/Radio	39.8	38.4
Other Revenue (net of expenses)	4.7	3.8
Suites (net of expenses)	1.8	2.0
Total Revenues	<u>64.6</u>	<u>61.4</u>
FOOTBALL EXPENSES:		
Player compensation	\$ 40.2	\$ 37.9
Other expenses	18.6	17.6
Total Expenses	<u>58.8</u>	<u>55.5</u>
Operating Income	<u>5.8</u>	<u>5.9</u>
Net Interest Expense	2.2	1.9
Other (Income) Expense	3.1	1.5
Non-Operating Expenses	<u>5.3</u>	<u>3.4</u>
Tax Expense	1.4	2.0
Net Income	<u>\$ (0.9)</u>	<u>\$ 0.5</u>

SLIDE 17.

FOOTBALL & SUITES NET INCOME



**FOOTBALL & SUITES
NET INCOME**

\$ in Millions

1991 Actual	\$0.1
1992 Actual	(\$9.6)
1993 Actual	\$6.6
1994 Actual	\$0.5
1995 Actual	(\$0.9)
5 year average	(\$0.7)

1996 Projected	(\$3.6)
1997 Projected	(\$3.0)

THAT BRINGS ME BACK TO OUR REVENUE SITUATION, WHERE WE STAND WITHIN THE NFL, AND WHAT WE MIGHT BE ABLE TO DO ABOUT IT. AS I SHOWED YOU EARLIER, OUR REVENUE POSITION WITHIN THE NFL IS DETERIORATING. WE DECLINED FROM 21ST IN 1994 TO 24TH IN 1995.

SLIDE 18

1994 & 1995 NFL REVENUES BY TEAM

PRIVATE & CONFIDENTIAL

1994/95 NFL REVENUES BY TEAM

1994		1995	
TEAM RANK	NET REVENUE	TEAM RANK	GROSS REVENUE
1	92.9	1	104.3
2	70.9	2	85.9
3	67.4	3	79.2
4	67.1	4	79.1
5	66.8	5	75.9
6	66.4	6	74.0
7	65.5	7	73.9
8	64.2	8	72.5
9	63.4	9	71.9
10	63.2	10	71.8
11	62.4	11	71.1
12	61.0	12	70.5
13	59.9	13	68.4
14	59.2	14	68.2
15	59.2	15	68.0
16	59.1	16	67.9
17	58.9	17	67.4
18	58.7	18	66.5
19	58.4	19	66.2
20	58.4	20	66.2
21	58.2	21	65.4
22	57.5	22	65.3
23	57.1	23	64.9
24	56.9	24	64.8
25	56.3	25	64.4
26	56.2	26	64.1
27	54.9	27	63.3
28	53.3	28	63.0
AVERAGE	61.9		70.8

OUR SITUATION CAN BE SEEN PERHAPS MORE CLEARLY WHEN WE COMPARE VIKINGS LOCAL REVENUES IN 1995 WITH LEAGUE AVERAGE LOCAL REVENUES AND TEAMS BROKEN DOWN BY QUARTILES. VIEWED ON THIS BASIS, WE CLEARLY FALL IN THE 4TH (LAST) QUARTILE, AND ARE WELL BELOW THE LEAGUE AVERAGE, THE 1995 PLAYOFF TEAMS, AND THE 10TH AND 12TH PLACE TEAMS (THAT IS, COMPARABLE TO THOSE WHO MIGHT BE AMONG THE CONSISTENT PLAYOFF CONTENDERS.)

SLIDE 19



**NATIONAL FOOTBALL LEAGUE
REVENUE QUARTILES - 1995**

\$ in millions

	League Quartiles*				League Average	Vikings	
	1st	2nd	3rd	4th		\$	Rank
LOCAL REVENUE:							
Ticket Sales	\$ 23.6	\$ 20.2	\$ 18.0	\$ 16.0	\$ 19.4	\$ 17.1	23
Local TV/Radio	\$ 4.9	\$ 3.0	\$ 2.0	\$ 1.2	\$ 2.8	\$ 1.6	22
Loge Boxes	\$ 5.1	\$ 2.1	\$ 1.3	\$ 1.0	\$ 2.1	\$ 1.8	16
Other Local	\$ 11.1	\$ 4.8	\$ 3.0	\$ 1.7	\$ 5.1	\$ 1.8	26
Total Local Revenues	\$ 41.5	\$ 29.4	\$ 24.9	\$ 22.3	\$ 29.4	\$ 22.3	28
Common Revenues	\$ 41.9	\$ 41.5	\$ 41.1	\$ 40.9	\$ 41.3	\$ 42.2	
Total Revenues	\$ 83.0	\$ 70.9	\$ 66.2	\$ 63.5	\$ 70.7	\$ 64.5	24

* Revenues from each category are ranked separately. Consequently, quartile Columns are not additive. 2nd and 3rd quartiles include 8 teams.

Source: NFL League Office estimates.

Local Revenue of:		Vikings shortfall
10th	\$30.3	\$8.0
12th	29.3	7.0
Average	29.4	7.1
Playoff teams	30.1	7.8

WHAT CAN WE DO ABOUT THIS SITUATION? AS I'VE ALREADY MENTIONED, WE SEE OUR CURRENT AND FUTURE COMPETITIVE SITUATION MOST DIRECTLY ENHANCED BY IMPROVING OUR LEASE AND MAKING NECESSARY RENOVATIONS OF THE METRODOME TO PROVIDE SIGNIFICANT NEW SOURCES OF REVENUE AS WELL AS EXPENSE REDUCTION..

THIS NEXT SLIDE SHOWS THE POTENTIAL ADDITIONAL INCOME WHICH MIGHT BE MADE AVAILABLE TO THE VIKINGS UNDER THREE DIFFERENT OPERATING ENVIRONMENTS:

- IF WE HAD A LEASE COMPARABLE TO THE EXISTING TWINS LEASE,
- IF WE WERE ABLE TO MAKE ADDITIONAL ENHANCEMENTS TO OUR LEASE, AND
- IF THE VIKINGS WERE TO ASSUME OPERATIONAL MANAGEMENT RESPONSIBILITY FOR THE METRODOME AND SIGNIFICANT CAPITAL IMPROVEMENTS WERE MADE SUCH THAT THE METRODOME COULD BE BROUGHT UP TO THE STANDARDS OF NEW STADIUM FACILITIES WITHIN THE NFL.

THE COST OF PURSUING THIS COURSE IS PRESENTLY
ESTIMATED TO BE BETWEEN \$100-150M.

SLIDE 20

REVENUE ENHANCEMENT POTENTIAL

TWINS LEASE/REVISED LEASE/STADIUM RENOVATION



**POTENTIAL LEASE/REVENUE
ENHANCEMENTS FOR VIKINGS**

(Projected - 1996 \$'s)
\$ in thousands

	Lease Comparable to Twins	Other lease Changes	With Metrolink Remodeling
REVENUE ENHANCEMENT:			
Concessions (Improve share and new revenue development)	\$1,200		\$800
Remove admissions tax		1,800	
Stadium Advertising	275	2,225	
Naming Rights			2,000
PSL's on Club Seating (over 10 yrs)			2,200
Additional Events			500
Club Seat Premiums			800
Additional Suite Revenue			500
Parking		100	
Additional seating			1,200
EXPENSE REDUCTIONS:			
Eliminate rent	2,900		
Reduce Game Day expense	25	275	
Eliminate commission on Suite Food Sales		300	
Stadium management (net)			600
TOTAL	\$4,400	\$4,700	\$8,600

THIS NEXT SLIDE ATTEMPTS TO SUMMARIZE WHAT IS HAPPENING AROUND THE NFL WITH RESPECT TO LOCAL REVENUE TAKING 1994 AS THE BASE YEAR AND LOOKING AHEAD TO THE YEAR 2000.

SLIDE 21

LOCAL REVENUE RANKINGS FOR NFL TEAMS - 1994 AND 2000



LOCAL REVENUE RANKINGS FOR NFL TEAMS
1994 and 2000

	1994 6 teams	changes	Projected 2000 19 teams
High	Buffalo Chicago Dallas Kansas City NY Giants San Francisco	new stadium? new stadium? expansion franchise expansion franchise relocation relocation	Buffalo Chicago Dallas Kansas City NY Giants San Francisco Carolina Jacksonville Oakland St. Louis Cincinnati Baltimore (Cleveland) Denver Detroit Nashville (Houston) San Diego Seattle Tampa Bay Washington Merits to Sit: (Cleveland) (Los Angeles)
Average	Atlanta Denver Miami New England New Orleans NY Jets Philadelphia San Diego	stadium referendum in 1997 lease changes in 1998 stadium renovation underway	Atlanta Miami New England New Orleans NY Jets Philadelphia
Low	Arizona Cincinnati Cleveland Detroit Green Bay Houston Indianapolis LA Raiders LA Rams Minnesota Pittsburgh Seattle Tampa Bay Washington	stadium referendum approved moved to Baltimore in 1998 new stadium approved added suites in 1998 moving to Nashville in 1998 relocated to Oakland relocated to St. Louis lease improvements expected stadium referendum approved new stadium in 1997	Arizona Green Bay Indianapolis Minnesota Pittsburgh

SUMMARY

LET ME TRY TO SUMMARIZE BRIEFLY WHAT I HAVE PRESENTED THIS AFTERNOON AND THEN ALLOW TIME FOR YOUR QUESTIONS.

- OUR PRINCIPAL OBJECTIVE IS FOR THE VIKINGS TO BE A CONSISTENTLY COMPETITIVE TEAM YEAR AFTER YEAR - WE HAVE DONE THIS OVER THE PAST FIVE YEARS AND WE INTEND TO CONTINUE THIS RECORD, IF NOT IMPROVE ON IT. WE CAN START THIS YEAR BY WINNING IN THE PLAYOFFS.
- WE ARE ONE OF THE LOWEST REVENUE TEAMS IN THE NFL (24TH OUT OF 28).
- IN THE ERA OF PLAYER FREE AGENCY, REVENUE GENERATION FROM ALL AVAILABLE SOURCES IS ESSENTIAL. SINCE NATIONAL TV REVENUE IS SHARED EQUALLY BY ALL TEAMS, AND GATE RECEIPTS ARE SHARED 60% TO THE HOME TEAM AND 40% TO THE VISITING TEAM, THE ONLY SIGNIFICANT REVENUE OPPORTUNITY REMAINING IS STADIUM REVENUE.

- THE VIKINGS PRESENT LEASE ARRANGEMENT IS AMONG THE WORST IN THE NFL. OUR TICKET TAXES ARE THE HIGHEST IN THE LEAGUE, OUR NET TICKET RECEIPTS ARE SECOND LOWEST, AND WE ACTUALLY PAY MORE ANNUALLY IN RENT TO THE STADIUM COMMISSION THAN WE RECEIVE IN STADIUM REVENUE FROM CONCESSIONS AND OUR SUITES.
- THE VIKINGS FOOTBALL OPERATIONS HAVE OPERATED AT A NET LOSS OVER THE PAST FIVE YEARS AND LOSSES ARE GROWING.
- WE ARE CURRENTLY OPERATING WITH LOCAL REVENUE \$7M BELOW LEAGUE AVERAGE AND \$8M BELOW THE 10TH TEAM (TOP THIRD) IN THE LEAGUE.
- REVISING OUR PRESENT LEASE COULD GENERATE \$4-9M IN ADDITIONAL REVENUE, BUT THAT WOULD ONLY BRING US UP TO THE LEAGUE AVERAGE TODAY. IT WOULD NOT ENABLE US TO REMAIN COMPETITIVE INTO THE FUTURE.
- BASED ON OUR CURRENT INFORMATION, VIRTUALLY EVERY LOW REVENUE TEAM IN THE NFL HAS OBTAINED, OR IS PRESENTLY SEEKING, A NEW STADIUM OR MAJOR REVENUE

ENHANCEMENTS IN THEIR EXISTING FACILITY. (IN EITHER THEIR EXISTING LOCATION OR A NEW CITY.)

- TO REMAIN COMPETITIVE LONG-TERM, WE NEED THE SAME OPPORTUNITY AS OTHER TEAMS ARE ACHIEVING, OR SEEKING TO ACHIEVE, IN OTHER CITIES WITHIN THE NFL. THUS, WE NEED EITHER TO MAKE MAJOR CHANGES TO THE METRODOME WHICH COULD INCREASE OUR ANNUAL REVENUE IN THE \$15-18M RANGE OR MOVE INTO A NEW STADIUM WHICH PROVIDES US WITH THE SAME REVENUE OPPORTUNITY.
- IN THIS CONNECTION, WE BELIEVE THREE POTENTIAL OPTIONS SHOULD BE THOROUGHLY EXAMINED:
 - A MAJOR UPGRADING OF THE METRODOME TO BRING IT UP TO DATE WITH CURRENT STADIUM FACILITIES IN THE NFL - THE COST OF THIS COULD RANGE FROM \$100-150M.
 - PARTICIPATE IN A NEW STATE-OF-THE-ART MULTI-PURPOSE FACILITY WITH THE TWINS - THIS COST COULD BE FROM \$300-350M, INCLUDING A RETRACTABLE ROOF.

- OR, IF THESE TWO POSSIBILITIES ARE NOT FEASIBLE,
BUILD A NEW STATE-OF-THE-ART FOOTBALL ONLY
STADIUM AT A COST OF \$200-250M.

LET ME CLOSE BY MAKING A FEW ADDITIONAL COMMENTS.

WE BELIEVE THE VIKINGS ARE AN ESSENTIAL ELEMENT OF
MINNESOTA.

WE CARRY THE NAME OF THIS STATE PROUDLY. NEARLY ONE
THIRD OF OUR TICKET SALES ARE OUTSIDE THE METROPOLITAN
TWIN CITIES AREA. IN FACT, THIS YEAR ALONE WE HAVE HAD
MINNESOTA VIKINGS TICKET PURCHASES FROM 47 OF THE
NATION'S 50 STATES. . . INCLUDING ALASKA AND HAWAII. WE
SELL 2,000 TICKETS IN CANADA. WE COULD FILL ONE
COMPLETE GAME AT THE DOME WITH TICKET HOLDERS FROM
IOWA AND WISCONSIN ALONE.

WE HAVE REPRESENTED THIS STATE 4 TIMES IN OVERSEAS GAMES PLAYED IN GREAT BRITAIN, GERMANY, SWEDEN AND JAPAN.

BECAUSE OF OUR COMPETITIVENESS WE CONTINUE TO BE A FAVORITE ON NATIONAL TELEVISION. OUR 1995 SUNDAY NIGHT GAME AGAINST DALLAS WAS THE HIGHEST RATED CABLE TV GAME IN HISTORY. IT WAS VIEWED IN 9.1 MILLION HOMES ACROSS THE NATION. WE APPEARED FIVE TIMES THIS YEAR ON EXCLUSIVE NATIONAL TV.

OUR RADIO NETWORK SPANS A FIVE STATE REGION, 64 STATIONS IN MORE THAN 60 CITIES. WE EMPLOY OVER 700 PEOPLE IN ALL ASPECTS OF OUR OPERATION. WE CURRENTLY BRING INTO THIS STATE EACH YEAR APPROXIMATELY \$45M OF REVENUE FROM OUT OF STATE SOURCES - NFL NATIONAL TV AND PROPERTIES INCOME - NO OTHER PROFESSIONAL SPORTS FRANCHISE CAN COME CLOSE TO THIS FIGURE. AS A RESULT,

WE PROVIDE OVER \$5 MILLION OF INCOME AND GENERAL SALES TAXES FOR THIS STATE ANNUALLY.

WE HAVE 46 ACTIVE, PASSIONATE VIKINGS FAN CLUBS IN 31 STATES OUTSIDE OF MINNESOTA. AND ONE IN EDINBURGH, SCOTLAND.

WE ARE, AND WILL CONTINUE TO BE, ACTIVE, CONCERNED CONTRIBUTORS TO THE HEALTH AND WELL BEING OF THE CITIZENS OF THIS STATE.

OUR VIKING CHILDREN'S FUND RECORDED ITS HIGHEST LEVEL OF GRANTS IN HISTORY THIS YEAR (\$317,500) AND HAS CONTRIBUTED NEARLY 2.5 MILLION DOLLARS SINCE 1978 TO SUPPORT OUR COMMUNITIES HEALTH, EDUCATION AND FAMILY SERVICE NEEDS. OVER \$2 MILLION OF THAT TOTAL HAS BEEN EARMARKED FOR USE IN THE RESEARCH AND CURE OF CHILDHOOD DISEASES AT THE UNIVERSITY OF MINNESOTA'S DEPARTMENT OF PEDIATRICS.

VIKING ALUMNI WHO HAVE CHOSEN TO SETTLE HERE HAVE
BECOME MAJOR CONTRIBUTORS TO THIS STATE'S WELL BEING
... FROM ALAN PAGE ON THE SUPREME COURT TO OSCAR REED
WHO RUNS A CARE CENTER FOR ABUSED CHILDREN IN
MINNEAPOLIS. OVER 100 FORMER VIKINGS HAVE COME
HERE . . . PLAYED HERE . . . AND STAYED HERE.

WE ARE, AND WE CONSIDER OURSELVES, A STATE RESOURCE.
OUR OWNERSHIP AND OUR MANAGEMENT ARE DEDICATED
SUPPORTERS OF THIS STATE. WE HAVE, THROUGHOUT OUR
HISTORY, MAINTAINED TRAINING CAMP FACILITIES IN
MINNESOTA, INITIALLY IN BEMIDJI AND FOR THE LAST 30
YEARS IN MANKATO ON THE CAMPUS OF MANKATO STATE
UNIVERSITY. IN 1997 WE PLAN TO DEDICATE ONE OF OUR PRE-
SEASON GAMES TO SUPPORT MIDDLE SCHOOL YOUTH
ATHLETICS IN MINNEAPOLIS AND ST. PAUL. INCIDENTALLY WE
HOPE TO DO THAT IN ASSOCIATION WITH THE COMMISSION'S
OWN FOUNDATION.

WE, LIKE THE TWINS, ARE A BUSINESS. BUT WE ARE A BUSINESS
WHOSE ONLY CURRENT RETURN IS TO THE PEOPLE OF THIS
STATE. WE PROVIDE THE INTANGIBLE LIFT THAT MAKES
PEOPLE SWELL WITH PRIDE. WE PROVIDE HEROES... CRIS
CARTER, BRAD JOHNSON, JOHN RANDLE, WARREN MOON, EDDIE
MC DANIEL. WE PROVIDE ASTOUNDING MOMENTS OF
ATHLETIC ACHIEVEMENT THAT DON'T BELONG TO US. THEY
BELONG TO EVERY MAN, WOMAN AND CHILD IN THIS STATE.

THE VIKINGS ARE DETERMINED TO CONTINUE OUR SUCCESS.
BUT TO DO SO WE NEED YOUR SUPPORT AND YOUR HELP.

THANK YOU FOR YOUR TIME AND ATTENTION.

University of Minnesota Background

FEB 20 1997 WED 02:40 PM 1101 V
UNIVERSITY OF MINNESOTA

03001.2

Twin Cities Campus

Men's Intercollegiate Athletics

226 Bierman Field Athletic Building
516-15th Avenue S.E.
Minneapolis, MN 55455
612-625-4838
Fax: 612-626-7859

February 3, 1997

Henry Savelkoul
Chairman
Metropolitan Sports Facilities Commission
HHH Metrodome
900 South Fifth Street
Minneapolis, MN 55415

Dear Henry:

Thank you for the opportunity to discuss with the Commission the future of Gopher football in the Metrodome. I know Coach Mason enjoyed meeting members of the Commission and was glad to express the strength of his feelings about our future in the Metrodome and making the Dome even more of a home for Gopher football.

During the course of my presentation you and members of the Commission clearly communicated to me your willingness to negotiate a new Use Agreement and, if I got the message correctly, asked for us to communicate to the Commission very directly what we want and need to create a partnership to make Gopher football more successful and, correspondingly, benefit the Metrodome, the city of Minneapolis, the state and the university.

I hope with this letter to be able to advance the essential elements of a new Use Agreement that we hope to see put in place some time before the beginning of the coming football season. Our belief is that this new agreement is the primary ingredient to the type of partnership we both need and want. Please let me know when you would like to begin negotiations on this new Use Agreement. I will certainly make myself and my staff available at any time that suits you and the Commission.

As I indicated in my presentation, the university and the Metrodome have something very fundamental in common. We are both public entities. Our hope is that this similarity will enable us to operate in the Metrodome in a truly "rent free" way by gaining access to all future net revenues we produce at the Dome. These revenues have helped make the Metrodome a successful financial enterprise over the course of the last 15 years at the same time our football program has struggled to gain competitiveness.



Mr. Henry Savelkoul
February 3, 1997
Page Two

In a new Use Agreement we would ask:

1. that the commission tax currently charged on Gopher football tickets be rebated to the university or that the Metrodome provide a similar economic rebate to the department by absorbing all game operations and transportation expenses associated with our home games;
2. that all net income from concessions for Gopher football games go to the university;
3. that control of all Metrodome parking be given to the university on game days;
4. that all net revenue from the Plaza, including beer sales, go to the university;
5. that one-third of the permanent signage revenue enjoyed by the Metrodome as well as all of the game-day temporary signage revenue associated with Gopher games be remitted to the university;
6. that significant improvements be made to the Gopher locker room, including expansion to 120 lockers to finally create sufficient capacity for our team during home games;
7. that a dedicated and adequately decorated facility, such as the Vikings Lounge, be created for university activities (including recruiting) that surround our games;
8. that the commission negotiate the right for the university to receive all suite income for Gopher games or be provided a comparable financial benefit;
9. that the university continue to have access to the Metrodome for baseball (and soccer) and that the physical configuration of the Metrodome continue to be suitable for baseball as was promised in our original Use Agreement. This was, obviously, one of the significant factors in causing the university to leave its home on campus in Memorial Stadium and move to the Metrodome;

Mr. Henry Savelkoul
February 3, 1997
Page Three

10. that the commission create a permanent ticket office location on the west side of the Metrodome near the Plaza where customers can be better and more easily served; and
11. that the commission allow use of the Metrodome video board for game day sponsorships and commercial messages for Gopher games.

We are asking for no public subsidy and the price tag of our concerns is certainly not consistent with what you are considering in the case of your other tenants. But, our request is made with genuine concern. The university believes it has contributed significantly to help reduce the debt on the Metrodome, produce significant economic impact and that our enhanced partnership and a higher quality football program, to which we have already financially committed ourselves, will further benefit the Metrodome, the city of Minneapolis and the state.

I look forward to the beginning of our negotiations and the opportunity to revise our Use Agreement to include the provisions we have outlined in this letter. Please let me know when you would like to meet.

Sincerely,



Mark Dienhart, Ph.D.
Director of Men's Athletics

MD:bd

cc: Don Early
Peggy Lucas
John Pacheco
Paul Thatcher
Loanne Thrane
Terrell Towers
Bill Lester
Dennis Alfton

UNIVERSITY OF MINNESOTA

Twin Cities Campus

Men's Intercollegiate Athletics

*226 Bierman Field Athletic Building
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January 17, 1997

TO: Dennis Alfton
FROM: John Anderson
SUBJECT: The Metrodome and University of Minnesota

Please find enclosed the information you requested with regards to the history and needs of the Golden Gopher Baseball Program at the Metrodome. I have shared this document with Mark Dienhart and Jeff Schemmel and they are in complete agreement with this information.

In the next two weeks, I understand they will be developing some new ideas on revising the use agreement we have in football and baseball with the Stadium Commission. I will be involved in that process and this document can be used as a good starting point.

Thank you for allowing me the opportunity to be involved in this very important process as our staff decided what the future holds for all of us who currently use the Metrodome.



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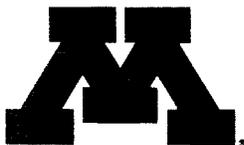
January 17, 1997

TO: Dennis Alfton
FROM: John Anderson
SUBJECT: The Metrodome and University of Minnesota Baseball

Since the first Gopher Baseball game played in the Metrodome in 1985, this facility has steadily played an increasingly larger and more significant role in the University of Minnesota program. The Metrodome provides recruiting, player development and scheduling options that would not exist without this facility opportunity. What started out as an experiment, has become a critical component in maintaining and improving one of the nation's top twenty-five collegiate programs as named recently by Baseball America.

College baseball is played from February through May in most part of the country, with the majority of the teams beginning play in early February. The Minnesota climate does not allow for practice or game competition during those months before our spring arrives on a regulation size field outside. The Metrodome has played an important role in the Minnesota program competing on a national basis for the following reasons:

1. The Metrodome has allowed the Gophers to play more home contests than any school in the Big Ten. All other conference schools must travel early in the season to warm climates for competition. In 1997, we are playing a total of seventeen games in the Dome, all of which would have to be played on the road with no access. The Gophers have won 75% of our home games in the last twelve years, but only 50% on the road. Having the last at-bat in baseball is a big advantage.
2. The Metrodome has allowed a recruiting edge that eliminates weather as a prerequisite for player development. National recruits Dan Wilson, Denny Neagle and Brent Gates (all current Major League players) would never have come to Minnesota if the opportunity to play in the Dome was not an option.
3. The Metrodome has allowed the Gophers to schedule top flight national competition at home rather than always traveling. Widely respected programs like Miami, Texas A & M, Wichita State, UCLA, Florida State, Arkansas and LSU have all come to Minneapolis because of the opportunity to play in the Metrodome.



4. The Metrodome has been a lifesaver for the weather plagued early in the Big Ten schedule. Rain, and even snow, would have prevented key Big Ten conference games from being played at Siebert Field each of the past three seasons, but the availability of the Metrodome as an alternative has resulted in the Gophers never having had to cancel a Big Ten home game because of the weather in the last eleven years. For example, the Big Ten opener in 1997 is scheduled for March 28-30 in Minneapolis. Only once in the last eleven years have we played a game at Siebert Field in March.
5. The Metrodome has been an extremely valuable practice facility during the developmental winter months as the team prepares for early season contests. The ability to scrimmage, pitch off dirt mounds and have regular full scale batting practice has proved very valuable. The entire coaching staff will feel more confident about our preparation for this season's opener because the Metrodome is available for several practices in early February.
6. The Metrodome's availability in February has allowed the program to create the highly successful Pro-Alumni game. Former Gophers now in professional baseball annually return to play an exhibition game versus the current Gopher team. This game has raised money for the Dick Siebert Scholarship fund and has brought unprecedented media attention at the beginning of our season. If we had to play this game at Siebert Field, it would not exist because of the pro's schedule during the spring and summer months.
7. The Metrodome has allowed the Gophers to appear on national and local television. The media outlets locally love the Metrodome's T.V. readiness, and the ESPN network would have never televised from Siebert Field.
8. The Metrodome as an alternative field for the Gophers has been the primary reason the Hormel Foods Baseball Classic was created in 1985. The idea of a first-class tournament held in Minnesota where top notch college teams travel to the Twin Cities was only a dream until permission to play in the Dome was established. Since its creation, everybody that is anybody in college baseball, has come to the tournament including over fifty future Major League players.

As we look to the future, perhaps the most significant improvement in the relationship with the Metrodome could be in the practice use of the facility. If we could gain permanent and regular access to the Dome in January, February and parts of March, the development of our team could be like no other northern college team in the country. We could also recruit on a broader base because weather is a factor in the program would be completely eliminated.

The recruiting, player development and scheduling advantages the Metrodome provides cannot be understated. These opportunities are critical to maintain and improve the national scope the Minnesota Gopher Baseball program has experienced in the last decade.

Metrodome Financial Projections

Metropolitan Sports Facilities Commission
Summary of Projected Income and Expenses
1997-2000, with Twins baseball
(dollars in millions)

(attendance in millions)	1995	1996	Estimate 1997	Estimate 1998	Estimate 1999	Estimate 2000
Attendance assumptions:						
Twins	1.1	1.4	1.5	1.5	1.5	1.5
Vikings	0.6	0.6	0.6	0.6	0.6	0.6
U of M	0.3	0.3	0.3	0.3	0.3	0.3
Other events	0.5	0.4	0.4	0.4	0.4	0.4
TOTAL ATTENDANCE	2.5	2.7	2.8	2.8	2.8	2.8
(dollars in millions)						
REVENUES:						
Twins	\$1.7	\$2.3	\$2.8	\$2.9	\$3.0	\$3.1
Vikings	5.1	4.6	5.1	5.3	5.4	5.6
U of M	0.6	0.6	0.6	0.6	0.6	0.7
Other events	1.7	2.4	1.5	1.5	1.6	1.6
Suites	1.0	1.0	1.3	1.3	1.3	1.3
Miscellaneous	2.8	2.9	2.5	2.6	2.7	2.7
TOTAL REVENUE	\$12.9	\$13.8	\$13.8	\$14.2	\$14.6	\$15.0
OPERATING EXPENSES	8.4	8.7	9.0	9.5	9.9	10.1
OPERATING INCOME	\$4.5	\$5.1	\$4.8	\$4.7	\$4.7	\$4.9
INTEREST INCOME	\$2.8	\$1.6	\$1.6	\$1.6	\$0.5	\$0.5
OTHER COSTS AND DEBT SERVICE:						
Repair and replacements	\$4.1	\$1.3	\$0.8	\$0.9	\$1.0	\$1.1
Capital improvements	3.8	2.7	0.7	1.0	1.0	1.0
Concessions upgrades	0.5	0.7	1.1	0.5	0.5	0.7
Bond principal and interest	4.0	4.0	4.0	4.0	0.0	0.0
TOTAL OTHER COSTS	\$12.4	\$8.7	\$6.6	\$6.4	\$2.5	\$2.6
NET (LOSS) AVAILABLE AFTER OTHER INCOME and COSTS	(\$5.1)	(\$2.0)	(\$0.2)	(\$0.1)	\$2.7	\$2.5

Assumptions:

Tenants continue under current or 1996 use agreements
No Metrodome debt service after 1998
No major capital improvements considered after 1996

Metropolitan Sports Facilities Commission
Summary of Projected Income and Expenses
2001-2006, without Twins baseball
(dollars in millions)

(attendance in millions)	Estimate 2001	Estimate 2002	Estimate 2003	Estimate 2004	Estimate 2005	Estimate 2006
Attendance assumptions:						
Vikings	0.6	0.6	0.6	0.6	0.6	0.6
U of M	0.3	0.3	0.3	0.3	0.3	0.3
Other events	0.4	0.4	0.4	0.4	0.4	0.4
TOTAL ATTENDANCE	1.3	1.3	1.3	1.3	1.3	1.3
 (dollars in millions)						
REVENUES:						
Vikings	\$5.8	\$6.0	\$6.2	\$6.3	\$6.5	\$6.7
U of M	0.7	0.7	0.7	0.8	0.8	0.8
Other events	1.6	1.6	1.7	1.7	1.8	1.9
Suites	1.3	1.3	1.3	1.3	1.3	1.3
Miscellaneous	1.0	1.0	1.1	1.1	1.1	1.2
TOTAL REVENUE	\$10.4	\$10.7	\$11.0	\$11.2	\$11.5	\$11.8
OPERATING EXPENSES	6.3	6.6	7.0	7.4	7.7	8.1
OPERATING INCOME	\$4.1	\$4.1	\$4.0	\$3.8	\$3.8	\$3.7
INTEREST INCOME	\$0.5	\$0.5	\$0.5	\$0.5	\$0.5	\$0.5
OTHER COSTS :						
Repair and replacements	\$1.1	\$1.2	\$1.2	\$1.2	\$1.3	\$1.3
Capital improvements	1.0	1.0	1.0	1.0	1.0	1.0
Concessions upgrades	0.5	0.5	0.5	0.5	0.5	0.5
TOTAL OTHER COSTS	\$2.6	\$2.7	\$2.7	\$2.7	\$2.8	\$2.8
NET (LOSS) AVAILABLE AFTER OTHER INCOME and COSTS	\$2.0	\$1.9	\$1.8	\$1.6	\$1.5	\$1.4

Assumptions:

- Twins are no longer Metrodome tenants
- Vikings and Gophers continue under current or 1996 use agreements
- No Metrodome debt service after 1998
- No major capital improvements considered after 1996

Metropolitan Sports Facilities Commission
Summary of Projected Income and Expenses
2001-2006, without Twins, Vikings or Gophers
(dollars in millions)

(attendance in millions)	Estimate 2001	Estimate 2002	Estimate 2003	Estimate 2004	Estimate 2005	Estimate 2006
Attendance assumptions:						
Other events (incl. U of M baseball)	0.4	0.4	0.4	0.4	0.4	0.4
TOTAL ATTENDANCE	0.4	0.4	0.4	0.4	0.4	0.4
(dollars in millions)						
REVENUES:						
Other events	\$1.9	\$2.0	\$2.1	\$2.1	\$2.2	\$2.2
Suites	0.1	0.1	0.1	0.1	0.1	0.1
Miscellaneous	0.3	0.3	0.3	0.3	0.3	0.4
TOTAL REVENUE	\$2.3	\$2.4	\$2.5	\$2.5	\$2.6	\$2.7
OPERATING EXPENSES	4.7	4.9	5.2	5.4	5.7	6.0
OPERATING INCOME	(\$2.4)	(\$2.5)	(\$2.7)	(\$2.9)	(\$3.1)	(\$3.3)
INTEREST INCOME	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0
OTHER COSTS :						
Repair and replacements	\$0.7	\$0.7	\$0.7	\$0.8	\$0.8	\$0.9
Capital improvements	0.4	0.4	0.4	0.5	0.5	0.5
Concessions upgrades	0.3	0.3	0.3	0.3	0.3	0.3
TOTAL OTHER COSTS	\$1.4	\$1.4	\$1.4	\$1.6	\$1.6	\$1.7
NET (LOSS) AVAILABLE AFTER OTHER INCOME and COSTS	(\$3.8)	(\$3.9)	(\$4.1)	(\$4.5)	(\$4.7)	(\$5.0)
	=====	=====	=====	=====	=====	=====

Assumptions:

Twins, Vikings and Gophers are no longer Metrodome tenants
No Metrodome debt service after 1998
No major capital improvements considered after 1996

Metropolitan Sports Facilities Commission
Fund and Account Balances
(dollars in millions)

Balances as of 12-31-96	\$22.0
Appraised Value of Met Center	<u>28.5</u>
Total fund and account balances	\$50.5
Metrodome revenue bonds	<u>(\$36.1)</u>
Total account balances, after paying off bonds	\$14.4
Funds needed during non-revenue months	(4.0)
Funds needed for upgrading concessions	(2.0)
Funds needed for stadium repairs and replacements	<u>(3.0)</u>
Total funds necessary for operation	<u>(\$9.0)</u>
Funds available for other capital improvements	<u>\$5.4</u>

II. Stadium Options Background

Dual-Use Stadium Concept

The HOK Dual-Use Stadium Concept

The Hubert H. Humphrey Metrodome was the last dual-use stadium built for professional sports in the United States (*Pro Player Stadium in Miami, formerly Joe Robbie Stadium, was built for football and was later converted to include major league baseball.*)

The growing need for generating additional and exclusive stadium revenues has fueled this movement toward single-use stadia such as Coors Field, Jacobs Field, Orioles Park at Camden Yard and the Carolina Panthers' new football-only stadium in Charlotte, Ericsson Stadium. This single-use concept is the model that has been favored by the Minnesota Twins and by Major League Baseball.

HOK Sport, a Kansas City-based architectural firm which was retained by the Minnesota Vikings, presented its concept for a state-of-the-art dual-use stadium to the Metropolitan Sports Facilities Commission at an informational meeting on January 15, 1997.

There are many functional and operational questions that are unanswered relative to a dual-use stadium concept. Key points in the discussion of a single-use vs. a dual-use stadium concept include the following:

- The HOK stadium features a retractable roof, large moveable seating sections that align in differing locations for either football or baseball, and natural grass or synthetic turf playing field capability.
- In theory, the dual-use stadium would allow for each tenant to have better control of individual streams of stadium revenue. For example, tenants could market and package suites, advertising and club seats independently, enabling them to capture most of the revenues they could capture from their own exclusive, single-use stadia. However, no data exists to support this theory, because no such situation currently exists. Also, certain important revenue sources of the stadium, such as naming rights, can only be sold once. In-stadium signage could also become quite complicated because of the flexibility of new technology.
- A natural grass, retractable roof, dual-use stadium may not be able to accommodate the number and variety of events that are currently housed in the Metrodome. Traditional Metrodome events such as early spring Gophers' baseball, high school championships, motorsport events, the Golf Show and many others may not be suited to the new dual-use stadium.

- If the Metrodome were to remain the site for those types of events, the University of Minnesota football team would then have the option to play in the new dual-use stadium or stay in the Metrodome.

Functional Review of the HOK Dual-Use Concept

Mile High Stadium in Denver and Aloha Stadium in Honolulu utilize similar stadium-conversion concepts as in the HOK design. However, neither has a retractable roof, and neither have multiple tenants that share or divide stadium revenues.

The HOK plan presented would allow for professional baseball and football uses. The number and type of other additional events would be limited only by playing field type and protection capability. Mile High Stadium has the Denver Broncos professional football team as a prime tenant. For a period of two years while Coors Field was being constructed they also had the Colorado Rockies professional baseball team as a tenant. Aloha Stadium annually hosts the National Football League's "Pro Bowl" game and University of Hawaii collegiate football and baseball games. The stadium was also the home of a AAA baseball team in the 1980s and hosts a number of high school events.

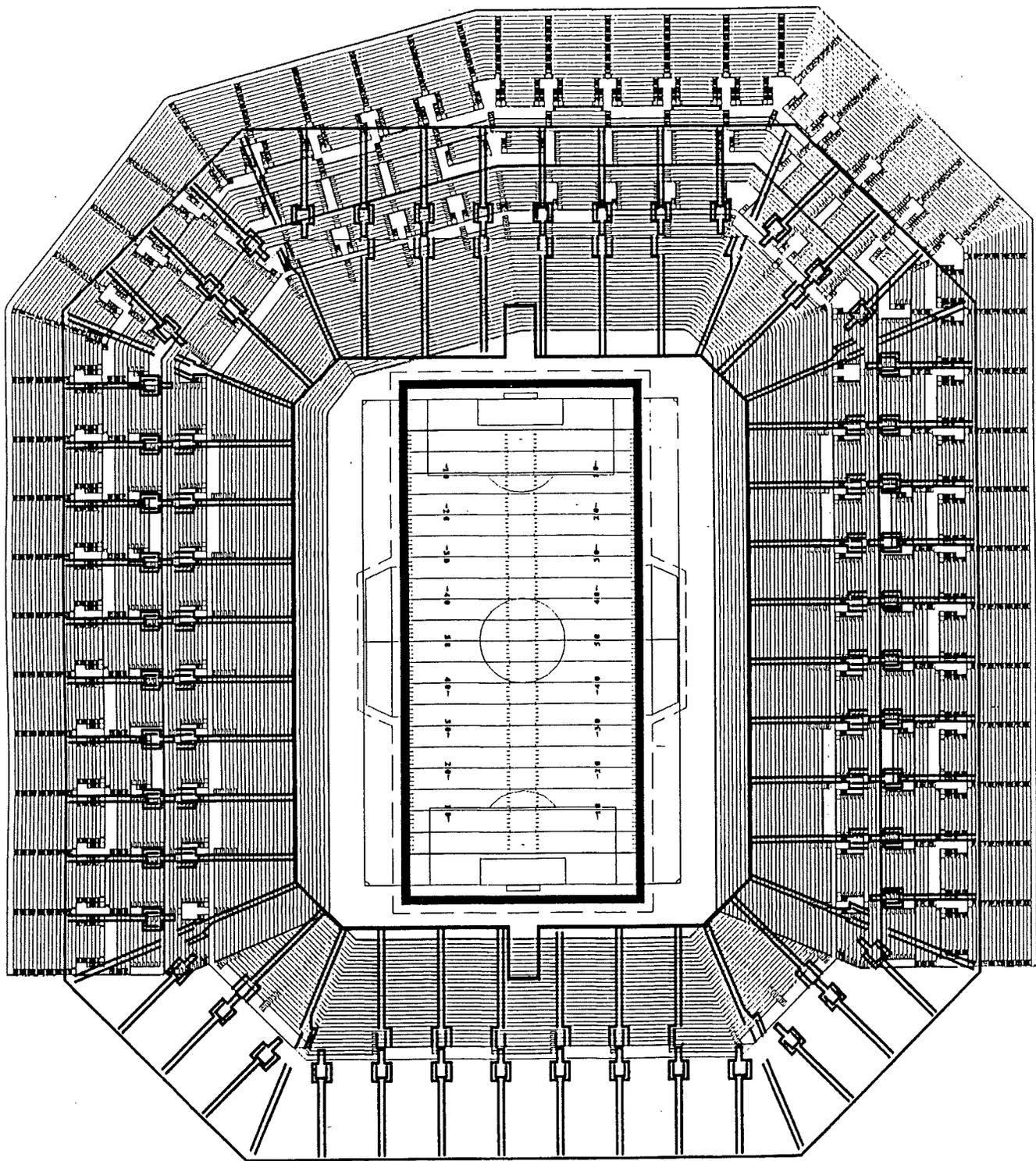
- The HOK plan is more complex for conversion purposes than Mile High Stadium, and contemplates several moveable sections of seating which under differing configurations need to move and or hide in order to mesh with each other.
- In the HOK plan, some sections move laterally, some move in and out and some move up and down.
- No stadium has been built to date with this level of complexity and integration.
- The Detroit, Michigan firm, Walbridge-Aldinger examined the HOK design for a possible Detroit Tiger/Lions stadium and expressed concerns regarding prototyping and the ability to operate such systems in a harsh climate.

- HOK believes that existing technology can be utilized for seating section movement and that conversion times would be similar to Mile High Stadium (about four hours). HOK also believes the critical path in converting the stadium is not the seating section movement, but field preparation.
- The Mile High Stadium moveable seating section is much simpler in that it moves on water bearing tracks to three locations, in, out or in-between. Hookups for electrical, potable water and sanitary sewer exist at each location. 25 to 30 people are needed for about 12-13 hours to undertake the playing field conversion. The system has had operational problems due to differential settling of footings.
- Operating costs for the HOK design are expected to be somewhat higher than that of a single purpose design due to complexity of design.
- Critical analysis needs to be conducted on the proposed means of converting the stadium. The conversion time for the HOK concept appears significantly longer than that currently for the Metrodome. This may not allow baseball and football activities to occur on the same day or on consecutive days. The type of technology for seating section-movement systems, and its location in relationship to the building, needs to be examined given Minnesota's climate.

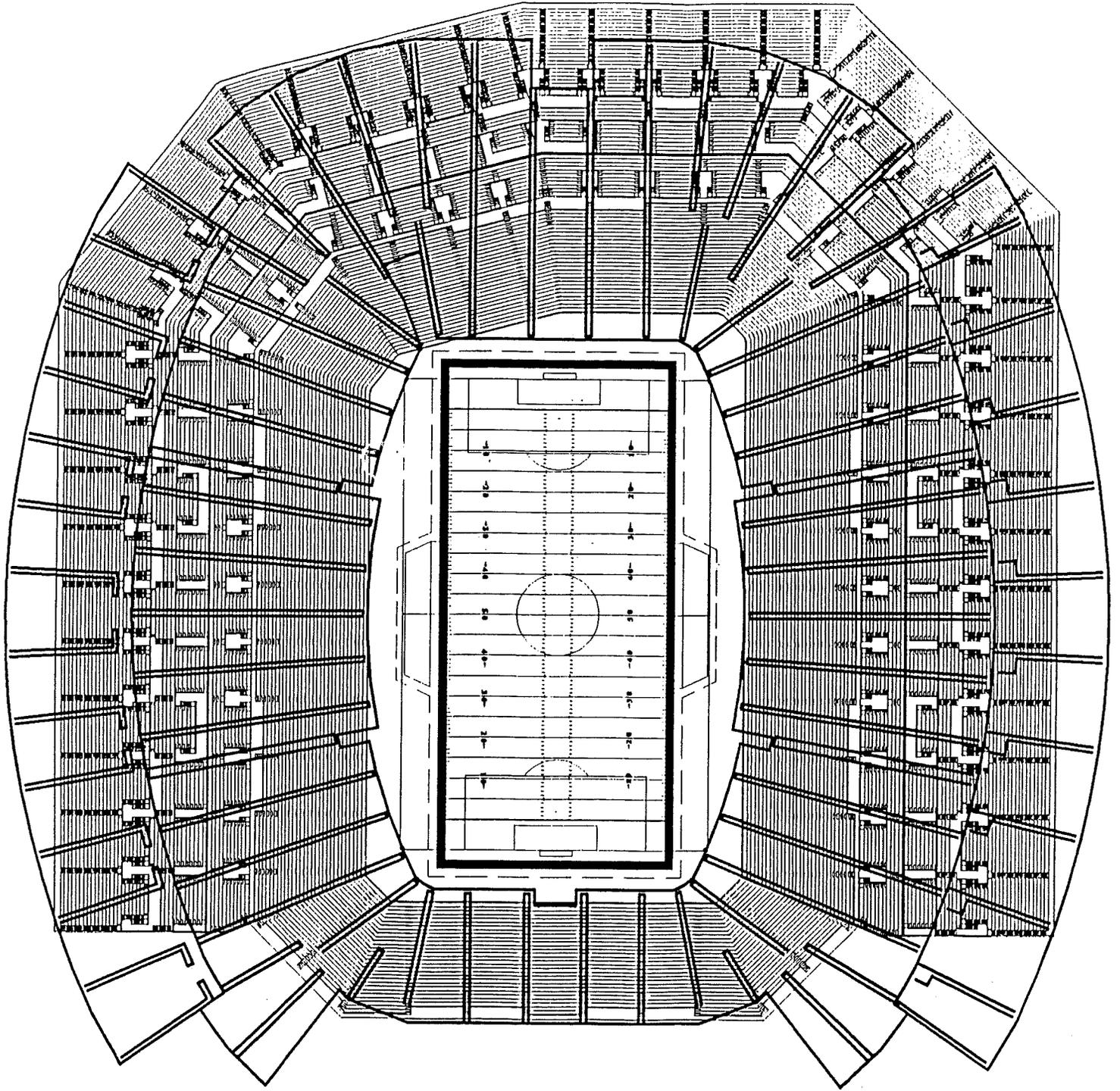
Project Cost Estimates

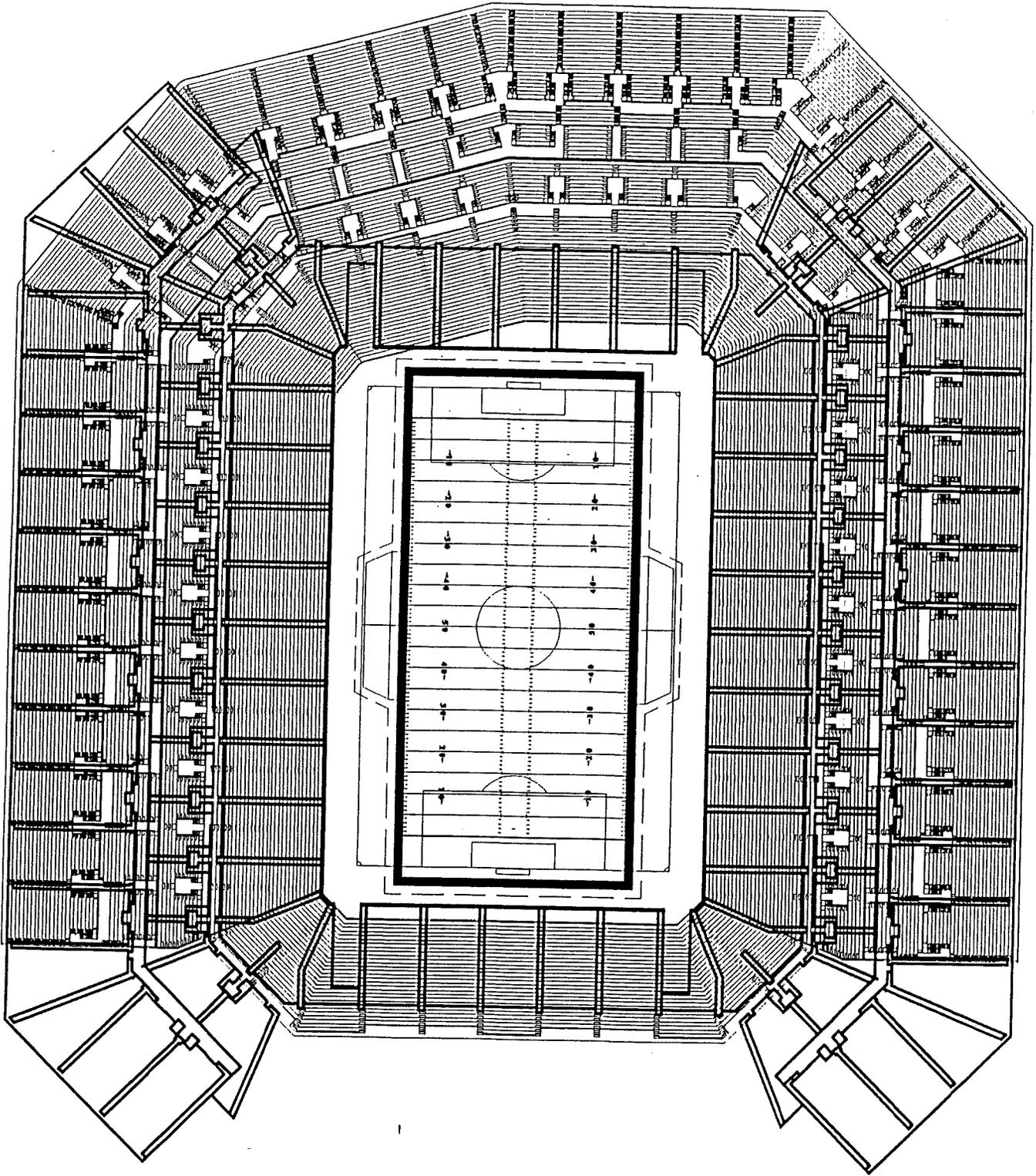
Walbridge-Aldinger (WA) has determined that a retractable roof, dual-use stadium — not including land acquisition, infrastructure development, related development, or soft costs — would cost about \$400 million. Their cost projection of a baseball-only facility with roof at that time was \$225 million. WA projected a 30-month construction timetable for a baseball-only stadium with a roof. WA's estimate of construction time for a dual-use stadium with roof is 36 months.

Barton Malow Co., a construction and construction services company based in Detroit, did a similar analysis of the HOK design. They concluded that the direct construction cost without roof would be about \$267 million. Barton Malow's estimate assumed the seating conversion system was similar to Denver's (water cushion technology). Barton Malow's estimate did not include architect, engineering or testing fees, inspections/permits and team furnishings. Factoring in these items — to be comparable to the WA estimate — Barton Malow's construction cost for HOK design would be about \$480 million. After careful review, the MSFC has developed its own stadium cost estimates, which are found elsewhere in this report.

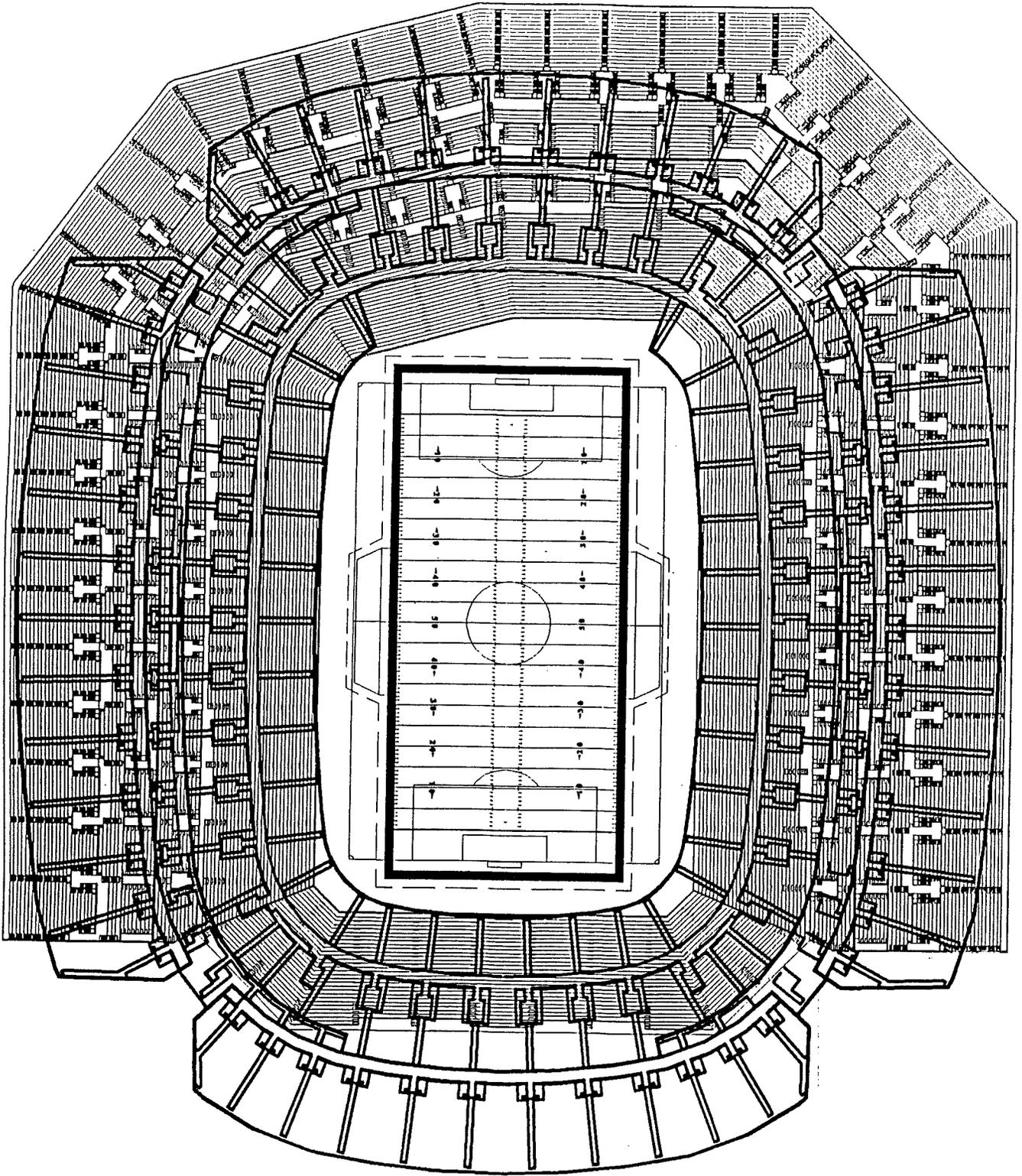


JOE ROBBIE

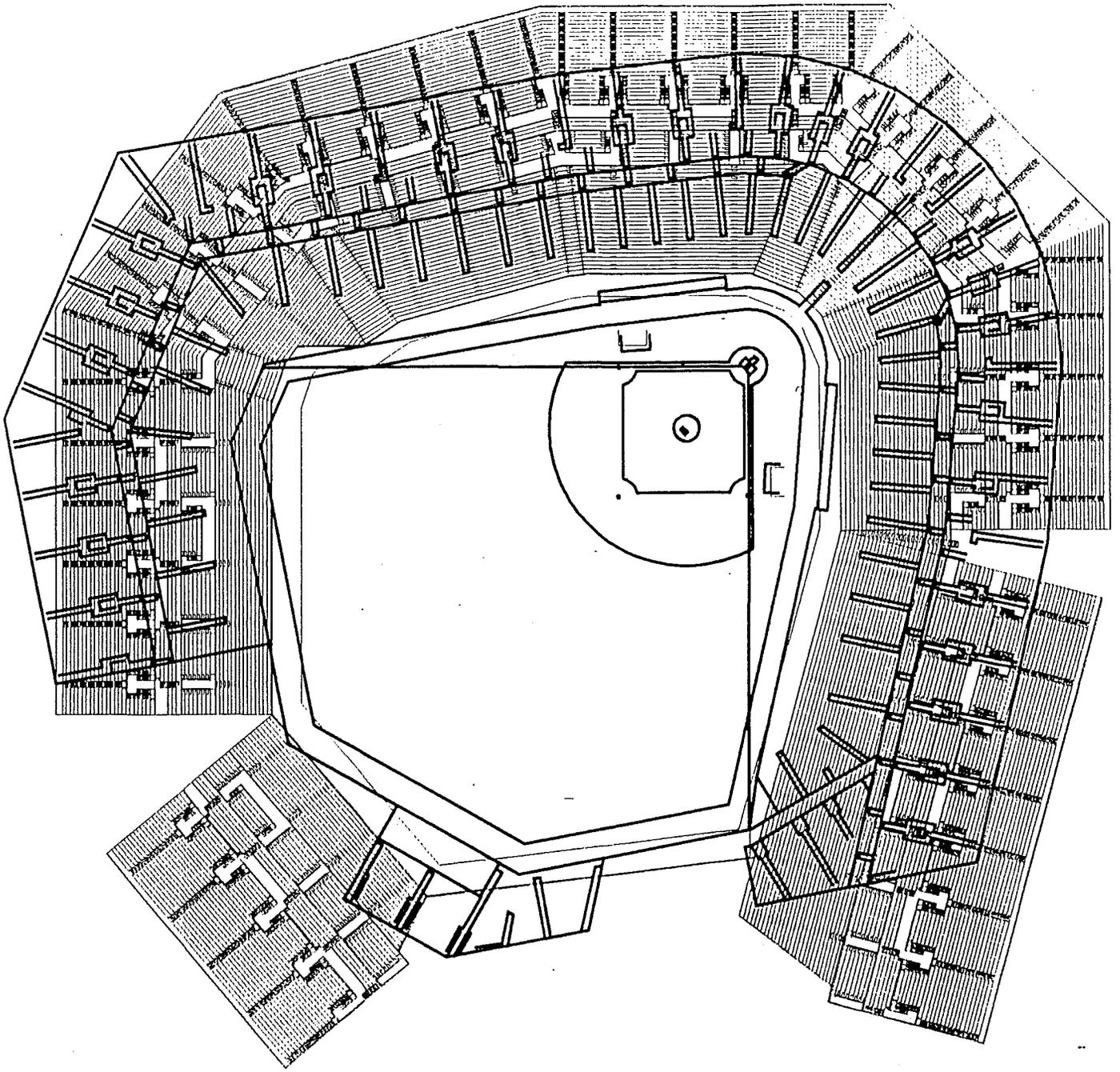




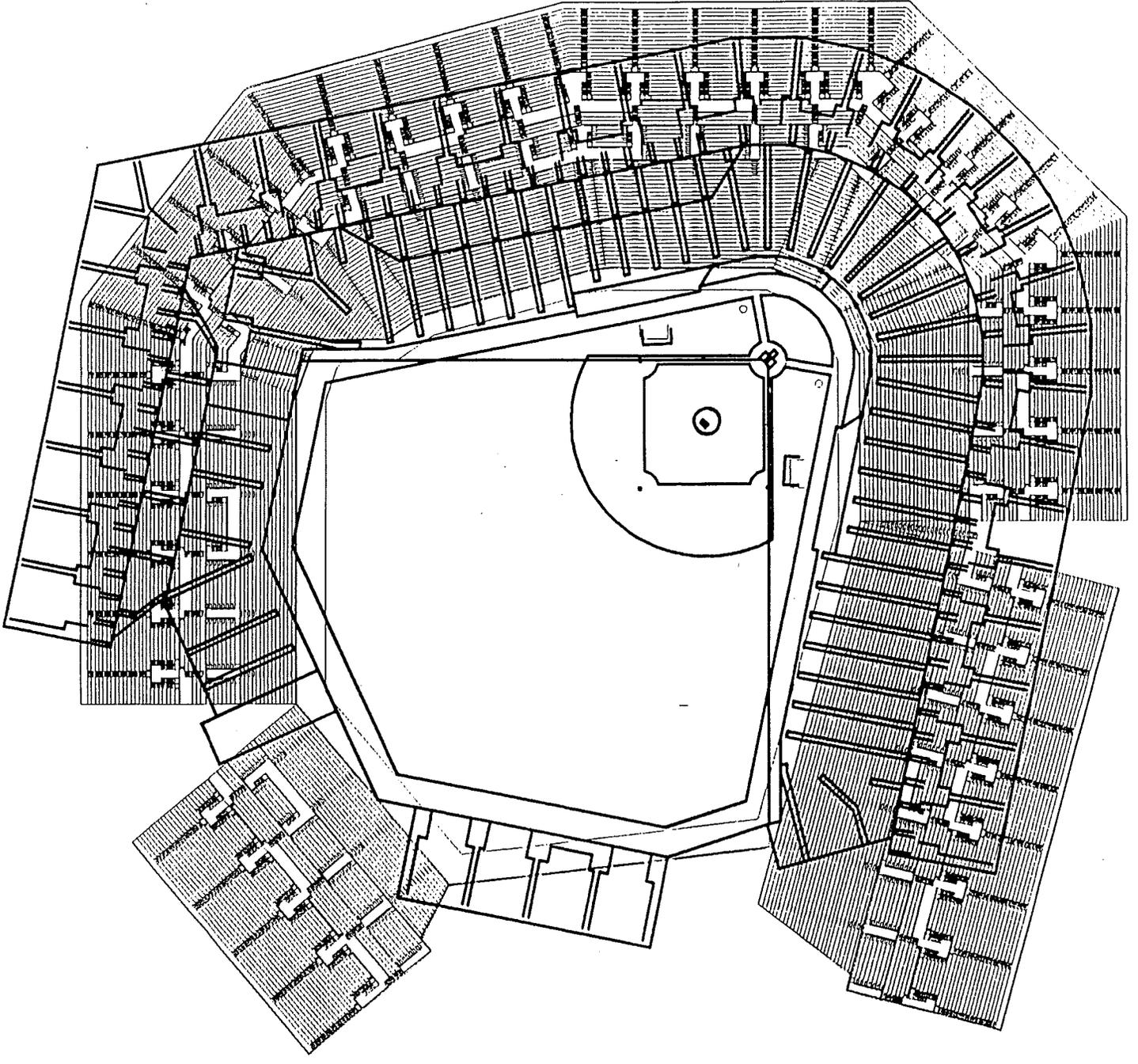
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TAMPA



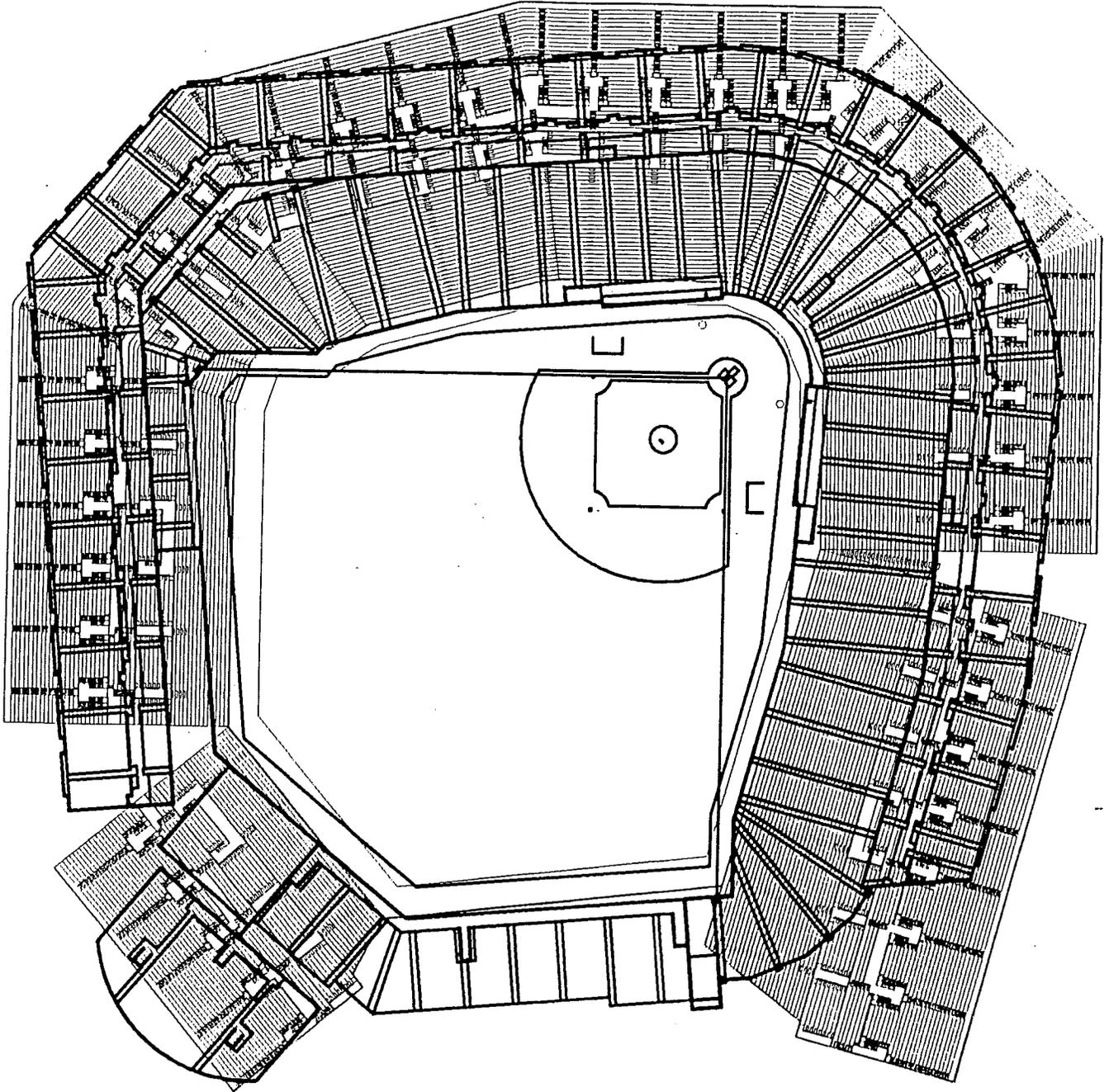
PROPOSED
BALTIMORE



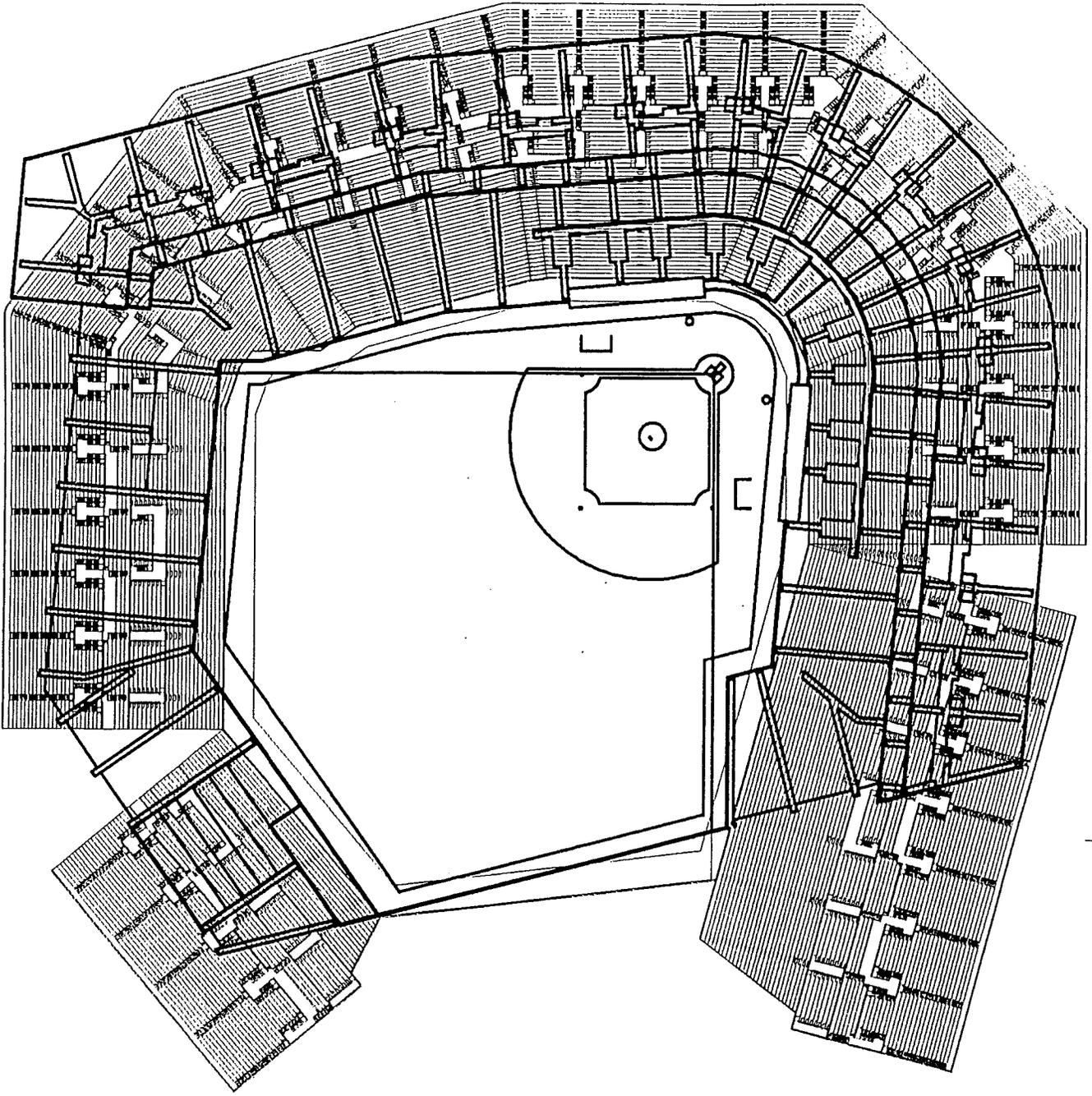
ORIOLE PARK AT
CAMDEN YARDS



JACOBS FIELD



COORS FIELD



PROPOSED
SAN FRANCISCO

Devine deFlon Yaeger Architects, Inc.

Architecture Planning Interiors Graphics Consulting

February 26, 1997

Mr. Steve Maki
Hubert H. Humphrey Metrodome
900 S. 5th Street
Minneapolis, MN 55415

Re: Multi-purpose Stadium Design Review 97007

Dear Steve:

Devine deFlon Yaeger Architects, Inc., is pleased to be of assistance to you and the Commission in your pursuits of new facilities. Per your request, we have reviewed the drawings of the multi-purpose concept by HOK. As it is always a sensitive matter reviewing the work of others, we want to say that this is a cursory review and involves only review of documents provided to us by others. We have not checked the accuracy or scale, nor have we performed detailed computer site line calculations.

We understand that you wish for us to comment on any concerns with the general attributes, functional aspects or any other irregularities that may be apparent. In that regard, this review will appear rather negative, as we haven't spent much time documenting the things that work. HOK has experience with this building type, and we have to assume that exiting requirements, ratios of toilet fixtures, concession stands, commissaries and the like will be adequately provided as the concept is developed.

Generally, the concept of a multi-purpose football/baseball stadium has been unused in recent years. From a facility design perspective, this is because of many factors. Primary among the reasons are the differences in size and shape of the playing field itself, and the disparity between the desired seating capacities for each sport, which can approach 30,000 seats. These factors have been dealt with through history by moving large sections of stadiums with mixed success. Various methods have been employed, such as moving smaller seating sections on railroad-type rails in many of the round-shaped buildings of the 60's and 70's, to transporting nearly whole stadiums on beds of air or water, as in Aloha Stadium in Hawaii, or Mile High Stadium in Denver. Recently, technology has made advances in moving smaller sections of seating. However, we believe the idea of moving large outdoor stadium sections, as proposed, will still be experimental and the negative experiences, in Hawaii particularly, doesn't bode well for the idea.

Mr. Steve Maki
February 27, 1997
Page 2

It appears that HOK is proposing the movement of at least two large multi-level sections of the stadium. Aside from the mechanical concerns with this, the concept results in concourses broken and connected by bridges and provides a real challenge to make the aesthetics of the building work in both modes.

The dual purpose concept also leads to discussion on the aesthetics in general. Does the baseball team wish to follow the current nostalgic trend? And, if so, does that suit the football team's taste, which many times falls more toward the modern or contemporary?

Finally, the more difficult issues to resolve with the use of the dual-use stadium come from the details of "the deal." Who has precedence in scheduling and operations? Is the field natural grass, and, if so, the details of changeover are critical in this design. A large portion of both fields would be covered while in the alternate configuration. How long is the changeover? How does the grass grow under the seats? What are the details relative to the sections moving over the field? And, most difficult of all, as you at the Metrodome know, is how are revenues shared? Are suites and club seats owned or controlled by one team? Even simple issues like use of colors, or whose scoreboard system is used can be problematic.

This design, in its own basic shape, is very similar to the Atlanta Olympic Stadium, which I was involved in a few years ago. Although, unlike Atlanta where the huge seating disparity between the Olympics and its ultimate baseball use were simply removed after the Games, the large football capacity must remain here. This design tries to conceal some of these seats, although all of those are in the lower deck. I cannot tell if the endzone football lower deck seats are removed for baseball, but it looks as though one could see them behind the outfield fence. The location of what appears to be the scoreboard at this endzone also is troublesome in that it looks to be half of a football field away from the outfield fence, and when the left field baseball seats are turned in, this means that most of the baseball seats down the left field baseline have a less than optimum view of the board.

Unfortunately, the sheer mass of the stadium is relatively unchanged from the large football capacity to the baseball mode. This results in a large portion of seats in compromised locations, strangely enough for both sports. If you look at the comparison drawings, easily one fourth to one half of the upper deck seats for baseball are farther away and higher than recent ballparks. Similarly, in the football mode, a significant number of seats are located higher, farther, and in the corners than comparable NFL stadiums, probably due to an attempt to pull seats behind home plate for baseball.

Mr. Steve Maki
February 27, 1997
Page 3

The large moving stadium sections are an effort to focus outfield seats back toward the infield for baseball. This works fine around right field and in the outfield. However, the left field stands benefit little for the great difficulty and cost of moving. The last four sections would probably be broken again if they are to be useable for baseball.

The scissors drop for the seats just above the main concourse for football that allows the lower deck seating to move back for baseball, is a good idea. Probably the idea around which this whole design grew. A significant, positive attribute is that it opens the main concourse to the field. It appears that the moving lower deck seats are sighted for baseball, even in the football mode, which could result in compromised line of sight in several of the first rows of seats--even along the sidelines.

As a result of the baseball corner, as we called it in the Olympic Stadium, behind home plate the right field or endzone football seats at all levels likely have compromised views to the near endzone corner. And, in an effort to accommodate baseball along the football sidelines, the seats do not focus toward mid field for football as they might, as seen in the Jacksonville or proposed Baltimore stadiums.

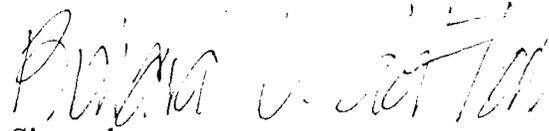
As you know, today's sports facilities rely heavily on premium seating and suites. We don't know total counts for the club level, but over one-half of those provided appear to be beyond the baselines. There are about 50 suites between the baselines in the two suite level concept, but none are shown directly behind home plate. Similarly, about 80 of 160 suites fall between the sidelines for football.

Finally, as we would guess, it appears from looking at section notes that all of the seating deck site lines are set for baseball. This could tend to enhance the feeling that the seats are a long way back in the football mode, as you would see seats and fans in the deck below before you see the football sidelines. Also, with lots of seats high, far away, and beyond the foul poles for baseball, the stadium will have difficulty feeling intimate. It is even bigger than Coors Field, which is a large ballpark.

In conclusion, this design does include both playing fields and seats that can see both. Whether it adequately addresses the issues that have driven owners of both baseball and football teams to build single purpose facilities in recent years can only be answered by the prospective owner. We hope these comments can assist you in analyzing the issue and perhaps find solutions. Obviously, the drawings we reviewed are very conceptual and many of these issues can be resolved through further effort.

Mr. Steve Maki
February 27, 1997
Page 4

If you have any questions or concerns, or desire additional information, do not hesitate to contact us.


Sincerely,

Richard L. deFlon, AIA
Principal

Westbridge Aldinger
813 Abbott Street
Detroit, Michigan 48226-2521
(313) 963-8000

January 14, 1997



The Metrodome
900 South 5th Street
Minneapolis, MN 55415

Attention: Mr. Steve Maki

Reference: Convertible Stadiums for Football / Baseball, etc.

Dear Mr. Maki:

Thank you for your call last week regarding our experience in studying the combined football / baseball stadium concept for use here in Detroit.

Last Spring and Summer, while the Lions and Tigers were considering their options for locating or co-locating in the downtown Detroit area, we did extensive studies on the cost of both separate and combined stadiums in various configurations.

As in any discussion of cost for stadia, it is important to understand what is included in numbers presented. The numbers used in this letter are only for stadium construction and do not include land acquisition, infrastructure development, related development, or soft costs. In many projects, these additional costs have added from 40 to 80% of additional cost to arrive at total project cost.

Final budgets arrived in a series of studies for the teams here in Detroit for stadia built under a Design-Build form of delivery are as shown below:

Stadium Type	Estimated Budget	Estimated Construction Duration
Baseball - 42,000 seat	\$160 mil	26 mos.
Football - 65,000 seat	\$200 mil	28 mos.
Combined - 65,000 seat	\$300 mil	32 mos.
Baseball w/ Roof	\$225 mil	30 mos.
Football w/ Roof	\$280 mil	32 mos.
Combined w/ Roof	\$400 mil	36 mos.

We identified certain risks inherent with the costs on the combined stadium which were not present in the "stand alone" stadia including extension of technology in "prototype" applications; use of movable stadium sections in an area of the country and in weather conditions where they had not been tried before; and concerns about the appropriateness of a combined facility to service both sports in a "best in class" manner.

General contractors
Construction managers

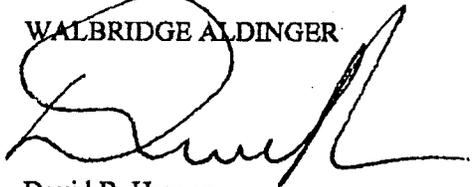
Our studies were performed on very conceptual drawings (especially on the combined scheme) and HOK felt comfortable that the concerns expressed could be worked out to the satisfaction of the stadium owners, the Sports Teams and the Construction Teams. I should also state that there was not unanimity on our team or with other firms who performed value analysis on the combined stadium as to its cost. We would caution you to get multiple opinions as to its probable cost before proceeding.

Walbridge Aldinger would be most pleased to provide additional help and/or input into your study of this or other alternatives at your convenience. I will follow up with you in a few days to see if we can be of further assistance in this matter.

Walbridge Aldinger Company is the sponsor of the Joint Venture team which has been chosen as the Design Builder of the new Tiger Stadium, here in Detroit.

Best regards,

WALBRIDGE ALDINGER

A handwritten signature in black ink, appearing to read "David B. Hanson", written over the typed name.

David B. Hanson
Senior Vice President

DBH/ldh

Retractable Roof

Financial Analysis of Retractable Roof

Cost estimates by the Twins for a retractable roof on a new Minnesota baseball stadium are currently running between \$75 and \$90 million.

There currently are only two major stadiums with retractable roofs, one other under construction, and two others in the planning stage:

- The Montreal Expos professional baseball park was designed with a fabric and cable retractable roof. After several attempts and significant investment of funds, the roof remains closed due to operational problems.
- The Toronto Blue Jays professional baseball team plays in SkyDome which features the only functional retractable roof in existence for a major league professional team, baseball or football. The roof operation takes about 20 minutes to open or close. The construction cost for SkyDome exceeded \$650 million (Canadian).
- The BankOne Ballpark in Phoenix for the Arizona Diamondback professional baseball team is under construction with expected completion for the 1998 season. This stadium will have a retractable roof similar in concept to the SkyDome. The Seattle Mariners and Milwaukee Brewers professional baseball teams are nearing construction on new ballparks with retractable roofs.

The Minnesota Twins recently completed a detailed study quantifying the potential financial impact of Minnesota weather on an open-air baseball stadium. Following are summary points from the study:

- The study's revenue projections assume that attendance will decrease by various percentages depending on certain weather conditions:

	<u>Paid</u>	<u>In-house</u>
Rain (<i>less than .10 inch, excluding rainouts</i>)	10%	15%
High temperature (40 or below)	45%	60%
High temperature (41-50)	25%	35%
High temperature (51-60)	10%	15%

- Based on these assumptions, and using information from the National Climatic Data Center, Twins' attendance would be reduced by 300,000 annually, and annual lost revenues would total more than \$7 million.
- These figures do not factor in the number of fans from outside the Metro area who will not buy tickets due to weather uncertainties. If, conservatively, these uncertainties netted to a 5 percent drop in attendance, revenue would decline by approximately another \$3.5 million annually.
- The average number of rain-outs at Metropolitan Stadium from 1961 through 1981 was four per year. Rain-outs are typically made up in double-headers resulting in lost revenues.

**NEW STADIUM
PROJECTED LOST REVENUE
IF ROOF OFF**

Weather Factor	Attendance Lost Annually		Gate (\$16.68 / fan)		Food & Beverage (\$7.68 / fan)		Novelties (\$.75/fan)		Parking (\$2.33 / fan) (\$7 per car with 3 fans per car) (100%)		Total Lost Revenue	
	Paid	In-house	Twins \$	Total \$	(40%) Twins \$	Total \$	(40%) Twins \$	Total \$	Twins \$	Total \$	Twins \$	Total \$
RAINOUTS	168,000	168,000	\$2,631,211	\$2,802,240	\$516,096	\$1,290,240	\$50,400	\$126,000	\$392,000	\$392,000	\$3,689,707	\$4,610,480
RAIN > 1/10th Inch / NO RAINOUT	50,400	75,600	789,363	840,672	232,243	580,608	22,680	56,700	176,400	176,400	1,220,887	1,664,380
HIGH TEMP. below 40	18,900	25,200	296,011	315,252	77,414	193,536	7,560	18,900	58,800	58,800	439,786	688,488
HIGH TEMP. 41 - 50	42,000	58,800	657,803	700,560	180,634	451,584	17,640	44,100	137,200	137,200	993,276	1,333,444
HIGH TEMP. 51 - 60	33,600	50,400	526,242	560,448	154,829	387,072	15,120	37,800	117,600	117,600	813,791	1,102,820
TOTAL	<u>312,900</u>	<u>378,000</u>	<u>\$4,900,631</u>	<u>\$5,219,172</u>	<u>\$1,161,216</u>	<u>\$2,903,040</u>	<u>\$113,400</u>	<u>\$283,500</u>	<u>\$882,000</u>	<u>\$882,000</u>	<u>\$7,057,247</u>	<u>\$9,287,712</u>

Assumptions:

-Weather will decrease attendance as follows:

	Paid	In-house
RAIN > 1/10th in. / NO RAINOUT	10%	15%
HIGH TEMP. below 40	45%	60%
HIGH TEMP. 41 - 50	25%	35%
HIGH TEMP. 51 - 60	10%	15%

-No dates impacted by snow

Note:

of Games affected is based upon-

RAINOUTS- Average # of rainouts at Metropolitan Stadium 1961 - 1981.

RAIN > 1/10th & TEMP. info- Average annual # from 1982 - 1996 based upon information from the National Climatic Data Center.

**NEW STADIUM
PROJECTED LOST ATTENDANCE
IF ROOF OFF**

<u>Weather Factor</u>	# Games <u>affected</u>	% Attendance Lost		Normal Attendance <u>per Game</u>	Total Attendance Lost Annually	
		<u>Paid</u>	<u>In-house</u>		<u>Paid</u>	<u>In-house</u>
RAINOUTS	4	100%	100%	42,000	168,000	168,000
RAIN > 1/10th inch / NO RAINOUT	12	10%	15%	42,000	50,400	75,600
HIGH TEMP. below 40	1	45%	60%	42,000	18,900	25,200
HIGH TEMP. 41 - 50	4	25%	35%	42,000	42,000	58,800
HIGH TEMP. 51 - 60	8	10%	15%	42,000	33,600	50,400
TOTAL					<u><u>312,900</u></u>	<u><u>378,000</u></u>

Assumptions:

-Weather will decrease attendance as follows:

	<u>Paid</u>	<u>In-house</u>
RAIN > 1/10th inch / NO RAINOUT	10%	15%
HIGH TEMP. below 40	45%	60%
HIGH TEMP. 41 - 50	25%	35%
HIGH TEMP. 51 - 60	10%	15%

-No dates impacted by snow

Note:

of Games affected is based upon-

RAINOUTS- Average # of rainouts at Metropolitan Stadium 1961 - 1981.

RAIN > 1/10th & TEMP. info- Average annual # from 1982 - 1996 based upon information from the National Climatic Data Center.

Methods of Financing Professional Sports Facilities

Methods of Financing Professional Sports Facilities

The explosion of new facility construction has generated a variety of new financing techniques — both public and private. Each new facility has a unique combination of financing sources, but the basic elements are similar.

Public sources of funding include taxes (sales, hotel-motel, food and beverage, car rental, cigarette/liquor, parking) gaming and lottery funds, and admissions taxes or user fees. Private sources of funding include payment of rent, ticket surcharges, concessionaire contributions, facility revenues, premium seating, parking, novelties and naming rights.

Following is a review of methods for financing professional sports facilities.

Turner Field (1997)

Team, City, State: Atlanta Braves (MLB), Atlanta, Georgia

General Description: Turner Field, formerly Olympic Stadium, was originally built as a part of the 1996 Summer Olympic Games in Atlanta. Following the conclusion of the Olympic Games, the facility underwent an eight-month renovation to retrofit the facility into a 49,000-seat, baseball-only stadium. The facility is now owned by the City of Atlanta and Fulton County and operated by the Atlanta Braves.

Public Participation: None.

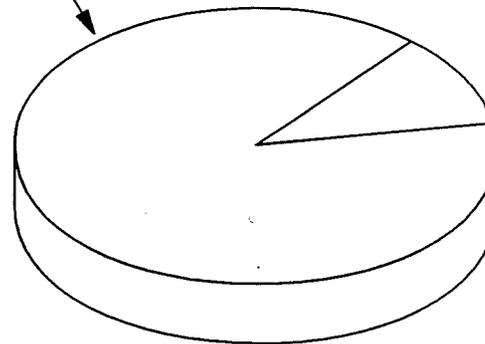
Private Participation: The Atlanta Committee of the Olympic Games (ACOG) provided funds generated by the Olympic Games to finance the original construction of the stadium. The funds were considered a debt-free gift from the ACOG, whom also assumed the debt related to Fulton County Stadium. The Atlanta Braves contributed \$26.0 million toward the renovation of the facility following the Olympics.

Total Development Costs:
\$235.0 million

Public Participation:
0%

Private Participation:
100%

Atlanta Committee of the
Olympic Games
\$209.0 million



Atlanta Braves Contribution
\$26.0 million

The Ballpark in Arlington (1994)

Team, City, State:

Texas Rangers (MLB), Arlington, Texas

General Description:

The Ballpark in Arlington opened in 1994 and has approximately 48,100 seats. The stadium incorporates 125 private suites and 5,386 club seats. The facility is owned by the Arlington Sports Facilities Development Authority, Inc. and is operated by Rangers Ballpark, Inc. (a Rangers affiliate).

Public Participation:

The City of Arlington issued \$135.0 million in revenue bonds secured by a 1/2% voter-approved increase in the local sales tax rate. The bonds will be repaid by a \$1.00 surcharge on all tickets sold (up to \$2.0 million per annum). In addition, the City paid for approximately \$2.5 million in infrastructure improvements and contributed \$3.9 million in project financing interest income.

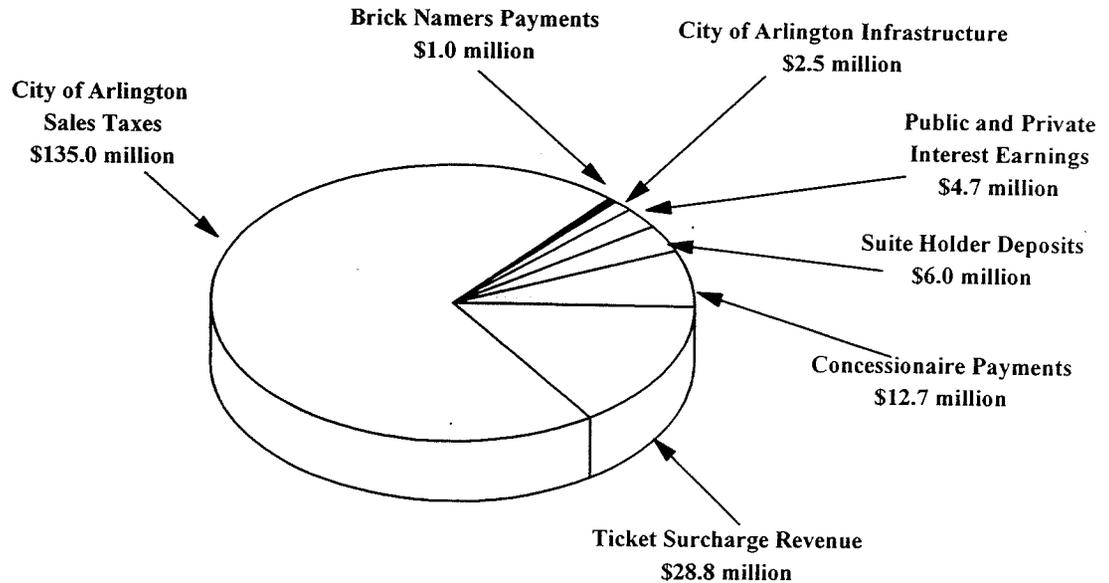
Private Participation:

Approximately \$16.8 million was raised from the sale of 15-year seat option bonds to ballpark patrons. The bonds provide the buyer with the option to buy season tickets for specified seats. A \$12.0 million loan was guaranteed by the Rangers, but will also be repaid from the \$1.00 ticket surcharge proceeds. Stadium food and beverage providers contributed \$12.7 million. Suite holder deposits generated \$6.0 million. Approximately \$1.0 million was generated by the "Brick Paver" program in which patrons paid to have their names inscribed in walkway bricks. The remaining \$800,000 was generated by interest earnings on project financing sources.

Total Development Costs:
\$190.7 million

Public Participation:
74%

Private Participation:
26%



The Ballpark in Arlington - Other Financial Issues

*Admission Taxes /
Sales Taxes:*

A \$1.00 admissions surcharge is collected from each paid attendee to stadium events. The first \$2.0 million in proceeds from the surcharge are used for the repayment of debt service on the sales tax and the \$12.0 loan to the extent that sales taxes and stadium rents are not otherwise sufficient to do so. Any remaining amounts generated by the surcharge will be applied to the ballpark's maintenance expenses.

Property Taxes:

Property taxes are not applicable since the facility is owned by the Arlington Sports Facilities Development Authority (Authority).

General Lease Terms:

Team retains all stadium revenue and pays all expenses. The Authority receives annual rent payments of \$3.5 million and all revenue from a \$1.00 admissions surcharge on all paid event attendees.

*Other Development /
Lease Issues:*

The Rangers were responsible for any cost overruns.

Comiskey Park (1991)

Team, City, State: Chicago White Sox (MLB), Chicago, Illinois

General Description: The new Comiskey Park opened in 1991 and has a total seating capacity of approximately 44,200. The stadium incorporates 90 private suites and 1,833 club seats. The facility is owned by the City of Chicago and is operated by the Chicago White Sox.

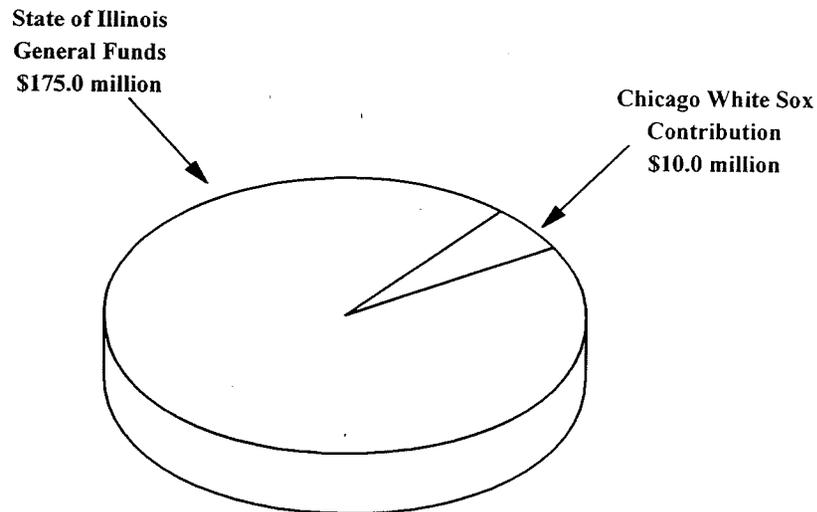
Public Participation: The State of Illinois issued general obligation bonds supported by annual State appropriations to finance project development and construction costs. In addition to the bond proceeds, revenue from a 2.0% City-wide hotel/motel tax was used to pay financing and other soft costs.

Private Participation: The Chicago White Sox contributed approximately \$10.0 million to the funding of the project for various facility upgrades.

Total Development Costs:
\$185.0 million

Public Participation:
95%

Private Participation:
5%



Comiskey Park - Other Financial Issues

*Admission Taxes /
Sales Taxes:*

The City of Chicago assesses a 6% amusement tax on all amusement-related event tickets. Applicable sales tax includes a 6.25% State tax and a 1.0% County tax.

Property Taxes:

Property taxes are not applicable since the facility is publicly owned.

General Lease Terms:

The City receives rent from the White Sox based upon paid annual attendance to home games. Specifically, during years one through ten, the City receives \$0.00 per attendee up to 1.2 million attendees, \$2.50 per attendee between 1.2 to 2.0 million attendees, and \$1.50 per attendee over 2.0 million attendees. During years 11 through 20, the City receives \$0.00 per attendee up to 1.5 million attendees, \$4.00 per attendee between 1.5 and 2.0 million attendees, and \$1.50 per attendee over 2.0 million attendees. In addition, the City assumes all fixed operating expenses.

*Other Development /
Lease Issues:*

The team was responsible for stadium development cost overruns.

Coors Field (1995)

Team, City, State: Colorado Rockies (MLB), Denver, Colorado

General Description: Coors Field opened in 1995 and has a total seating capacity of approximately 50,200. The stadium incorporates 52 private suites and 4,400 club seats. The Denver Metropolitan Major League Baseball Stadium District is the owner of the facility while the team is the operator.

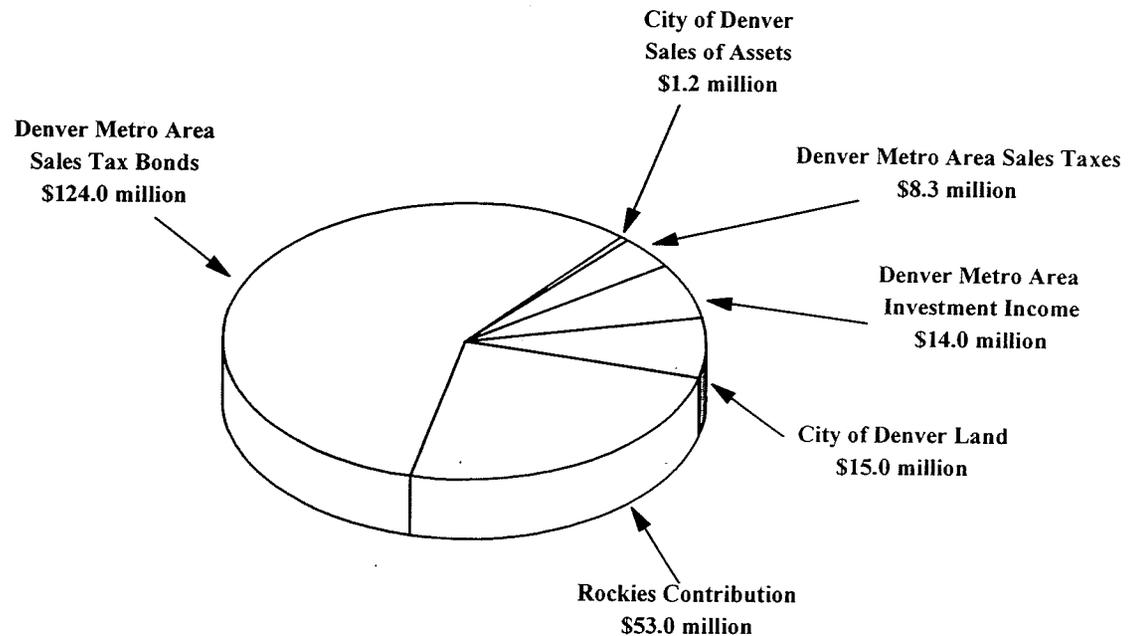
Public Participation: The six-county Denver metro area contributed approximately \$8.3 million in sales tax revenues and a \$124.0 million special obligation sales tax bond issue. These bonds are being paid through a voter approved 1/10 percent sales tax increase within the six affected Denver area counties. Total investment income generated by public funds is approximately \$14.0 million. Finally, the City of Denver contributed \$15.0 million related to the site of the stadium.

Private Participation: Approximately \$53.0 million was contributed by the Rockies.

Total Development Costs:
\$215.5 million

Public Participation:
75%

Private Participation:
25%



Coors Field - Other Financial Issues

*Admission Taxes /
Sales Taxes:*

Applicable sales taxes include a State sales tax of 3.0%. No admissions taxes or ticket surcharges are applied.

Property Taxes:

Property taxes are not applicable since the facility is publicly owned.

General Lease Terms:

Team pays all operating expenses and retains all revenues with the exception of the following payments to the City. As rent, the City receives \$0.25 per attendee between 2.0 and 2.5 million annual attendees, \$0.50 per attendee between 2.5 and 3.0 million annual attendees, and \$1.00 per attendee over 3.0 million annual attendees. In addition, the City receives 20 percent of net parking revenues.

*Other Development /
Lease Issues:*

Minor cost overruns were paid by both the Rockies and the District.

Camden Yards (1992)

Team, City, State: Baltimore Orioles (MLB), Baltimore, Maryland

General Description: Oriole Park at Camden Yards opened in 1992 and has a total seating capacity of approximately 48,000. The stadium incorporates 72 private suites and 5,125 club seats. The facility is owned and operated by the Maryland Stadium Authority.

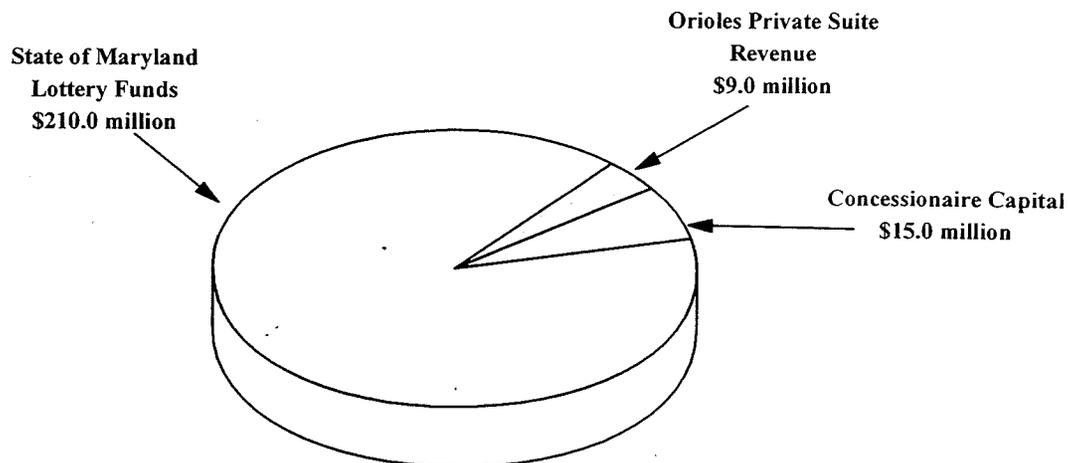
Public Participation: The State of Maryland contributed \$55.0 million to the project in upfront capital from State lottery funds. The State also issued \$155.0 million in revenue bonds secured by lottery funds generated in future years. Approximately \$137.0 million of the bond issue was tax-exempt while the remaining \$18.0 million was taxable.

Private Participation: The facility's concessionaire, ARA Leisure Services, Inc., provided approximately \$15.0 million for the development of the stadium's concession areas. The Maryland Stadium Authority funded \$9.0 million for the development of the facility's private suites, which is being paid back by the Orioles' annual private suite revenue.

Total Development Costs:
\$234.0 million

Public Participation:
90%

Private Participation:
10%



Camden Yards - Other Financial Issues

*Admission Taxes /
Sales Taxes:*

The Orioles pay a 10% admissions tax to the State of Maryland based on home game gate receipts. Additionally, a 5.0% State sales tax is applicable.

Property Taxes:

Property taxes are not applicable since the facility is publicly owned.

General Lease Terms:

The Authority receives 7% of gate receipts (net of sharing), 7.5% of net concession revenue, 2.5% of net novelty revenue, 50% of net parking revenue, approximately 10% of private suite revenue, 7.5% of club seat and club membership revenue, and 25% of net advertising revenue. The Authority assumes all fixed operating expenses.

*Other Development /
Lease Issues:*

The Maryland Stadium Authority was responsible for cost overruns.

Bank One Ballpark (1998)

Team, City, State: Arizona Diamondbacks (MLB), Phoenix, Arizona

General Description: The new 48,500-seat retractable roof stadium is currently under construction and will be completed by the 1998 baseball season. The Maricopa County Stadium District (District) will own the facility.

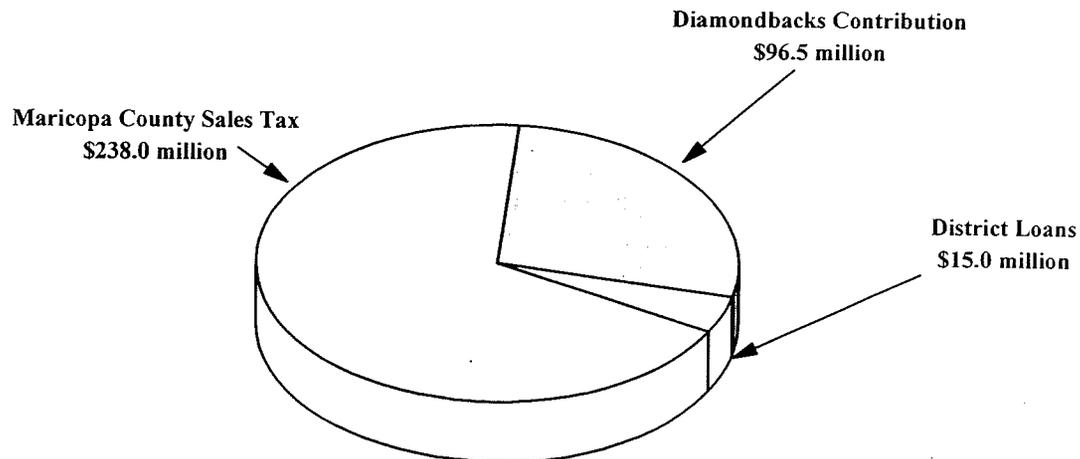
Public Participation: The District enacted a quarter-cent sales tax increase in the County's general sales tax, producing cash flows of \$6.0 million per month, to fund \$238.0 million of development costs. The District acquired a \$40.0 million credit line with First Interstate Bank to keep cash flows positive during the initial construction period. In addition, the District will borrow \$15.0 million through a loan to be repaid by the District's share of stadium revenues.

Private Participation: The Diamondbacks will cover all remaining costs over the \$253.0 million contributed by the District. Currently, this amount stands at \$96.5 million.

Total Development Costs:
\$349.5 million

Public Participation:
68%

Private Participation:
32%



Bank One Ballpark - Other Financial Issues

*Admission Taxes /
Sales Taxes:*

Applicable sales taxes include a 5.5% State tax and a 1.3% Maricopa County tax. To partially fund the stadium, the District enacted a 0.25% increase in the County's tax rate (to total 1.3%). There are no plans to implement a ticket surcharge or admissions tax.

Property Taxes:

Property taxes are not applicable as the Maricopa County Stadium District (District) will own the facility.

General Lease Terms:

The District will receive annual rent payments of \$1.0 million, \$325,000 of annual naming rights payments, 50 percent of gross revenue from private club memberships, and 5 percent of net private suite and club seat revenues.

*Other Development /
Lease Issues:*

The Diamondbacks are responsible for all cost overruns. Cost overruns recently caused total development costs to rise from \$299.4 million in February 1996 to \$349.5 million as of January 1997. Approximately \$37.0 million of the \$349.5 million total development costs are attributed to land and infrastructure costs.

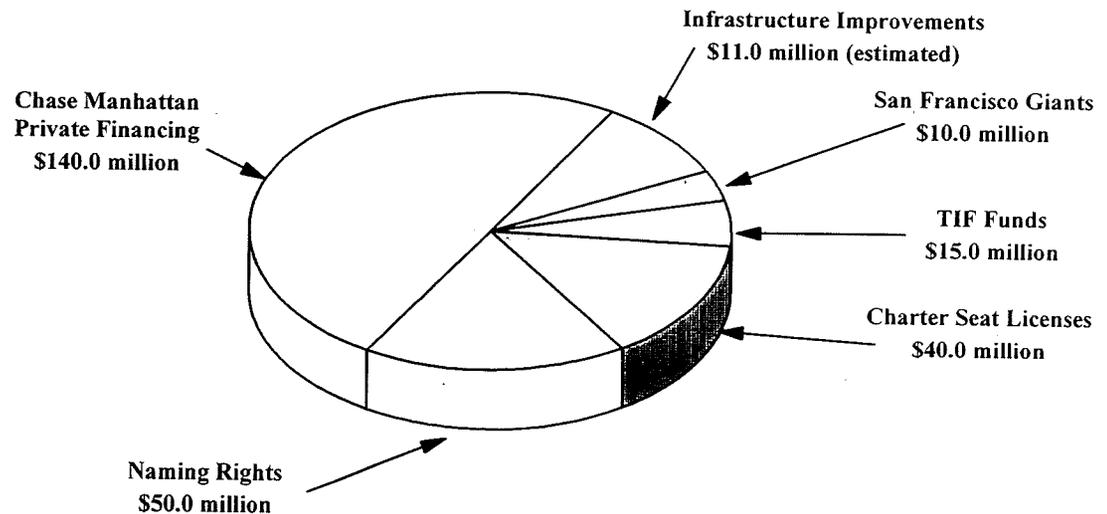
Pacific Bell Ballpark (2000)

- Team, City, State:** San Francisco Giants (MLB), San Francisco, California
- General Description:** The proposed baseball-only Pacific Bell Ballpark is expected to be completed by 2000, will be owned and operated by the San Francisco Giants and have an approximate seating capacity of 42,000.
- Public Participation:** Approximately \$15 million in funds will be provided by the San Francisco Redevelopment Agency through tax increment financing (TIF) which will be repaid through possessory interest tax revenue. In addition, it is currently estimated that infrastructure improvements of approximately \$11.0 million will be necessary. Specific sources of public funds for these improvements are currently undetermined.
- Private Participation:** Chase Manhattan has tentatively agreed to arrange \$140 million in syndicated private financing to be secured by stadium revenues. Pacific Bell purchased the naming rights of the proposed stadium for \$50 million payable over 24 years. In addition, it is estimated that \$40 million will be raised from the sale of approximately 13,700 lifetime charter seat licenses. Specific sources for the remaining approximately \$10 million are currently undetermined.

Total Development Costs:
\$266.0 million

Public Participation:
10%

Private Participation:
90%



Pacific Bell Ballpark - Other Financial Issues

Admission Taxes / Sales

Taxes:

Applicable sales taxes include 6.0% State, 1.25% County, and 1.25% City. At this time, there is no specific commitment to any type of ticket surcharge or admissions tax.

Property Taxes:

It is currently estimated that annual property taxes payable by the San Francisco Giants will approximate \$1.8 million.

General Lease Terms:

The China Basin Ballpark Company, a related entity of the Giants, has agreed to an initial 25-year land lease with the City of San Francisco. The Giants will pay the City \$1.2 million in annual rent payments beginning in 2000. From 2003-06, annual rent will increase according to inflation (with a maximum of 3% per annum). From 2006-22, the rent will be fixed every three years, also based on inflation (not to exceed 5% per annum). From 2022-62, the rent will be modified based on a "fair market formula". In addition, the Giants also agree to remove any toxic waste at the stadium site prior to construction.

Other Development / Lease Issues:

The Giants are responsible for all cost overruns.

Methods of Financing and Potential Sources of Construction Funds for Professional Sports Facilities

<i>Potential Sources of Funds and Vehicles Utilized</i>	<i>Issuer</i>	<i>Vehicle</i>	<i>Facility</i>	<i>Year Built</i>	<i>Amount of Funding (in millions)</i>	<i>Total Devel. Cost (in millions)</i>	<i>Comments</i>
PUBLIC SOURCES OF FUNDS							
County Sales Tax							
	Milwaukee/Waukesha Counties	.1% increase	Miller Park	2000	\$160.0 (1)	\$357.0	tax-exempt bonds
	Hamilton County	.5% increase	New Cincinnati Bengals/Reds Stadium	2000	540.0 (1)	590.0	G.O. bonds
	Hillsborough County	0.5% increase	New Tampa Stadium	2000	18.0	319.0	revenue bonds
	King County	.5% increase	New Seattle Ballpark	1999	302.0 (1)	422.0	G.O. bonds
	Maricopa County	.25% increase	Bank One Ballpark	1997	238.0	349.5	
	Denver 6-county metro area	.1% increase	Coors Field	1995	124.0	215.5	sales tax bonds
	Denver 6-county metro area	Reallocation	Coors Field	1995	8.3	215.5	
City Sales Tax							
	City of Nashville	Reallocation	New Oilers Stadium	2000	16.8	291.7	
	City of Jacksonville	Reallocation	Municipal Stadium Renovation	1995	49.0	123.0	Part of city issue of bonds for \$49 million
	City of Arlington	.5% increase	The Ballpark in Arlington	1994	135.0	190.7	
Lodging Tax							
	City of Detroit	1.0% increase	New Detroit Lions Stadium	2000	80.0 (1)	265.0	
	City of Detroit	1.0% increase	New Detroit Tigers Ballpark	2000	40.0 (1)	240.0	
	City of Nashville	Reallocation	New Oilers Stadium	2000	44.0	291.7	
	St. Louis County	3.5% increase	Trans World Dome	1995	66.5	266.0	
	City of Jacksonville	2% increase	Municipal Stadium Renovation	1995	(1)	123.0	part of \$74 million rev bond issue by City
	City of Jacksonville	Reallocation	Municipal Stadium Renovation	1995	(1)	123.0	part of \$74 million rev bond issue by City
	City of Atlanta/Fulton County	39.3% of 2.75%	Georgia Dome	1993	200.0	200.0	unincorporated Fulton County included
	City of Chicago	Reallocation	Comiskey Park	1991	207.1	207.1	used to assist in financing and soft costs
Cigarette/Liquor Tax							
	City of Cleveland	cigarette/liquor tax	Cleveland Stadium	2000	130.0 (1)	220.0	tax-exempt excise tax bonds
	Cuyahoga County	cigarette/liquor tax	Gund Arena/Jacobs Field	1994	181.0	473.2	tax-exempt excise tax bonds
Car Rental tax							
	City of Detroit	2.0% increase	New Detroit Lions Stadium	2000	80.0 (1)	265.0	
	City of Detroit	2.0% increase	New Detroit Tigers Ballpark	2000	40.0 (1)	240.0	
	King County	2.0% increase	New Seattle Ballpark	1999	302.0 (1)	422.0	
Lottery Funds							
	Baltimore Ravens	Existing & New	Baltimore Stadium	2000	88.6	200.8	
	Seattle	State Lottery	New Seattle Ballpark	1999	3.0	422.0	
	Maryland	State Lottery	Camden Yards	1992	55.0	234.0	
Admission, Concession, and Parking Taxes							
	City of Cleveland	8% prkg & adm tax	New Cleveland Stadium	2000	130.0 (1)	220.0	
	Seattle Mariners	10% admission	New Seattle Ballpark	1999	(1)	422.0	
	City of Baltimore	10% admission	Baltimore Stadium	1999	(1)	200.8	
	City of Tampa	ticket, conc., pkg tax	New Tampa Stadium	2000	1.9	319.0	
	City of Arlington	ticket surcharge	The Ballpark in Arlington	1994	12.0	190.7	
	City of Cleveland	parking revenues	Gund Arena/Jacobs Field	1994	41.0	473.2	
Contribution of Land							
	State of Florida	Lease for \$1	New Tampa Stadium	2000	20.0	319.0	
	King County	Contribution	New Seattle Ballpark	1999	10.0	422.0	
	State of North Carolina	Contribution	Ericsson Stadium	1995	55.0	247.7	

Methods of Financing and Potential Sources of Construction Funds for Professional Sports Facilities

<i>Potential Sources of Funds and Vehicles Utilized</i>	<i>Issuer</i>	<i>Vehicle</i>	<i>Facility</i>	<i>Year Built</i>	<i>Amount of Funding (in millions)</i>	<i>Total Devel. Cost (in millions)</i>	<i>Comments</i>
State Grants, Rebates, or Contributions							
State of Ohio		Grant	Cleveland Stadium	2000	33.0	220.0	one-time payment
State of Ohio		Contribution	Cincinnati Bengals/Reds	2000	108.0	590.0	one-time contribution
State of Wisconsin		Annual Subsidy	Miller Park	2000	3.9	357.0	currently dedicated to capital replacements
State of Tennessee		Sales Tax Rebate	New Oilers Stadium	2000	55.0	291.7	amount reflects total of annual sales tax rebates
State of Michigan		Not yet determined	New Detroit Tigers Stadium	2000	55.0	240.0	
State of Florida		Sales Tax Rebate	New Tampa Stadium	1998	2.0	319.0	annual basis
State of Florida		Annual Rebate	Municipal Stadium Renovation	1995	2.0	123.0	annual basis
State of Ohio		Grant	Gund Arena/Jacobs Field	1994	27.6	473.2	one-time payment
County Contribution							
Cuyahoga County		Contribution	Gund Arena/Jacobs Field	1994	5.0	473.2	one-time payment
City Contribution							
City of Cleveland		Utilities Equity	Cleveland Stadium	2000	6.0	220.0	
City of Cleveland		Transit Equity	Cleveland Stadium	2000	3.0	220.0	
City of Nashville		Contribution	New Oilers Stadium	2000	14.0	291.7	toward infrastructure
City of Detroit		Contribution	New Detroit Tigers Stadium	2000	40.0	240.0	
City of Charlotte		Contribution	Ericsson Stadium	1995	60.0	247.7	land contribution and infrastructure
City of Denver		Contribution	Coors Field	1995	15.0	214.3	toward stadium site
City of Cleveland		Contribution	Gund Arena/Jacobs Field	1994	2.2	473.2	toward the development of a transit walkway
City of Arlington		Contribution	The Ballpark in Arlington	1994	2.5	190.7	toward infrastructure
Federal Grants							
Government		Grants	Gund Arena/Jacobs Field	1994	8.6	473.2	

Methods of Financing and Potential Sources of Construction Funds for Professional Sports Facilities

Potential Sources of Funds and Vehicles Utilized	Issuer	Vehicle	Facility	Year Built	Amount of Funding (in millions)	Total Devel. Cost (in millions)	Comments
PRIVATE SOURCES OF FUNDS							
Premium Seat Revenue							
	Bank One Ballpark	Lease Revenue	Bank One Ballpark	1998	15.0	349.5	
	Carolina Panthers	Lease Revenue	Ericsson Stadium	1995	90.0	247.7	revenue bonds
	Cleveland Indians	Lease Revenue	Gund Arena/Jacobs Field	1994	31.2	473.2	revenue bonds
	Cleveland Cavaliers	Lease Revenue	Gund Arena/Jacobs Field	1994	95.0	473.2	revenue bonds
	Baltimore Orioles	Lease Revenue	Camden Yards	1992	9.0	234.0	funded by Authority, paid through suite sales
Personal Seat Options							
	Houston Oilers	Upfront	New Oilers Stadium	2000	71.0	291.7	The majority of PSLs have been sold
	San Francisco Giants	Upfront	Pacific Bell Ballpark	2000	40.0	266.0	
	Baltimore Ravens	Upfront	Baltimore Stadium	1999	30.0	200.8	\$25 mil of which will be paid to NFL over 30 yrs seat option revenue was subject to income taxes
	Carolina Panthers	Upfront	Ericsson Stadium	1995	150.0	247.7	
	Texas Rangers	Upfront	The Ballpark in Arlington	1994	16.8	190.7	the majority went towards relocation costs
	St. Louis Rams	Upfront	Trans World Dome	1995	73.0	266.0	
Luxury Seat Deposits							
	Cleveland Cavaliers	Deposits	Gund Arena/Jacobs Field	1994	4.0	473.2	
	Texas Rangers	Deposits	The Ballpark in Arlington	1994	6.0	190.7	
Founder Suites							
	Cleveland Indians	Upfront	Gund Arena/Jacobs Field	1994	20.0	473.2	10-yr prepaid leasing of 25 suites & 500 club seats
Naming Rights							
	Detroit Lions	total package	New Detroit Lions Stadium	2000	40.0	265.0	part of the \$50 million local businesses goal \$20 million estimated for present value
	Milwaukee Brewers	total package	Miller Park	2000	41.2	357.0	
	San Francisco Giants	total package	Pacific Bell Park	2000	50.0	266.0	over a 5-year term or until the stadiums are built over 24-year term
	Cincinnati Bengals/Reds	total package	New Bengals/Reds Stadium	2000	6.0	590.0	
	Arizona Diamondbacks	total package	Bank One Ballpark	1998	66.0	349.5	over 24-year term
	St. Louis Rams	total package	Trans World Dome	1995	26.0	266.0	
	Colorado Rockies	total package	Coors Field	1995	30.0	215.5	over 20-year term
	City of Cleveland	total package	Gund Arena/Jacobs Field	1994	20.0	473.2	\$15 million upfront over 20-year term
Developer/Operator Fee							
Brick Naming Rights							
	City of Arlington	Upfront	The Ballpark in Arlington	1994	1.0	190.7	
Soft Drink Rights							
National Football League Contribution							
	NFL	(2)	Cleveland Stadium	2000	20.0	220.0	
	NFL	(3)	Cleveland Stadium	2000	28.0	220.0	
Concessionaire Rights/Equip.							
	Milwaukee Brewers	Upfront	Miller Park	2000	10.0	357.0	Unknown amount or concessionaire
	San Francisco Giants	Upfront	Pacific Bell Ballpark	2000	66.0 (1)	266.0	
	Sports Service & TGIF	Upfront	The Ballpark in Arlington	1994	12.7	190.7	Sports service = \$12.5 million, TGIF = \$200,000
	ARA Leisure Services	Upfront	Camden Yards	1992	15.0	234.0	

Methods of Financing and Potential Sources of Construction Funds for Professional Sports Facilities

<i>Potential Sources of Funds and Vehicles Utilized</i>	<i>Issuer</i>	<i>Vehicle</i>	<i>Facility</i>	<i>Year Built</i>	<i>Amount of Funding (in millions)</i>	<i>Total Devel. Cost (in millions)</i>	<i>Comments</i>
Investment Income							
	City of Cleveland	Interest Income	Cleveland Stadium	2000	10.0	220.0	
	King County	Interest Income	New Seattle Ballpark	1999	20.0	422.0	
	City of Denver	Interest Income	Coors Field	1995	14.0	215.5	
	Cleveland Cavaliers/Indians	Interest Income	Gund Arena/Jacobs Field	1994	2.5	473.2	
	City of Arlington	Interest Income	The Ballpark in Arlington	1994	4.7	190.7	
	Texas Rangers	Interest Income	The Ballpark in Arlington	1994	0.8	190.7	
	City of Cleveland	Interest Income	Gund Arena/Jacobs Field	1994	3.7	473.2	
Team Contribution							
	Detroit Lions	Private Equity	New Detroit Lions Stadium	2000	70.0	265.0	
	Baltimore Ravens	Private Equity	Baltimore Stadium	2000	0.8	200.8	
	Arizona Diamondbacks	Private Equity	Bank One Ballpark	1998	32.0	349.5	\$24 million over 30 years subject to increase pending construction costs
	Atlanta Braves	Private Equity	Turner Field	1997	37.0	202.0	ACOG pays the rest from Olympic revenues
	Colorado Rockies	Private Equity	Coors Field	1995	53.0	215.5	
	Chicago White Sox	Private Equity	Comiskey Park	1991	5.0	207.1	W. Sox pay a \$2 million annual optg subsidy
Equity Investment							
	Bradley & Other Foundations	Private Equity	Miller Park	2000	21.0	357.0	
Local Contributions							
	Cleveland Tomorrow	Contributions	New Cleveland Stadium	2000	10.0	220.0	
	Businesses	Contributions	New Detroit Lions Stadium	2000	10.0	265.0	Total business contribs. of \$50 mil (\$40 in naming)
	Businesses	Loan	Miller Park	2000	14.0	357.0	
	Businesses	Contributions	Ericsson Stadium	1995	27.7	247.7	
	Businesses	Contributions	Gund Arena/Jacobs Field	1994	30.6	473.2	

Methods of Financing and Potential Sources of Construction Funds for Professional Sports Facilities

<i>Potential Sources of Funds and Vehicles Utilized</i>	<i>Issuer</i>	<i>Vehicle</i>	<i>Facility</i>	<i>Year Built</i>	<i>Amount of Funding (in millions)</i>	<i>Total Devel. Cost (in millions)</i>	<i>Comments</i>
FINANCING VEHICLES UTILIZED							
Revenue Bonds							
	City of Tampa	mostly county sales tax	New Tampa Stadium	2000	319.0	319.0	
	San Francisco Giants	stadium revenues	Pacific Bell Ballpark	2000	140.0	266.0	
	San Francisco Giants	namg rts, psls, con rgt	Pacific Bell Ballpark	2000	115.0	266.0	
	Detroit Tigers	not yet determined	New Detroit Tigers Stadium	2000	145.0	240.0	backed by stadium revenues
	Seattle Mariners	stadium revenues	New Seattle Ballpark	1999	45.0	422.0	
	City of Baltimore	10% Admission tax	Baltimore Stadium	1999	90.9	200.8	also 50% of non-football event revenue
	Milwaukee Brewers	Wisconsin Housing	Miller Park	1999	50.0	357.0	
	Milwaukee Brewers	stadium revenues	Miller Park	1999	40.0	357.0	
	City of Jacksonville	see footnote	Municipal Stadium Renovation	1995	74.0	123.0	\$2 mil sls tax rebt, 2% bed tax, & City frchise fee
	Carolina Panthers	stadium revenues	Ericsson Stadium	1995	70.0	247.7	
	St. Louis County	hotel/motel tax	Trans World Dome	1995	66.5	266.0	
	Denver 6-County Metro area	6-county sales tax	Coors Field	1995	110.0	215.5	tax exempt revenue bonds
	Cuyahoga County	cigarette/liquor tax	Gund Arena/Jacobs Field	1994	181.0	473.2	Reallocation of sin tax collections
	City of Cleveland	arena revenues	Gund Arena/Jacobs Field	1994	120.0	473.2	
	Texas Rangers	ticket surcharges	The Ballpark in Arlington	1994	12.0	190.7	
	Georgia World Congress Center A	hotel/motel tax	Georgia Dome	1993	200.0	200.0	1st lien-bed tax., 2nd stadium revenues
	State of Maryland	state lottery	Camden Yards	1992	155.0	234.0	\$137 mil in tax exempt fincing & \$18 mil taxable
G.O. Bonds							
	State of Florida	General Funds	New Tampa Stadium	2000	160.0	319.0	conty car mtal tax, state sls tax rbte, & user tax
	City of Milwaukee	General Funds	Miller Park	2000	15.0	257.0	
	Hamilton County	General Funds	Cincinnati Bengals/Reds	2000	540.0	590.0	
	King County	0.1% sales tax	New Seattle Ballpark	1999	241.0	422.0	
	State of Missouri	General Funds	Trans World Dome	1995	133.0	266.0	
	City of St. Louis	General Funds	Trans World Dome	1995	66.5	266.0	
	State of Illinois	General Funds	Comiskey Park	1991	202.0	207.1	
Certificate of Participation							
	City of Cleveland		Cleveland Stadium	2000	130.0	220.0	City anul apprp, sin tax, & 8% cty adm, pkg tax
Pay-As-You-Go Financing							
	Maricopa County	County Sales Tax	Bank One Ballpark	1997	238.0	349.5	Maricopa County increased sales tax by 0.5%
Tax Increment Financing							
	San Francisco Development Agency		Pacific Bell Ballpark	2000	15.0	266.0	

- (1) Tax was included among other sources to secure the bonds.
- (2) The NFL is responsible for \$20 million in excess costs beyond \$220 million.
- (3) Most likely will be paid by NFL team entering market.
- (4) Ogden guaranteed cost overruns of up to \$6 million.
- (5) Reflects original ownership of Timberwolves.
- (6) Backed by the full faith and credit of the City.

Trans World Dome

Team: St. Louis Rams (NFL)

City, State: St. Louis, Missouri

General Description: The Trans World Dome, the home of the NFL Rams, was constructed as part of the St. Louis Regional Convention and Sports Complex project in 1995 with a seating capacity of approximately 66,000.

Owner: St. Louis Regional Convention and Sports Complex Authority

Operator: St. Louis Convention and Visitors Commission

Total Cost: \$266.0 million

Financing Terms:

Public: The State of Missouri issued G.O Bonds for 50% of the costs, the City of St. Louis issued G.O. bonds for 25% of the costs and St. Louis County issued revenue bonds to pay for the remainder of costs. These revenue bonds are backed by a hotel/motel tax.

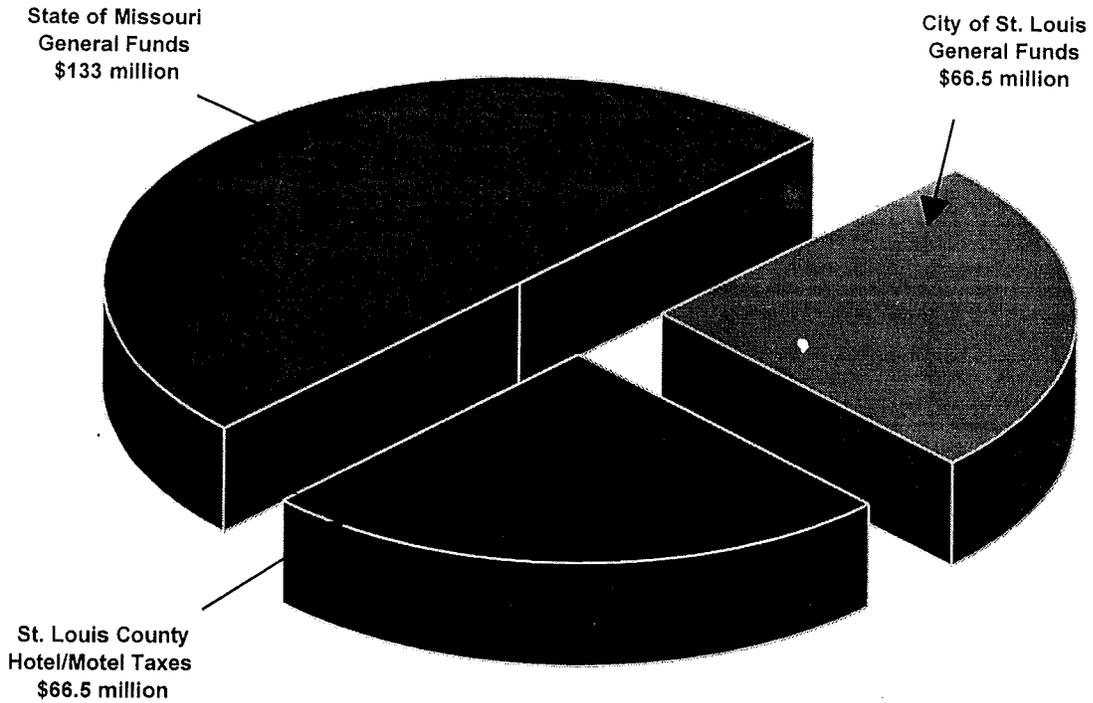
Private: None

Estimated Financing Participation:

Public: 100%

Private: 0%

Trans World Dome



Summary of Financing

Source:	Amount (in millions):
State of Missouri General Funds	\$133.0
City of St. Louis General Funds	66.5
St. Louis County Hotel/Motel Taxes	66.5
Total	\$266.0

Baltimore Stadium (NFL)

* The following figures are estimates based on current information and projections and are subject to change.

Team: NFL Baltimore Ravens

City, State: Baltimore, Maryland

General Description: The open-air, natural grass stadium, estimated to be completed by 1998, is expected to seat approximately 70,000 spectators and have 100 to 120 private suites and 6,500 to 7,500 club seats.

Owner: State of Maryland

Operator: The State of Maryland will operate the stadium and the NFL Ravens will pay operating expenses.

Total Cost: Approximately \$200.0 million

Financing Terms:

Public: Currently there is a \$24.3 million balance in the lottery proceeds general fund which will be used to partially finance the stadium. An additional \$15.5 million was generated by refinancing the bonds for Camden Yards. A total of \$90.9 million is expected to be raised by issuing construction bonds (lease-backed revenue bonds) for the NFL stadium. These bonds are supported by a state-wide 10 percent admissions tax and 50 percent of non-football event revenue at the stadium. Finally, approximately \$64.3 million is expected to be raised by the lottery and allocated to stadium construction costs.

Private: Of the total PSL funds generated, \$5.0 million is targeted for stadium construction funds. In addition, a total of \$24.0 million will be paid by the Ravens over 30 years.

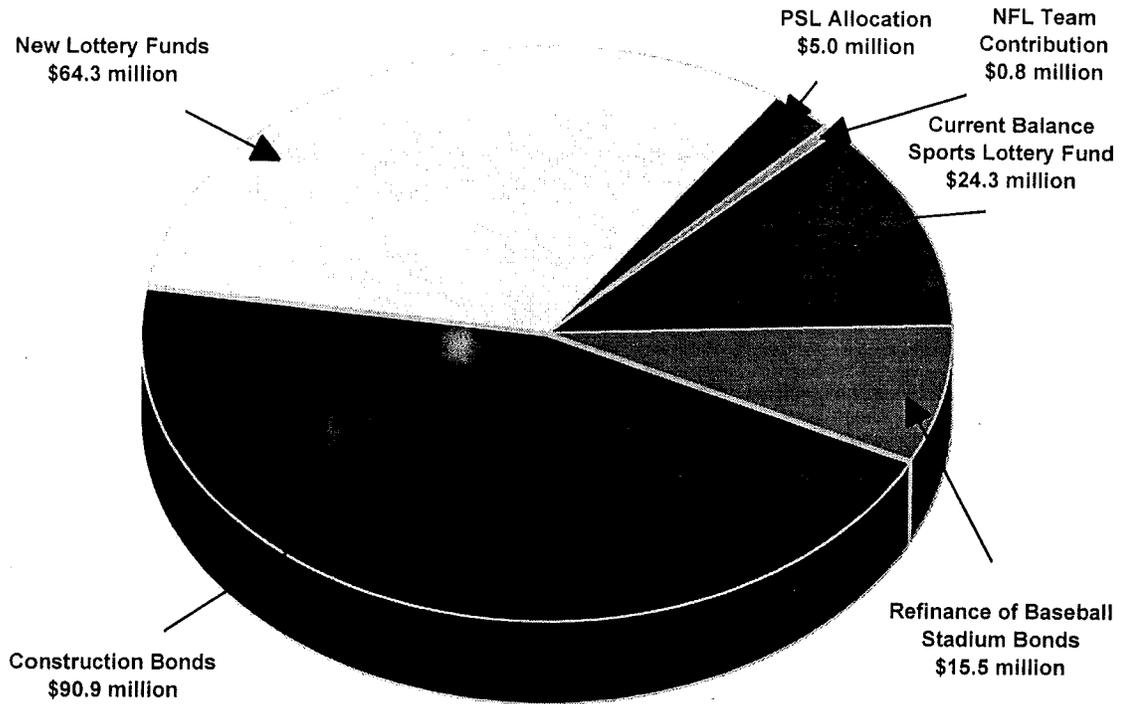
Estimated Financing Participation:

Public: 97%

Private: 3%

Issuing Party: State of Maryland

Baltimore Stadium (NFL)



Summary of Financing

Source:	Amount (in millions):
Stadium Construction Bonds	\$90.9
New Lottery Funds	64.3
Current Balance of Lottery General Fund	24.3
Refinance of Baseball Stadium Bonds	15.5
Personal Seat License Allocation	5.0
<i>NFL Team Contribution (\$24 million over 30 years) (1)</i>	<i>0.8</i>
Total	\$200.8

(1) The NFL team is not on a payment schedule. Therefore, the average amount due by the team over the time period was calculated

Cleveland Stadium (NFL)

* The following figures are estimates based on current information and projections and are subject to change.

Team: NFL Cleveland Team

City, State: Cleveland, Ohio

General Description: The open-air, natural grass stadium is expected to seat approximately 71,000 spectators and have 108 private suites and 8,000 club seats.

Owner: City of Cleveland

Operator: City of Cleveland - may change to the NFL team once a team ownership group is decided upon.

Total Cost: Approximately \$220.0 million. In addition, the NFL is responsible for cost overruns exceeding \$220.0 million up to \$240.0 million.

Financing Terms:

Public: Approximately \$130.0 million is expected to be raised by the City of Cleveland Certificate of Participation which is secured through the City's annual appropriations and funded by the City's Cigarette and liquor tax, 8 percent city-wide parking tax and 8 percent city-wide admission tax. An additional \$33.0 million will be allocated from a State of Ohio capital grant. Other funds include \$6.0 million from the City of Cleveland Utilities equity, \$3.0 million from the Greater Cleveland Transit Authority, and \$10.0 million from the City's investment income.

Private: Private funds targeted for construction include \$28.0 million from an NFL grant which will most likely be repaid by the NFL team entering the market. An additional \$10.0 million will be generated by Cleveland Tomorrow, a group of local businesses.

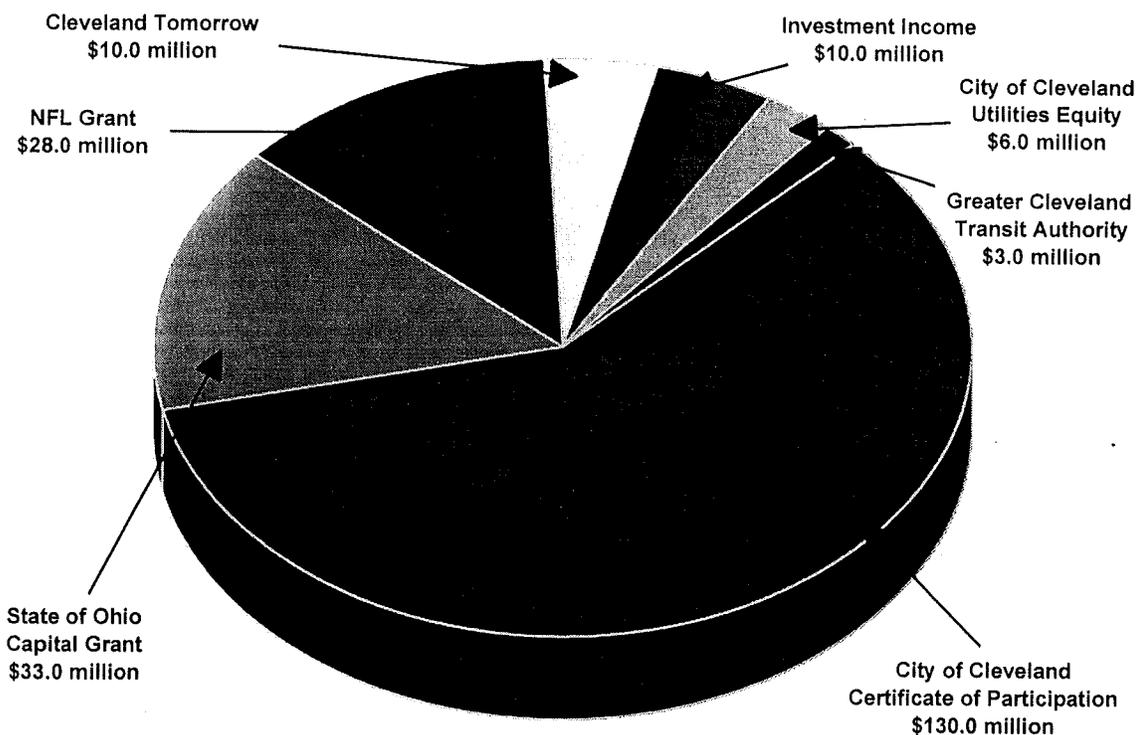
Estimated Financing Participation:

Public: 83%

Private: 17%

Issuing Party: \$130.0 million in Certificates of Participation bonds will be issued by the City of Cleveland.

Cleveland Stadium (NFL)



Summary of Financing

Source:	Amount (in millions):
City of Cleveland Certificate of Participation	\$130.0
State of Ohio Capital Grant	33.0
NFL Grant	28.0
Cleveland Tomorrow	10.0
Investment Income	10.0
City of Cleveland Utilities Equity	6.0
City of Cleveland Transit Authority	3.0
Total	\$220.0

METROPOLITAN SPORTS FACILITIES COMMISSION
 SCHEDULE OF OUTSIDE REVENUE SOURCES

PUBLIC SECTOR:

YEAR	METRO LIQUOR TAX	MPLS HOTEL/MOTEL LIQUOR TAX	MPLS PARKING AGREEMENT	TOTALS
8-1/12-77 METRO	634,135			634,135
1978	4,022,308			4,022,308
TO 7/31-79 METRO	3,376,146			3,376,146
8-1/79 MPLS TAX		931,333		931,333
1980		2,904,680		2,904,680
1981		2,976,589		2,976,589
DOME OPENS 1982		3,263,818	104,619	3,368,437
1983		3,228,765	315,865	3,544,630
1984		2,519,329	408,752	2,928,081
1985			420,768	420,768
1986			433,815	433,815
1987			437,044	437,044
1988			457,848	457,848
1989			476,279	476,279
1990			493,001	493,001
1991			508,863	508,863
1992			372,585	372,585
TOTAL OUTSIDE REVENUE	<u>8,032,589</u>	<u>15,824,514</u>	<u>4,429,439</u>	<u>28,286,542</u>

2% Metrowide tax
 Mpls. tax after site
 selection

3% Mpls. tax 1979
 to 1983. 2% tax
 1984. The tax was
 rescinded in 1985
 after the sale of the
 Met Stadium

10 year agreement
 on 3 City owned
 ramps. These agree-
 ments expire in 1992/
 1993. The City
 retains all Dome
 event parking fees.

The Stadium will
 receive \$75,000 from
 parking meters. This
 continues in perpetuity

Stadium Development Costs

Stadium Development Costs

New sports facilities are expensive. The facilities for which construction costs are available demonstrate that development costs for open air stadiums range from \$200 million (New Comiskey Park) to \$267 million (Pacific Bell Ballpark, movable). For a retractable roof stadium, costs range from \$348 million (Bank One Ballpark, metal panel roof) to \$363 million (New Seattle Ball Park, movable, fabric being considered). Moveable roofs, whether metal or fabric, range from \$60 to \$75 million.

Recently Built or Planned Retractable Roof Stadiums

	Milwaukee Brewers <i>Miller Park Ballpark</i>	Seattle Mariners <i>New Seattle Ballpark</i>	Arizona Diamondbacks <i>Bank One Ballpark</i>
Projected Opening Date	Estimated opening 2000	Estimated opening 1999	Estimated opening 1998
Development Costs	\$352-357 million est. total \$250 million stadium cost \$72 million infrastructure \$30-35 million operating lease	\$422.0 million \$45 million from team	\$349.5 million \$253 million limit on public's contribution
Roof	Movable, 5 metal panel Cost: \$60 million \$20 million for operating mechanism	Movable Fabric being considered Roof may not be available until 2000 Cost est. \$67 million	Movable, metal panel Cost: \$73.5 million
Architect	HKS & NBBJ	NBBJ	Ellerbe Becket
Construction Manager	Huber/Hunt/Nichols	Huber/Hunt/Nichols	Huber/Hunt/Nichols
Seating Capacity	42,500	45,000	48,500
Site Size (Acres)	n/a	n/a	22.5
Number of Suites	75	65	62
n/a - not available Source: Metropolitan Sports Facilities Commission			

Recently Built or Planned Open-Air Stadiums

	Chicago White Sox <i>New Comiskey Park</i>	Baltimore Orioles <i>Camden Yards</i>	Cleveland Indians <i>Jacobs Field (1)</i>	Texas Rangers <i>Ballpark at Arlington</i>	Colorado Rockies <i>Coors Field</i>	San Francisco Giants <i>Pacific Bell Ballpark</i>
Projected Opening Date	1991	1992	1994	1994	1995	2000
Cost	\$207.1 million	\$234 million	\$473.2	\$190.7 million	\$215.5 million	\$266 million
Architect	HOK Sport	HOK Sports	HOK Sport	HKS	HOK Sport	n/a
Construction Manager	n/a	n/a	n/a	n/a	Mortenson	n/a
Seating Capacity	42,240	48,017	42,345	49,292	50,249	42,000
Site Size (Acres)	15.81	14.87	13.7	16.3	17.65	20
Number of Suite	97	78	128	125	62	n/a
(1) Development costs include both Jacobs Field and Gund Arena.						
n/a - not available						
Source: Metropolitan Sports Facilities Commission						

**LEASE COMPARISON BETWEEN THE RAVENS AND THE
NEW BALTIMORE STADIUM AND MUNICIPAL STADIUM**

	New Baltimore Stadium (existing lease)		Municipal Stadium (previous lease)		New Cleveland Stadium (proposed lease)	
	Authority	Baltimore Ravens	City	Cleveland Browns (1)	City	Cleveland NFL Franchise
Revenues						
Gate Receipts/ Rent	0.00%	100.00%	\$750,000	100.00% less \$750,000/yr	0.00%	100.00%
Concessions (net)	0.00%	100.00%	0.00%	100.00%	0.00%	100.00%
Novelties (net)	0.00%	100.00%	0.00%	100.00%	0.00%	100.00%
Parking (net)	0.00%	100.00%	100.00%	0.00%	0.00%	100.00%
Club Seats	0.00%	100.00%	n/a	n/a	0.00%	100.00%
Private Suites	0.00%	100.00%	0.00%	100.00%	0.00%	100.00%
Catering (net)	0.00%	100.00%	0.00%	100.00%	0.00%	100.00%
Advertising	2 free panels	100.00% less 2 free panels	0.00%	100.00%	0.00%	100.00%
Local Broadcasting	0.00%	100.00%	0.00%	100.00%	0.00%	100.00%
Expenses						
Fixed	0.00%	100.00%	0.00%	100.00% (2)	0.00%	100.00%
Game-Day	0.00%	100.00%	0.00%	100.00%	0.00%	100.00%
Ticket Taxes		10.00% (3)				8.00% (4)

(1) The column represents the Cleveland Browns and their affiliate stadium management company, the Cleveland Stadium Corporation.

(2) The Browns were also responsible for debt service payments at approximately \$150,000 annually on stadium improvement bonds.

(3) Ten percent admission tax utilized in the financing of the new stadium.

(4) Eight percent admission tax utilized in the financing of the new stadium.

n/a - not applicable

Source: Industry Periodicals

**LEASE COMPARISON BETWEEN THE RAIDERS AND THE
OAKLAND-ALAMEDA COLISEUM AND LOS ANGELES COLISEUM**

	Oakland-Alameda Coliseum (existing lease)		Los Angeles Coliseum (previous lease)	
	Coliseum Commission	Oakland Raiders	City	Los Angeles Raiders
Revenues				
Gate Receipts/ Rent	\$500,000/yr	100.00% \$500,000/yr (1)	7.50%	92.50% less surcharge
Concessions (net)	50.00%	50.00%	50.00%	50.00%
Novelties (net)	0.00%	100.00%	10.00% G	90.00% G
Parking (net)	50.00%	50.00%	100.00%	0.00%
Club Seats	50.00% (2)	50.00% (2)	n/a	n/a
Private Suites	0.00%	100.00%	n/a	n/a
Catering (net)	50.00%	50.00%	50.00%	50.00%
Advertising	(3)	(3)	50.00%	50.00%
Local Broadcasting	0.00%	100.00%	0.00%	100.00%
Expenses				
Fixed	100.00%	0.00%	100.00% (4)	0.00%
Game-Day	100.00%	0.00%	50.00%	50.00%
Ticket Taxes		\$1.00/ticket (5)		

- (1) The Raiders will receive an annual payment of approximately \$5.7 million commencing with the completion of the stadium improvement project.
- (2) The Raiders received 100 percent of club seating revenue for 1995 and 50% thereafter.
- (3) The Raiders receive 100% of advertising revenue in areas designated as "Stadium Club Lounge". The other advertising revenue is allocated between the Oakland A's, Raiders, and Coliseum Commission. The first \$3.5 million of non-stadium club revenue is retained by the Coliseum Commission, while the next \$500,000 is retained by the A's, and the next \$500,000 by the Raiders.
- (4) The team paid utility costs related to their events.
- (5) There is a \$1.00 surcharge per paid ticket which supports the Oakland Unified School District.

n/a - not applicable

G - Sharing provisions are based on gross revenues, not proceeds

Source: Industry Periodicals

**LEASE COMPARISON BETWEEN THE RAMS AND THE
TRANS WORLD DOME AND ANAHEIM STADIUM**

	Trans World Dome (existing lease)		Anaheim Stadium (previous lease)	
	Authority	St. Louis Rams	City	Los Angeles Rams
Revenues				
Gate Receipts/ Rent	\$250,000/yr	100.00% less \$250,000/yr	7.50%	92.50% less surcharge
Concessions (net)	0.00%	100.00%	50.00%	50.00%
Novelties (net)	0.00%	100.00%	0.00%	100.00%
Parking (net)	33.00%	67.00%	50.00%	50.00%
Club Seats	0.00%	100.00%	n/a	n/a
Private Suites	0.00%	100.00%	20.00%	80.00%
Catering (net)	0.00%	100.00%	0.00%	100.00%
Advertising	25.00%	75.00% (1)	100.00% less \$100,000	\$100,000
Local Broadcasting	0.00%	100.00%	0.00%	100.00%
Expenses				
Fixed	100.00%	0.00%	100.00% (2)	0.00%
Game-Day	100.00%	0.00%	50.00%	50.00%
Ticket Taxes				\$0.60/ticket (3)

(1) The Rams receive and retain 75% of the first \$6 million and 90% of the net advertising revenues in excess of \$6 million. The Rams also retain 100% of football-related advertising (sponsorship) revenue.

(2) The team paid utility costs related to their events.

(3) The City received 7.5% of gross gate receipts plus a \$0.60 ticket surcharge on all paid tickets for Rams events.

n/a - not applicable

Source: Industry Periodicals

Naming Rights

Naming Rights

Naming rights, or the right to put a corporate or commercial name on a professional sports facility in exchange for payment, have become big revenue generators in recent facility financings. For example, Bank One will pay \$66 million over 30 years for the right to call the home of the Arizona Diamondbacks "Bank One Ballpark," and Miller Beer will pay \$41 million in Milwaukee for the naming rights to the Brewer's Stadium, "Miller Park."

In contrast, the Hubert H. Humphrey Metrodome and the Pontiac Silverdome receive no revenue in exchange for the name of the facility. Using industry averages, however, it is estimated that \$20 million (\$1 million per year for 20 years) could be raised through the sale of naming rights at the Metrodome. In addition, the sale of naming rights for the outdoor Metrodome Plaza could generate as much as \$200,000 per year for 20 years.

Naming rights can also include other signage opportunities, such as naming entrances to a facility or naming private suites. As the naming rights agreements become more complex, they may also encompass other team marketing features, such as interactive kiosks and in-seat food ordering, so it is difficult to assess in these more complex arrangements how much revenue is attributable solely to the naming of the facility.

Following is a summary of major league sports facility naming rights.

Exhibit 1
Summary of Major League Sports Facility Naming Rights

Facility	Professional Tenant	Total Contract	Upfront Funding	Annual Payment	Contract Length (yrs)	Other
<i>Stadiums</i>						
3Com Park	San Francisco 49ers/Giants	\$4,000,000		\$1,000,000	4	
Bank One Ballpark	Arizona Diamondbacks	66,000,000	\$1,000,000	1,000,000	30	City will receive \$500,000 the first year and \$3.5 million over the following three years
Cinergy Field	Cincinnati Bengals & Reds	6,000,000		1,200,000	5	\$1 million upfront and \$1 million annually, inflating at 5 percent.
Coors Field	Colorado Rockies	15,000,000		1,500,000	10	Extends through 2001 or until new stadiums are built
Ericsson Stadium	Carolina Panthers	20,000,000			10	Coors also contributed equity to Rockies in addition to naming rights.
Houlihan Stadium	Tampa Bay Buccaneers	10,000,000			5	
Jacobs Field	Cleveland Indians	14,000,000			20	Rights purchased by Malcolm Glazer's restaurant
Miller Park	Milwaukee Brewers	41,200,000	1,200,000	400,000	20	\$400,000 for the first 10 years and \$1 million for 2nd 10 years.
Pacific Bell Park	San Francisco Giants	50,000,000		2,000,000	24	
Pro Player Stadium	Miami Dolphins/Marlins	20,000,000			10	
RCA Dome	Indianapolis Colts	10,000,000			10	
Trans World Dome	St. Louis Rams	26,000,000		1,300,000	20	Option for 10-year extension at \$13 million.
Tropicana Field	Tampa Bay Devil Rays	30,000,000		1,000,000	30	The airline will also become the official airline of the Rams Possible 5% annual accelerator clause pending
Stadium Average		\$24,015,385		\$1,175,000	15	
MLB-Only Average		\$36,033,333		\$983,333	22	
<i>Arenas</i>						
Air Canada Arena	Toronto Raptors	30,000,000			20	
America West Arena	Phoenix Suns	24,000,000		550,000	30	Payment increases 3 percent per annum
ARCO Arena	Sacramento Kings	7,000,000		700,000	10	
Arrowhead Pond	Anaheim Mighty Ducks	7,500,000		1,500,000	5	
Canadian Air Saddledome	Calgary Flames	15,000,000		750,000	20	
Continental Air Arena	NJ Nets & Devils	29,000,000		2,416,667	12	
Corel Centre	Ottawa Senators	18,750,000		937,500	20	
CoreStates Center	Philadelphia 76ers/Flyers	40,000,000		1,379,000	29	
Delta Center	Utah Jazz	10,000,000		500,000	10	Payment increases 4 percent per annum. 5 year renewal option.
Fleet Center	Boston Celtics/Bruins	30,000,000	30,000,000		15	
GM Place	Vancouver Grizzlies/Cannucks	15,000,000			20	
Great Western Forum	LA Lakers/Kings	15,000,000			15	
Gund Arena	Cleveland Cavaliers	14,000,000		400,000	20	Rights run thru 2003 with a 15 year option.
Key Arena	Seattle Super Sonics	15,000,000		750,000	15	\$400,000 for the first 10 years and \$1 million for 2nd 10 years.
Marine Midland Arena	Buffalo Sabres	15,000,000			20	Payment increases 4 percent per annum. 5 year renewal option.
MCI Arena	Washington Bullets/Capitals	30,000,000	10,000,000	1,000,000	20	
Pepsi Center	Denver Nuggets/Avalanche	35,000,000	15,000,000	1,000,000	20	Estimated terms
Target Center	Minnesota Timberwolves			650,000		
United Center	Chicago Bulls/Blackhawks	40,000,000		2,000,000	20	
USAir Arena	Washington Bullets/Capitals	10,000,000		1,000,000	10	
Arena Average		\$21,065,789		\$1,035,544	17	
Stadium/Arena Average		\$22,540,587		\$1,105,272	16	

Note: Figures related to Canadian facilities are presented in U.S. Dollars for comparison purposes.
Source: Industry periodicals, interviews with facility management.

Public Ownership Guidelines

Public Ownership of Major League Professional Franchises

Major League Baseball (“MLB”) allows public ownership of baseball teams, but MLB guidelines indicate that within each ownership structure there must be a clearly identified person or entity responsible for operations and compliance with MLB rules, and who has decision-making authority.

The National Football League (“NFL”) prohibits ownership by an entity in which ownership shares are publicly traded.

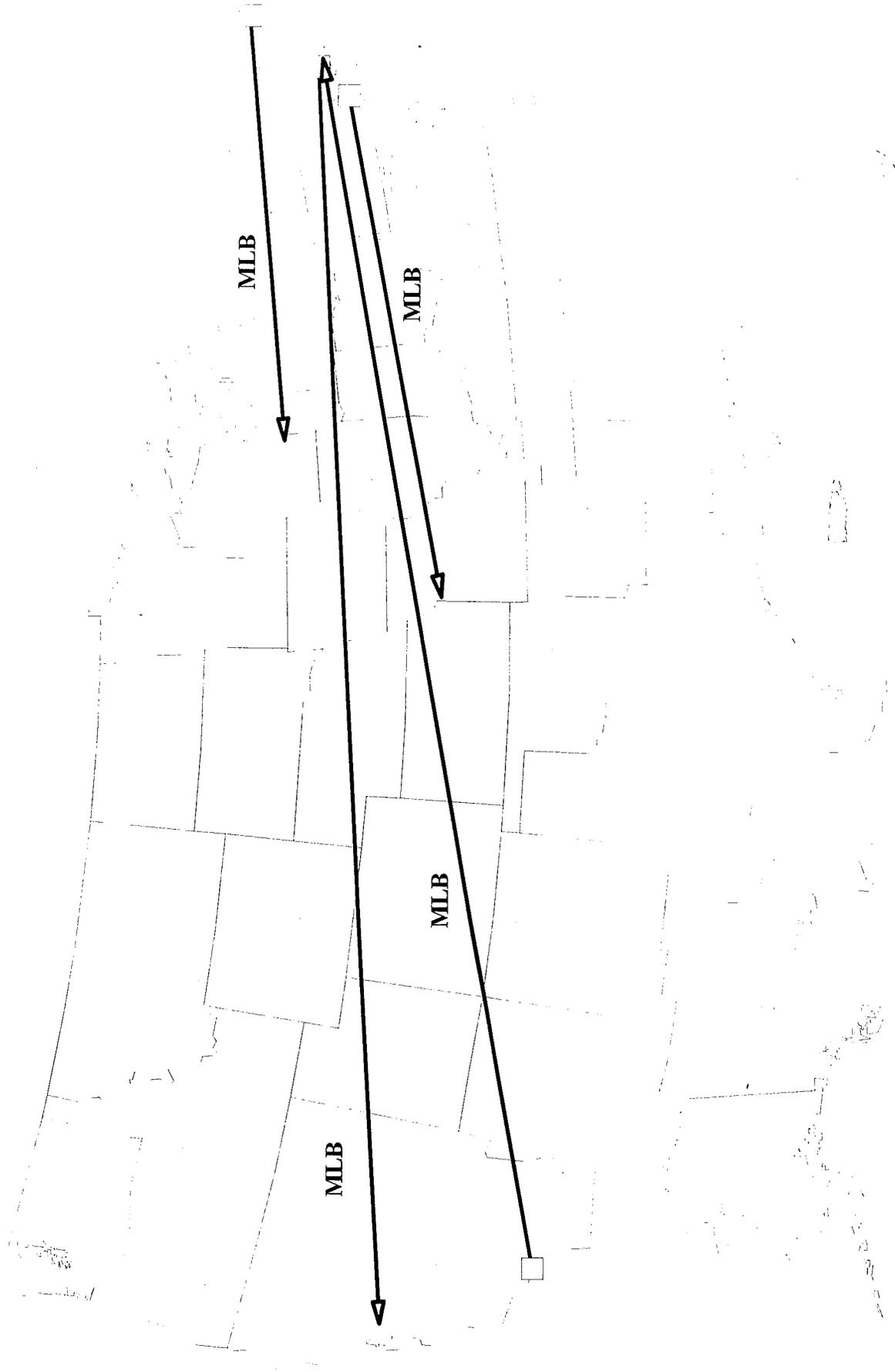
History of Professional Sports Team Movement

History of Professional Sports Team Movement

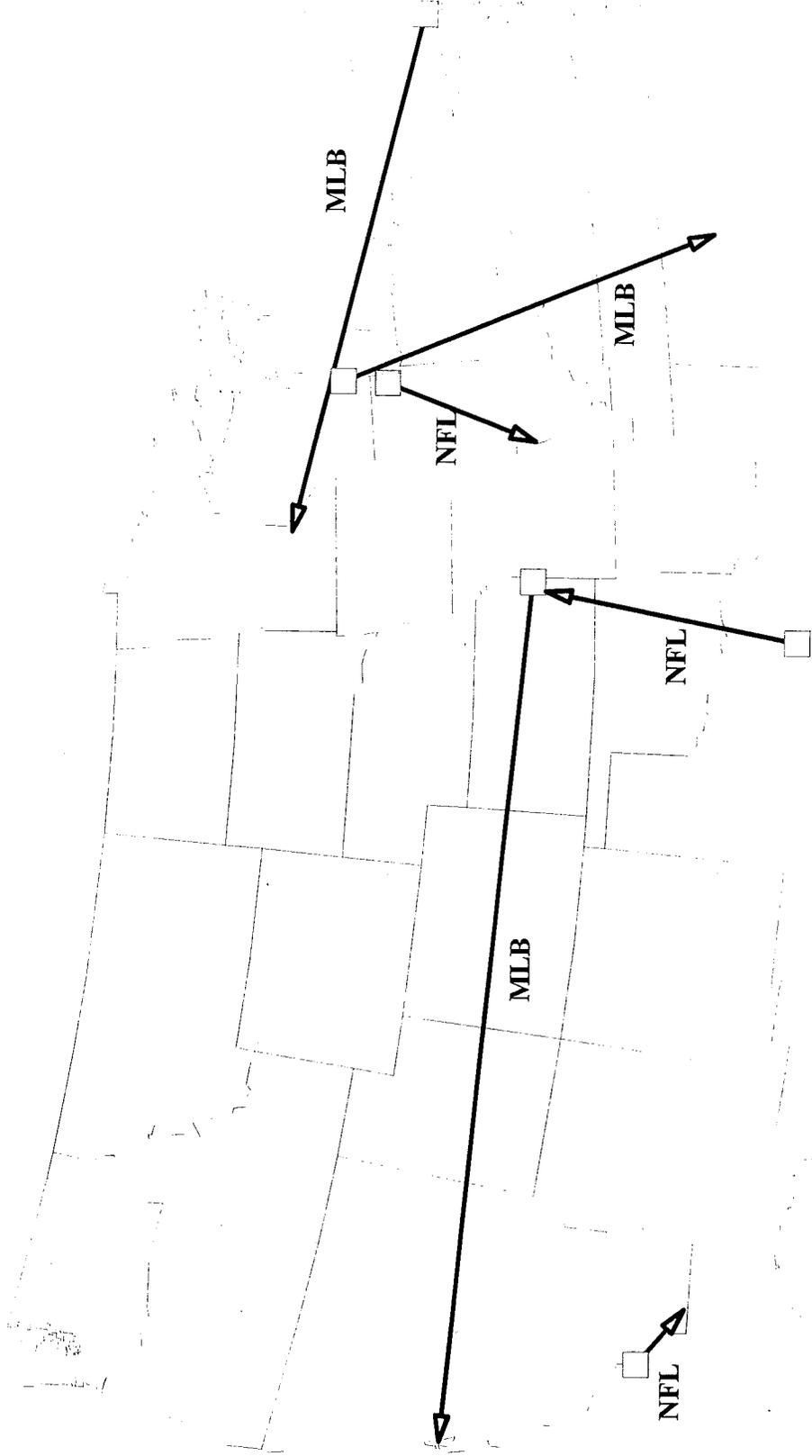
Although it may appear that relocation of major league professional franchises is a recent phenomenon, in fact it has been going on for years. Looking only at major league baseball and football, seven football teams have relocated since 1980, primarily to seek higher revenues. The most recent relocation of a baseball franchise to another state was in 1970.

Following is a review of NFL and MLB franchise movement.

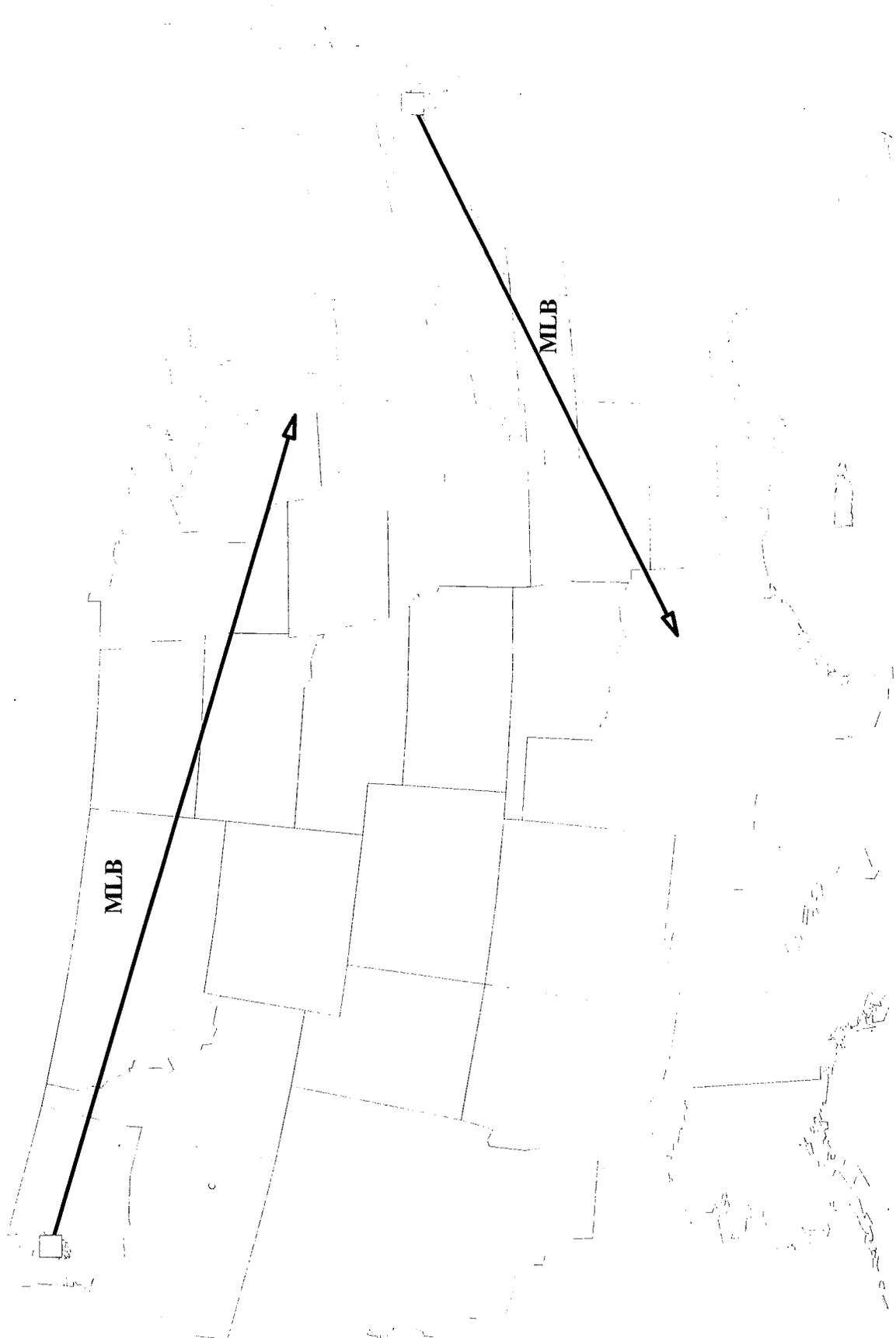
NFL and MLB Franchise Movement - 1950's



NFL and MLB Franchise Movement - 1960's



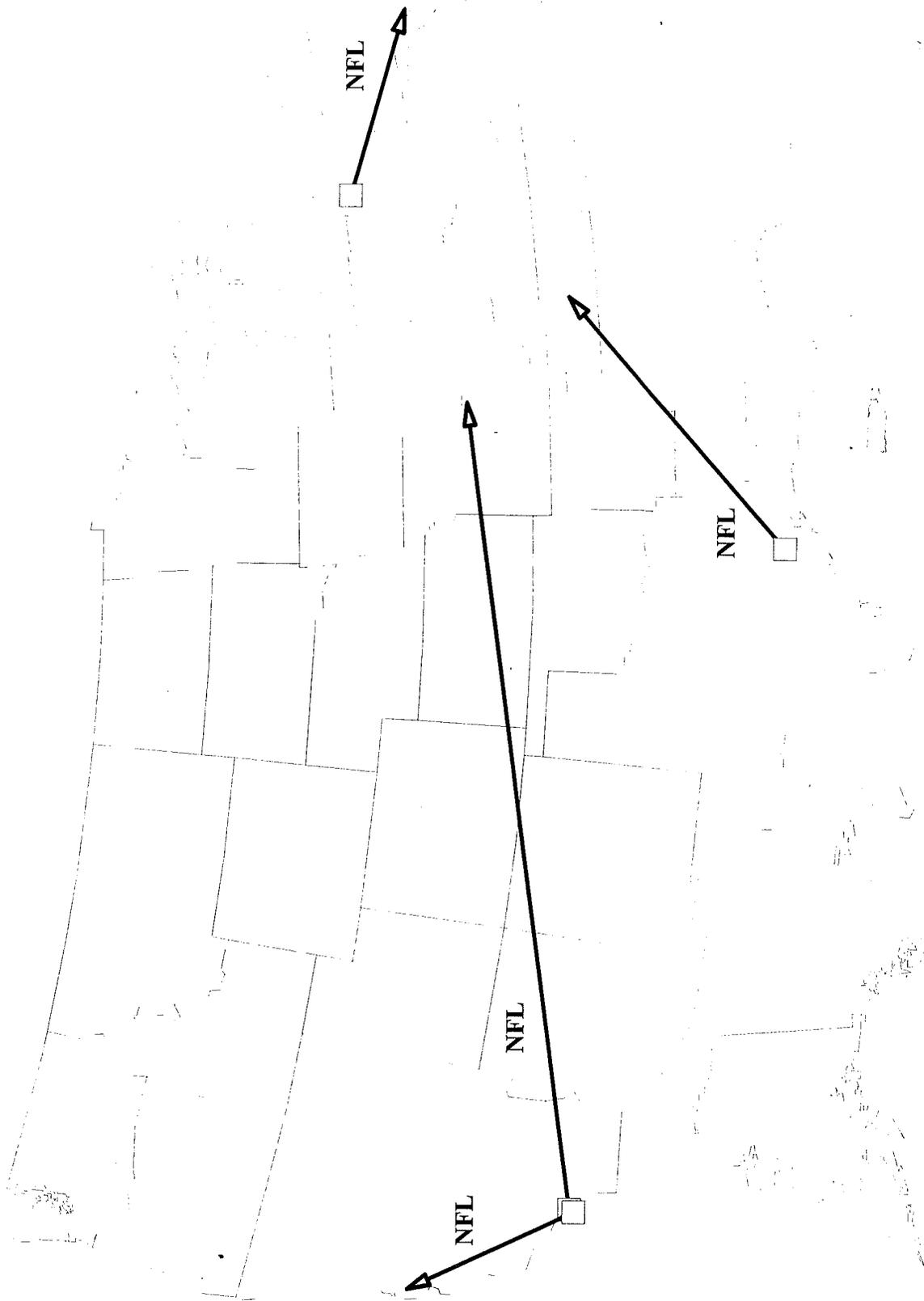
NFL and MLB Franchise Movement - 1970's



NFL and MLB Franchise Movement - 1980's



NFL and MLB Franchise Movement - 1990's



Status of Federal Legislation Regarding Team Movement

U.S. Senator Daniel Moynihan (D-NY) introduced a bill on January 21, 1997 entitled the "Stop Tax-Exempt Arena Debt Issuance Act." The bill, S.122, severely restricts the use of tax exempt financing for professional sports facilities, virtually eliminating the use of tax exempt bonds for new construction, acquisition of real property or related improvements. If passed, the legislation would be effective for bonds issued on or after the first date of committee action.

Potential Relocation Sites for the Twins

Potential Relocation Sites for the Minnesota Twins

As stated previously, the Twins could elect to leave Minnesota after exercising the escape clause of their Metrodome lease following the 1998 season. There are two markets which have shown historical interest in attracting a major league baseball team, and have appropriate facilities to operate them:

- **Northern Virginia/Washington, D.C. area.** RFK Stadium is the former home of the Washington Redskins and the Washington Senators (before that club moved to Dallas to become the Texas Rangers). RFK was constructed in the early 1960s as a baseball/football stadium. Three other stadia (Busch Stadium in St. Louis, Fulton County Stadium in Atlanta and Three Rivers Stadium in Pittsburgh) were modeled after RFK. RFK would require some modest modification as a result of improvements that were made for the Redskins. This stadium could be baseball-ready for as little as \$100,000. The potential ownership group is led by Bill Collins and is known as the Collins Group. Mark Warner and Mike Scanlon are two other partners. The Collins Group has actively pursued existing and expansion major league baseball franchises for several years. However, the Baltimore Orioles currently have American League territorial rights to the Northern Virginia/Washington, D.C. area which prevent A.L. clubs from moving there. That situation may or may not change, as major league realignment is currently being discussed.
- **Charlotte, N.C.** Charlotte currently has a small 12-15,000-seat AAA baseball stadium called Knights' Castle on the North Carolina-South Carolina state line. The stadium was constructed to allow for expansion up to 40,000 seats. It is part of an entertainment complex which includes an amusement park. George Shinn, owner of the NBA Charlotte Hornets, heads the group that has had a long interest in bringing a major league baseball team to Charlotte.

Groups from Columbus, Ohio, Jacksonville, Fla., Sacramento, San Antonio, New Orleans and Buffalo, N.Y., have also shown interest in acquiring major league baseball teams. New Orleans, with the Superdome, could house a team relatively easily. The other communities mentioned here would be able to provide some form of makeshift housing for a team, pending the construction of new, state-of-the-art stadia.

Review of Memorial Baseball Park Proposal

Review of Memorial Baseball Park Proposal

The Memorial Baseball Park proposal has been forwarded by Mr. Edward Villaume, a Minneapolis investment executive and baseball fan. His premise is that an open-air baseball-only stadium can be constructed in downtown Minneapolis for \$200 million without use of public funds, debt financing or by awarding naming rights. Mr. Villaume proposes that construction funds would come from a variety of sources, including: an investment by the Twins; up-front contracts with a concessionaire, soft drink company and beer company; an advance on suite rental; and from a program that would raise a significant sum directly from Upper Midwest baseball fans.

Mr. Villaume's projections relative to revenues and operating expenses appear to be within reason, however much of the financing package is speculative:

- **Investment from concessionaire: \$20 million.** It is reasonable to expect that a concessionaire will provide financing toward the food and beverage operation of a new stadium. Typically, the amount of the investment will depend on the length of the contract and projected revenues. Mr. Villaume's proposal assumes that the 45 percent of concessions revenue will go toward construction of the stadium, which may not leave an adequate return for the concessionaire.
- **Investment from soft drink company: \$35 million.** In any stadium project, a soft drink company will sign an exclusive promotional/marketing agreement that also includes pouring rights. Mr. Villaume is proposing a 30-year deal with all soft drink revenues going toward stadium construction. This would proportionally reduce revenues available to the tenants or operating entity. The \$35 million proposed is not unreasonable for 30 years, but it is unlikely that this investment would be paid up-front and it is unlikely that the term would exceed 10 years.
- **Investment from beer company: \$35 million.** Pursuant to federal law, there can be no tie between advertising and the exclusivity of product sold in the stadium. Therefore, under this scenario, it is not possible to ensure that the beer advertiser would have its product sold in the stadium, making this a very questionable investment. Also, as in the soft drink situation, it is unlikely that the total investment would be paid up-front and it is also unlikely that the term would exceed 10 years.

- **Five-year advance on suite sales: \$15 million.** In order to accomplish this, 50 suite-holders would have to make an up-front investment of \$300,000 each. The Twins have stated publicly that there is great interest in suites in a new baseball stadium; however it is not known whether there are commitments to cover \$15 million.
- **Minnesota Twins investment: \$55 million.** Mr. Villaume's proposal shows that the Twins' profit for the first ten years would be \$17,541,731. This proposal assumes that the Twins would pay no rent until their net profit equaled the \$55 million advance payment. According to this scenario, there appears to be a negligible return for the Twins on their investment.
- **Minnesotans for Outdoor Baseball: \$25 million.** This is highly speculative in that Mr. Villaume proposes selling \$25 million worth of "bricks" to Upper Midwest baseball fans on which the contributors' names would be commemorated. Similar programs have been attempted elsewhere, but have never raised \$25 million for a single project.
- **Cost of Stadium: \$200 million.** It is uncertain that an open-air stadium could be built for \$200 million. It is more likely — without reviewing actual plans — that construction and fees for the proposed stadium would be at least \$250 million, plus an additional \$50 million for land preparation.

Based on an analysis of Mr. Villaume's proposal, which follows, this plan would result in annual losses beginning the first year of approximately \$4.5 million.

	Original Villaume Proposal in 2001	MSFC's Analysis of Villaume Proposal in 2001	New Ballpark Average in 2001
<i>Revenues</i>			
Gate Receipts	\$43,740,000	\$43,740,000	\$43,147,000
Concessions (1)	12,164,000	9,522,000	11,101,000
Novelties	0	0	1,118,000
Parking	0	0	2,073,000
Advertising (2)	3,000,000	500,000	5,225,000
Suite Premium (net of tickets)	1,000,000	1,000,000	5,300,000
Club Seat Premium (net of tickets) (3)	2,248,000	1,000,000	2,410,000
Licensing	2,000,000	2,000,000	2,500,000
Radio & Television (2)	22,000,000	21,500,000	25,400,000
Total Gross Revenues	\$86,152,000	\$79,262,000	\$98,274,000
<i>Expenses</i>			
Total Building Operating Expenses	\$12,500,000	\$12,500,000	\$7,000,000
Total Baseball-Related Expenses	16,300,000	16,300,000	25,000,000
Player Salaries	50,000,000	50,000,000	45,000,000
Capital Reserve Funding	5,000,000	5,000,000	1,000,000
Total Operating Expenses	\$83,800,000	\$83,800,000	\$78,000,000
Net Cash Flow	\$2,352,000	(\$4,538,000)	\$20,274,000

(1) Since an up-front concessionaire payment of \$20 million has been assumed as part of Villaume's proposal, the assumed margin of 45 percent on annual gross concession revenue was reduced to 35 percent to better reflect the increased revenues required by the concessionaire on an annual basis.

(2) Due to the relatively high dollars assumed in up-front revenue from both the beer and soft drink companies in a new ballpark, the annual advertising, radio, and television has been reduced based on the assumption that both the beer and soft drink company would require a high level of signage locations within the ballpark, air spots from local radio stations, and other forms of advertising medium for their investment.

(3) Due to the assumption that local fans would contribute \$25 million in up-front money (in the form of personal seat licenses) as indicated in the Villaume's proposal, the refined proposal reflects a decrease in club seat revenues.

OLA

Minnesotans *for* Outdoor Baseball

February 11, 1997

Bill Lester
Metrodome
900 South 5th Street
Minneapolis, MN 55415

Dear Bill:

I enjoyed our conversation yesterday. Normally I would hand write this note, but I don't think you'd be able to read my left-hand writing.

The enclosed numbers are the most recent. I have projected ten years of Twins' revenue in the Memorial Ballpark. The concessionaire numbers are the Twins' share of the gross receipts (as given to me by the concessionaire). Remember, we do not have to pay any debt service -- saving over \$20 million per year.

If you have any questions, please feel free to give me a call at 921-1977. I would be more than happy to talk with you at any time in more detail about my plan.

Sincerely,



Edward F. Villaume
Chairman

**Memorial Ballpark
Financing Structure**

Ballpark Financing

Concessionaire	\$20,000,000	"x" years exclusivity
Soft Drink Company	\$35,000,000	"x" years exclusivity
Beer Company	\$35,000,000	"x" years exclusivity
5 yr Advance on Suites	\$15,000,000	(net \$1 million/yr to Twins)
Minnesota Twins	\$55,000,000	Lease advance of "x" years
M.O.B.	\$25,000,000	Fans' contributions
Total Capital Raised	\$185,000,000	

Amount saved with no debt/interest payments per year :

$(\$200 \text{ million} \times 8.5\%) = \$ 17,000,000$ interest only per year

Memorial Ballpark Years 1-3

<u>Year 1</u>	<u>Year 2</u>	<u>Year 3</u>
<u>Revenue</u>	<u>Revenue</u>	<u>Revenue</u>
Tickets ⁽¹⁾ \$43,740,000	Tickets ⁽⁴⁾ \$43,740,000	Tickets ⁽⁷⁾ \$44,550,000
Club Seats ⁽²⁾ \$2,247,750	Club Seats ⁽⁵⁾ \$2,247,750	Club Seats ⁽⁸⁾ \$2,308,500
Concessions (45%) ⁽³⁾ \$11,664,000	Concessions (45%) ⁽⁶⁾ \$11,955,600	Concessions (45%) ⁽⁹⁾ \$12,028,500
Local TV & Radio \$8,000,000	Local TV & Radio \$8,000,000	Local TV & Radio \$9,000,000
National TV & Radio \$14,000,000	National TV & Radio \$14,000,000	National TV & Radio \$14,000,000
Advertising \$3,000,000	Advertising \$4,500,000	Advertising \$4,500,000
Licensing (MLB) \$2,000,000	Licensing (MLB) \$2,000,000	Licensing (MLB) \$2,000,000
Suite Revenue \$1,000,000	Suite Revenue \$1,000,000	Suite Revenue \$1,000,000
Food Revenue (suites) \$500,000	Food Revenue (suites) \$500,000	Food Revenue (suites) \$500,000
Total Revenue <u>\$86,151,750</u>	Total Revenue <u>\$87,943,350</u>	Total Revenue <u>\$89,887,000</u>
<u>Expenses</u>	<u>Expenses</u>	<u>Expenses</u>
Total Operating \$12,500,000	Total Operating \$12,750,000	Total Operating \$12,750,000
Total Baseball-Related \$16,300,000	Total Baseball-Related \$16,500,000	Total Baseball-Related \$16,800,000
Player Salaries \$50,000,000	Player Salaries \$51,000,000	Player Salaries \$52,000,000
Total Expenses <u>\$78,800,000</u>	Total Expenses <u>\$80,250,000</u>	Total Expenses <u>\$81,550,000</u>
Net Profit / (Loss) <u>\$7,351,750</u>	Net Profit / (Loss) <u>\$7,693,350</u>	Net Profit / (Loss) <u>\$8,337,000</u>
<u>Ballpark Maintenance</u> \$5,000,000	<u>Ballpark Maintenance</u> \$5,500,000	<u>Ballpark Maintenance</u> \$5,500,000
<u>Debt Service</u> \$0	<u>Debt Service</u> \$0	<u>Debt Service</u> \$0
<u>Youth Experience Fund</u> \$732,290	<u>Youth Experience Fund</u> \$747,518	<u>Youth Experience Fund</u> \$764,040
[based on .850% of total revenue]	[based on .850% of total revenue]	[based on .850% of total revenue]
Total Profit to Twins <u>\$1,619,460</u>	Total Profit to Twins <u>\$1,445,832</u>	Total Profit to Twins <u>\$2,072,961</u>

(1) [based on 81*\$13.50*40000]

(2) [based on 81*\$18.50*1500]

(3) [based on (81*\$8.00*40000)*45%]

(4) [based on 81*\$13.50*40000]

(5) [based on 81*\$18.50*1500]

(6) [based on (81*\$8.20*40000)*45%]

(7) [based on 81*\$13.75*40000]

(8) [based on 81*\$19.00*1500]

(9) [based on (81*\$8.25*40000)*45%]

Memorial Ballpark Years 4-6

<u>Year 4</u>	<u>Year 5</u>	<u>Year 6</u>
<u>Revenue</u>		
Tickets ⁽¹⁾	Tickets ⁽⁴⁾	Tickets ⁽⁷⁾
\$44,550,000	\$48,600,000	\$44,955,000
Club Seats ⁽²⁾	Club Seats ⁽⁵⁾	Club Seats ⁽⁸⁾
\$2,308,500	\$2,430,000	\$2,673,000
Concessions (45%) ⁽³⁾	Concessions (45%) ⁽⁶⁾	Concessions (45%) ⁽⁹⁾
\$11,299,500	\$12,028,500	\$11,126,363
Local TV & Radio	Local TV & Radio	Local TV & Radio
\$9,000,000	\$9,000,000	\$9,000,000
National TV & Radio	National TV & Radio	National TV & Radio
\$14,000,000	\$14,000,000	\$14,000,000
Advertising	Advertising	Advertising
\$5,500,000	\$5,500,000	\$5,500,000
Licensing (MLB)	Licensing (MLB)	Licensing (MLB)
\$2,000,000	\$2,000,000	\$2,000,000
Suite Revenue	Suite Revenue	Suite Revenue
\$1,000,000	\$1,000,000	\$5,000,000
Food Revenue (suites)	Food Revenue (suites)	Food Revenue (suites)
\$500,000	\$500,000	\$500,000
Total Revenue	Total Revenue	Total Revenue
<u>\$90,158,000</u>	<u>\$95,058,500</u>	<u>\$94,754,363</u>
<u>Expenses</u>		
Total Operating	Total Operating	Total Operating
\$12,750,000	\$13,000,000	\$13,000,000
Total Baseball-Related	Total Baseball-Related	Total Baseball-Related
\$17,000,000	\$17,200,000	\$17,200,000
Player Salaries	Player Salaries	Player Salaries
\$52,500,000	\$55,000,000	\$55,000,000
Total Expenses	Total Expenses	Total Expenses
<u>\$82,250,000</u>	<u>\$85,200,000</u>	<u>\$85,200,000</u>
Net Profit / (Loss)	Net Profit / (Loss)	Net Profit / (Loss)
\$7,908,000	\$9,858,500	\$9,554,363
<u>Ballpark Maintenance</u>		
\$6,500,000	\$7,500,000	\$6,750,000
Debt Service	Debt Service	Debt Service
\$0	\$0	\$0
Youth Experience Fund	Youth Experience Fund	Youth Experience Fund
\$766,343	\$807,997	\$1,184,430
[based on .0085% of total revenue]	[based on .0085% of total revenue]	[based on .0125% of total revenue]
Total Profit to Twins	Total Profit to Twins	Total Profit to Twins
<u>\$641,657</u>	<u>\$1,550,503</u>	<u>\$1,619,933</u>

(1) [based on 81*\$13.75*40000]

(2) [based on 81*\$19*1500]

(3) [based on (81*\$7.75*40000)*45%]

(4) [based on 81*\$15*40000]

(5) [based on 81*\$20*1500]

(6) [based on (81*\$8.25*40000)*45%]

(7) [based on 81*\$15*37000]

(8) [based on 81*\$22*1500]

(9) [based on (81*\$8.25*37000)*45%]

as of 2/8/97

Memorial Ballpark Years 7-9

<u>Year 7</u>	<u>Year 8</u>	<u>Year 9</u>
<u>Revenue</u>		
Tickets ⁽¹⁾	Tickets ⁽⁴⁾	Tickets ⁽⁷⁾
Club Seats ⁽²⁾	Club Seats ⁽⁵⁾	Club Seats ⁽⁸⁾
Concessions (45%) ⁽³⁾	Concessions (45%) ⁽⁶⁾	Concessions (45%) ⁽⁹⁾
Local TV & Radio	Local TV & Radio	Local TV & Radio
National TV & Radio	National TV & Radio	National TV & Radio
Advertising	Advertising	Advertising
Licensing (MLB)	Licensing (MLB)	Licensing (MLB)
Suite Revenue	Suite Revenue	Suite Revenue
Food Revenue (suites)	Food Revenue (suites)	Food Revenue (suites)
Total Revenue	Total Revenue	Total Revenue
<u>Expenses</u>	<u>Expenses</u>	<u>Expenses</u>
Total Operating	Total Operating	Total Operating
Total Baseball-Related	Total Baseball-Related	Total Baseball-Related
Player Salaries	Player Salaries	Player Salaries
Total Expenses	Total Expenses	Total Expenses
Net Profit / (Loss)	Net Profit / (Loss)	Net Profit / (Loss)
<u>Ballpark Maintenance</u>	<u>Ballpark Maintenance</u>	<u>Ballpark Maintenance</u>
<u>Debt Service</u>	<u>Debt Service</u>	<u>Debt Service</u>
<u>Youth Experience Fund</u>	<u>Youth Experience Fund</u>	<u>Youth Experience Fund</u>
[based on .0125% of total revenue]	[based on .0125% of total revenue]	[based on .0125% of total revenue]
Total Profit to Twins	Total Profit to Twins	Total Profit to Twins

(1) [based on 81*\$15*38500]

(2) [based on 81*\$22*1500]

(3) [based on (38500*81*\$8.5)*45%]

(4) [based on 81*\$15.75*38500]

(5) [based on 81*\$22.5*1500]

(6) [based on (38500*81*\$8.5)*45%]

(7) [based on 81*\$16.5*40000]

(8) [based on 81*\$23*1500]

(9) [based on (40000*81*\$8.5)*45%]

as of 2/8/97

**Memorial Ballpark
10th Year**

Year 10

Revenue

Tickets	\$53,460,000	[based on $81 * \$16.5 * 40000$]
Club Seats	\$2,794,500	[based on $81 * \$23 * 1500$]
Concessions (45%)	\$13,122,000	[based on $(40000 * 81 * \$9) * 45%$]
Local TV & Radio	\$9,000,000	
National TV & Radio	\$14,000,000	
Advertising	\$5,500,000	
Licensing (MLB)	\$2,000,000	
Suite Revenue	\$5,000,000	
Food Revenue (suites)	\$500,000	
Total Revenue	<u>\$105,376,500</u>	

Expenses

Total Operating	\$14,500,000
Total Baseball-Related	\$20,000,000
Player Salaries	\$60,750,000
Total Expenses	<u>\$95,250,000</u>

Net Profit / (Loss) **\$10,126,500**

<u>Ballpark Maintenance</u>	\$7,500,000	
<u>Debt Service</u>	\$0	
<u>Youth Experience Fund</u>	\$1,317,206	[based on .0125% of total revenue]

Total Profit to Twins **\$1,309,294**

III. Advisory Task Force on Professional Sports in Minnesota

Findings of Fact

Task Force Findings of Fact

January 11, 1996

- A. Professional sports teams have a positive economic impact on the state and metropolitan area. They also deliver intangible, quality of life benefits.
- B. The entire state has an interest in our professional sports teams, as evidenced by ticket sales and broadcast ratings.
- C. It is in the best interests of the citizens of Minnesota that the professional sports industry settles its league-wide outstanding issues.
- D. The paradigm of the ownership and operation of sports facilities, and the nature of the public-private partnership has shifted dramatically since the advent of professional sports.
- E. The costs of construction of sports facilities have increased dramatically over the past several decades.
- F. The national trend is for professional sports teams to seek new, and in the case of baseball and football, single-purpose facilities or modifications to existing facilities, with specific amenities and revenue streams.
- G. Both the Minnesota Twins and the Minnesota Vikings have requested improved revenue streams.
- H. The Minnesota Twins have presented financial statements demonstrating extended losses, which, if continued, would be sufficient to trigger the termination clause in their Use Agreement.
- I. The Minnesota Vikings have stated that they will be unable to compete successfully in the present environment absent additional revenue streams.
- J. The present financing and physical structure of the Metrodome makes it financially impossible to accommodate all of the requests of the Minnesota Twins and Minnesota Vikings. The needs expressed by each team to increase revenues within the Metrodome and to reconfigure the capacity of the Metrodome are conflicting, and likely cannot be performed to the satisfaction of each.

- K. The City of Minneapolis has represented that it can not provide additional financing for professional sports, and, in light of the importance of professional sports to the state and the community, should not be asked to be the sole public partner in future professional sports transactions.
- L. Further study will be necessary to determine what resources may be available from the public and private sectors and whether those resources will be sufficient to fund reasonable requests of the Minnesota Twins and Minnesota Vikings.
- M. The Task Force has received no information indicating an additional need for resources to retain NBA basketball.
- N. This Task Force takes no position with regard to a NHL hockey team at this time.

Task Force Recommendations

Task Force Recommendations

January 19, 1996

IN GENERAL

1. The public sector should take such actions as are reasonably necessary and prudent to retain the professional sports currently played in Minnesota.
2. Retention of existing professional sports teams should take priority over attracting new professional sports teams.
3. Additional public support of professional sports should be broadly based and financed at a statewide or regional level.
4. Any additional resources directed to any of the current professional teams should be contingent upon long-term playing agreements (at least 30 years) restricting portability of franchises to assure that Minnesota will receive the long-term benefit of renegotiated agreements.

INDUSTRY-WIDE ISSUES

5. The outstanding league-wide issues (salary caps, revenue sharing and collective bargaining agreements) are beyond the control of the public sector; however, the public sector should not be penalized for the failure of the national sports industry to discipline itself. Before any proposal is made for state or regional involvement in the creation of new or enhanced revenue streams or capital improvements, the professional sports teams must demonstrate, to the satisfaction of the public, that public dollars will not be used to compensate for revenues that might otherwise be available but for the lack of agreement on national league-wide issues.

PROFESSIONAL BASEBALL

6. The Commission and its certified public accountant should complete their examination of the Minnesota Twins' financial records.
7. Options for a private-public partnership must be developed to support any additional public revenues needed.

8. The retention of the Minnesota Twins will require either a) additional revenue streams in the Metrodome; or b) if a) is not feasible, the construction of a new baseball stadium.
9. Further research should be pursued to develop all options for private resources, whether applied to the Metrodome or to a new stadium.
10. The level of public support for the construction of a new stadium should be determined by a public referendum to the extent allowable under state laws.
11. Before any public revenues are pledged to or spent on a new stadium, private resources must be maximized.
12. A satisfactory business plan must be developed and be acceptable to the public before any public revenues are pledged to or spent on a new stadium. Among other items customarily discussed in a business plan, the plan should address the marketing plan and revenues attributable to private suites and private seat licenses, and disclose any long-term agreements proposed or executed with respect to the facility.

PROFESSIONAL FOOTBALL

13. The Commission and its certified public account should examine the Minnesota Vikings' financial records.
14. The Metrodome will need major capital improvements to provide for the needs of the Minnesota Vikings and their fans, and the Minnesota Vikings will need additional revenue streams from the Metrodome.

PROFESSIONAL HOCKEY

15. Acknowledging the priorities established for the retention of the Minnesota Twins and Minnesota Vikings, the Commission should pursue options for the attraction of NHL hockey to Minnesota.