

May 5, 2025

Re: SF 3152

Chair Rest and Senate Taxes Committee Members,

Thank you for the opportunity to provide background information that pertains to SF 3152. The City of Minneapolis is pleased to have US Bank Stadium located in our downtown. It brings vibrancy, visitors, and economic activity and is an asset to our city. The State of Minnesota owns and is responsible for operating US Bank Stadium, which it does through the Minnesota Sports Facilities Authority (MSFA).

The City of Minneapolis is committed to maintaining US Bank stadium as a first-class facility. The City, under the terms of the original US Bank Stadium agreement adopted by the Legislature in 2012, is contributing significant local sales tax revenue to the stadium's capital and operations. These sales taxes were not created exclusively for the stadium but were already being collected to support the city's downtown regional assets, which it owns and is responsible for maintaining and operating.

The City currently contributes about \$19 million annually to US Bank Stadium, and that number will grow because these funds are based on a variable formula. We project that the city will contribute \$557 million to US Bank Stadium between 2025 and 2046.

The City of Minneapolis is grateful for the relief from its stadium obligations that it received from the Legislature in 2023 when the State of Minnesota paid the construction bonds off early. However, the City is still making \$146 million in payments to the State for its portion of the construction bonds, despite the bonds being fully paid off. In addition, the City continues to pay into capital and operating funds. The City of Minneapolis and the team are the only contributors to those two funds, while the facility is owned and managed by the State.

In addition to the capital and operating funds, the City is paying into a fourth fund, for which it is the only contributor, that was formerly designated for "the benefit of MSFA." The Legislature did provide further definition to that fund in 2023, designating it as an additional source of capital, and provided limits to the growth that could be captured. Even with these limits, we project the City will contribute \$81 million to this fund between 2025 and 2046.

If the State identifies new capital sources for US Bank Stadium, the City of Minneapolis should see relief from its significant, ongoing obligations to the stadium.

Thank you for the opportunity to provide this information.

Sincerely,

A handwritten signature in blue ink that reads "Margaret Anderson Kelliher". The signature is fluid and cursive, with the first name "Margaret" being the most prominent.

Margaret Anderson Kelliher
Minneapolis City Operations Officer