

ATTACHMENT A

For Local Governments Requesting a 2008 Capital Appropriation, Please Provide Answers to all of the Following Questions (for each request) in a Letter or Memorandum to the Minnesota Department of Finance

- 1) Name of the local government or political subdivision that is submitting the request: *City of Minneapolis*
- 2) Project title: *Target Center Debt Reduction*
- 3) Project priority number (if the applicant is submitting multiple requests): The city council will consider the resolution setting priorities at its June 29 meeting.
- 4) Project location (please list county or counties, and town(s) or city(ies): *Minneapolis, Hennepin County*
- 5) Is this a subsequent phase of a project that received state funding in previous years? If yes, please explain: *This is not a subsequent phase of the project but since 1995 the city through the Minnesota Amateur Sports Commission has received an annual appropriation of \$750,000 for the Target Center. The appropriation is meant to be used for amateur sports events.*
- 6) Total project cost for all funding sources – all years – for all capital costs (in thousands of dollars):

Total Project Costs (all funding sources)			
For Prior Years	For 2008	For 2010	For 2012
15,310	5,445	6,375	5,930

The request is to relieve the city of debt service. The request is similar to the 1998 Convention Center debt assumption. The Total Project costs are debt principal payments for the next three biennia. Capital improvement costs are identified in #8 and are in addition to the debt principal payments.

- 7) Amount of state funds requested (in thousands of dollars):

	For Subsequent Project Phases:	
State funds requested for 2008	State funds to be requested in 2010	State funds to be requested in 2012
\$62,000	-0-	-0-

- 8) Non-state funds available or to be contributed to the project (list the dollar amount and sources – federal, city, private, or other – for all years): *The city will continue to own, operate and do improvements to the facility. The annual operating subsidy could be up to \$2.0 million while the capital maintenance budget is at least \$500,000 but additional expenditures have been made to upgrade the facility. For example, approximately \$14.0 million in capital improvements have been paid by the city since 2003.*

9) Project description and rationale (limit to one page maximum). *The city is requesting the principal amount of the outstanding bonds be paid by the state. The Target Center is a public entertainment venue of regional and state significance. In addition to professional sports and performances by national and international entertainers, the Target Center plays host to state high school league sanctioned games and tournaments. The Target Center also hosts some University of Minnesota athletic events (wrestling). The facility was built with private funds but in 1995 the legislature authorized the City of Minneapolis to purchase the facility and finance the purchase with city backed bonds. The bonds are paid by a variety of local sources including the entertainment tax, parking revenues, tax increment, and other development funds.*

Until 2006, the city paid the debt service but in the last two years the city has also contributed to an operating deficit.

The assumption of debt service will permit the city to continue to upgrade the facility so that it can be an attractive venue for regional, state and national events.

10) Identify who will own the facility. Identify who will operate the facility. *The city of Minneapolis will continue to own the facility. The city has entered into a contract a private firm to operate the facility.*

11) Identify total project costs (in thousands of dollars) for each of the following categories: land acquisition, predesign, design, construction, furniture/fixtures/equipment, and relocation costs. *The City could contribute annually up to \$2.0 million to operate the Target Center as well as another \$500,000 to \$1,000,0000 in capital improvements.*

	2008	2010	2012
Land acquisition	-0-	-0-	-0-
Predesign	-0-	-0-	-0-
Design (including construction administration)	-0-	-0-	-0-
Project Management	-0-	-0-	-0-
Construction	-0-	-0-	-0-
Furniture/Fixtures/Equipment	-0-	-0-	-0-
Relocation	-0-	-0-	-0-
Principal Debt Assumption	62,000	-0-	-0-

12) For new construction projects, identify the new square footage planned: *n/a*

13) For remodeling, renovation or expansion projects, identify the total square footage of current facilities and new square footage planned: *n/a*

14) Project schedule. Identify the date (month/year) when construction crews are expected to first arrive on site, and the date (month/year) when construction will be completed with a certificate of occupancy. *n/a*

(Please note: for facilities projects, this information will also be used to calculate an inflation cost, using the Building Projects Inflation Schedule that is posted on the Department of

Finance website. Please indicate if instead you have already included an escalation factor in your cost information under Item 6.)

- 15) For projects with a total construction cost of at least \$1.5 million, has a project predesign been submitted to the Commissioner of Administration?¹ *n/a*
- 16) Identify any new or additional state operating dollars that will be requested for this project. (Specify the amount and year, if applicable). *No new or additional state operating funds will be requested.*
- 17) Discuss how the project meets or exceeds the sustainable building guidelines established under Minnesota Statutes, section 16B.35 (*Included in Attachment B*). *n/a*
- 18) Explain the extent to which the project will use sustainable building designs, if applicable. *n/a*
- 19) Attach a resolution of support from the governing body of the applicant (with the project priority number if submitting multiple requests).
- 20) Project contact person, title, and contact information -- address, phone, fax, and email.

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ATTACHMENT B: Relevant Statutory Provisions

1. Project Evaluation Criteria (Excerpted from Minnesota Statutes 16A.86, subdivisions 3 and 4)

The commissioner shall evaluate all requests from political subdivisions for state assistance based on the following criteria:

- 1) *The political subdivision has provided for local, private, and user financing for the project to the maximum extent possible;*
- 2) *The project helps fulfill an important state mission;*
- 3) *The project is of regional or statewide significance;*

¹ For a copy of the Predesign Manual, please visit the State Architect's Office web site (www.sao.admin.state.mn.us/) and follow the link in the top menu bar for *Designer Procedures Manual*)

- 4) *The project will not require new or any additional state operating subsidies;*
- 5) *The project will not expand the state's role in a new policy area;*
- 6) *State funding for the project will not create significant inequities among local jurisdictions;*
- 7) *The project will not compete with other facilities in such a manner that they lose a significant number of users to the new project;*
- 8) *The governing bodies of those political subdivisions primarily benefiting from the project have passed resolutions in support of the project and have established priorities for all projects within their jurisdictions for which bonding appropriations are requested when submitting multiple requests; and*
- 9) *If a [required] predesign ... has been completed and is available at the time the project request is submitted to the commissioner of finance, the applicant has submitted the project predesign to the commissioner of administration.*

The state share of a project ... must be no more than half the total cost of the project, including predesign, design, construction, furnishings, and equipment ... (except for local school projects or disaster recovery projects, or if the project is located in a political subdivision with a very low average net tax capacity).

2. Sustainable Building Guidelines (Excerpted from Minnesota Statutes 16B.325)

The primary objectives of these guidelines are to ensure that all new state buildings initially exceed existing energy code, as established in Minnesota Rules, chapter 7676, by at least 30 percent.

The guidelines must focus on achieving the lowest possible lifetime cost for new buildings and allow for changes in the guidelines that encourage continual energy conservation improvements in new buildings.

The design guidelines must establish sustainability guidelines that:
include air quality and lighting standards and that create and maintain a healthy environment and facilitate productivity improvements;
specify ways to reduce material costs; and
must consider the long-term operating costs of the building, including the use of renewable energy sources and distributed electric energy generation that uses a renewable source or natural gas or a fuel that is as clean or cleaner than natural gas.