



## State Senator Terri Bonoff

*Stadium Update*  
*November 4, 2011*

As you know, there has been strong bi-partisan interest in finding a way to keep the Minnesota Vikings in Minnesota. At the same time, there is a bi-partisan consensus that we do not believe it is appropriate to tax our citizens to build a stadium. After I voted for the Twins stadium, I told many who were angry with me that I would not vote for using general fund taxes to fund sports stadiums.

Yet I share the belief of many that having the Vikings in our State brings a great deal of benefit to all. There is of course the intangible spirit and enthusiasm that comes with having an NFL team, but we should also consider the tangible benefits of increased tax revenue and jobs associated with the franchise.

It is important for the public to know the facts. Therefore, you will begin to see a series of hearings happening on this issue. You will hear for yourself what we gain and what we have the potential to lose if a stadium is built or not built.

You will hear bill proposals that will identify potential stadium sites and where the money will come from.

Currently, there is not agreement on these issues. On Wednesday, there was a breakdown in understanding and communication between the Speaker and the Governor. The Governor had proposed that a Special Session take place on November 21st. He thought that had been agreed to. We learned Wednesday that the Speaker was not prepared to do that at this point. That conflict became public and we heard strong concern from many that this situation was going to result in another deadlock.

As the Deputy leader of the Democrats in the Senate, I was part of a working group meeting Wednesday night. There were members from both parties and both houses. I can tell you that we are committed to resolving this matter in a bi-partisan way that will also garner public support.

We know the Vikings need to commit a significant share of funding for this project. They have been clear about their intention to do so. What is not clear is how the state would pay its share of the stadium, an approximate \$300 million. In addition, it is unclear how a local partner would pay its share.

The Vikings have made the Arden Hills site their first choice. Yet we in the legislature were not willing to grant Ramsey County an exception to the requirement for them to hold a referendum if they use a sales tax increase for their local share. While it has not been voted on, we as leaders have talked to enough members in our caucuses to determine there are not the votes for that. I personally would not vote for this exception to the referendum.

**CAPITOL UPDATE**

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In terms of the State share, there are two options still being proposed. One option is the expansion of gaming, and I will explain that in some detail. The other option is to use some portion of the Legacy funds. I strongly oppose that and believe there would not be enough votes to pass that, so I predict you will hear little about that in the coming days.

As to expanded gaming, there are really three alternatives being discussed:

**Allow Canterbury and Running Aces to have additional gaming in their facilities. That is called the Racino. The state would get a share of the proceeds.**

Pro: There has been support for Racino building over the years, and there may be enough votes to get this passed.

Con: If passed, this would be challenged in the courts as to whether it violates the compact we have giving the Native American tribes exclusive gaming rights. The Tribes believe this would significantly hurt their business.

Also, others who have supported the Racino want this, if passed, to be used for education purposes such as paying back the school shift.

**Allow a downtown casino to be built on Block E. This would be a very upscale facility that would be more similar to the casinos found in Las Vegas. Recently other metro areas have gone in this direction and the public response has been very positive. The state share from this endeavor would be sufficient to cover the needed investment for the stadium.**

Pro: This proposal would solve some large and looming problems that exist downtown now. Block E is empty. Hotels are at 40% occupancy. Crime has increased in this area. The development would be much bigger than just a Casino. It would include restaurants and would draw many people to the nearby entertainment venues. It would create a significant number of jobs and potentially revitalize the downtown area.

Con: There is a group of legislators on both sides of the aisle that oppose the expansion of gambling. In this case, because this casino would be so big and so lavish, many are concerned it would draw more gambling to our community and prey on those who are vulnerable to gambling addiction. In addition, while there seems to be less concern about this being a legal battle in that the games would be run through the existing State Lottery, there is still some concern that it would be in conflict with our current pledge of exclusive gaming rights for the Tribal community. This is both an ethical and a legal concern.

**Transition current charitable gaming pulltabs to electronic pulltabs. This would allow people all over the state to go into bars and play electronic games. Currently this is a paper game. Moving to an electronic form is expected to generate more revenue from a much wider and younger audience. The proceeds of this expansion would be divided between the State, charities and the bars. The State share would not be enough to cover our commitment, so it would have to be coupled with a few other things. Proposals have included things like the memorabilia tax,\* naming rights,\*\* small amounts of legacy money\*\*\*, redirecting the Minneapolis Convention center bond proceeds when they expire in 2020\*\*\*\*, etc .**

\*The GOP is troubled by this as it may conflict with their “no new taxes mantra”.

\*\* The Vikings as of yet are unwilling to give up naming rights

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\*\*\*There is very little support for the use of Legacy money

\*\*\*\* This is something we are investigating and do not yet know whether the City Council will allow.

Pro: This version of gaming expansion has the most support from the members. Those who are concerned that the Casino is too big and lavish are more comfortable with this. The Tribal interests seem to be less threatened by this expansion. The charitable community could benefit and that makes this a win-win. The support for this seems to be bi-partisan.

Con: I have listed above the concerns related to where the rest of the money would come from; this is obviously the biggest Con to this proposal. Pursuing this option means we have our work cut out for us to find additional funding.

The Site issue remains an open question. If the Casino were to be used, the site would most definitely be in Minneapolis as the Casino is in Minneapolis and the city's proceeds from the Casino would make up their local partner share. If the other gaming options were used, I also predict the site would be in Minneapolis, as neither of the other gaming options provide enough money to cover both a State and local share. Without Ramsey County being able to increase their sales tax, there has not been a revenue stream identified to provide the local share.

Given the Vikings have a strong preference for Arden Hills, there is still the possibility that in a couple of the scenarios they would contribute additional money to keep that site. And of course, as in any negotiation, surprises are bound to happen.

So, in summary, it is likely that this stadium will be built with some kind of expansion of gambling initiative and may likely end up in Minneapolis. As always, I will tell you where I stand. I think the Block E approach provides the most long-term benefit to the State. I think the amount of jobs, tourism, and redevelopment that would accompany this effort would be helpful to say the least in this very tough climate. As to the issue of gambling addiction, while I am concerned for any person who battles addiction, I do not think we in Government should play the role of gatekeeper. We do not do that with alcohol and it seems hypocritical to allow some gambling and say we cannot expand it based on the addiction issue. With regard to our promise to the Tribal community, that is a very different story. I, for one, think our promises are very important and we should be talking to the leaders of that community and attempt to do this in partnership. I am for a win-win in this arrangement. I have made my feelings known in this regard to all parties concerned. I feel the same way with regard to the Racino. I believe we need to find a way to work out our issues with this expansion, so that it is not a court battle and we are in partnership with the tribal community. Some say this is naïve. I do not think so. As a business woman, I approached every transaction in this manner.

If we are able to work out the issues on the memorabilia tax, the naming rights and/or the expired Convention Center bond proceeds, the electronic pull tabs seems the easiest and least controversial way to proceed. Walking a bi-partisan path of least resistance is something that cannot be taken lightly. In addition, I am sure it is apparent from my comments that I believe a Minneapolis site is the most financially viable alternative. Currently the Linden site which is by the downtown Basilica seems to have the most traction.

I know this essay has been long but I often think the public does not really get the whole story. I am telling the story as I see it and welcome your comments.

**Following the shutdown I decided to add a feature to my website so that I could hear more directly from you and provide a place for ongoing public conversations. Please visit my new "Community Forum" [www.terribonoff.com/forum](http://www.terribonoff.com/forum) and tell me what is on your mind. I**

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have just launched this and want to hear directly from you. I believe that increased civic engagement is vitally important. I ask for your partnership; please try this new tool. Instead of e-mailing directly, try entering this discussion forum. Of course, if you prefer e-mail that is fine too.

As always, thank you for the opportunity to serve. Have a great weekend.

Sincerely,

*Terri Bonoff*



State Senator

**Terri Bonoff**

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For a full and updated list of the status of all Senate bills go to:

[www.senate.mn](http://www.senate.mn)