

**CHAPTER 247—S.F.No. 2460**

*An act relating to athletic facilities; providing a funding process for a football stadium at the University of Minnesota; transferring land in Dakota County from the University to the Department of Natural Resources; establishing a mitigation fund; requiring reports; allocating a taconite tax to support the Hockey Hall of Fame; appropriating money; amending Minnesota Statutes 2004, sections 297A.71, by adding a subdivision; 298.28, by adding a subdivision; 340A.404, subdivision 4a; proposing coding for new law in Minnesota Statutes, chapters 137; 473.*

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MINNESOTA:

Section 1. **137.50** **DEFINITIONS.**

Subdivision 1. **Applicability.** The definitions in this section apply to sections 137.51 to 137.60.

Subd. 2. **Commissioner.** "Commissioner" means the commissioner of finance.

Subd. 3. **Stadium.** "Stadium" means an athletic stadium suitable for intercollegiate National Collegiate Athletic Association (NCAA) Division I football games and related infrastructure improvements constructed on the University of Minnesota's east bank campus in the city of Minneapolis.

Subd. 4. **Board.** "Board" means the Board of Regents of the University of Minnesota.

Subd. 5. **Commission.** "Commission" means the Metropolitan Sports Facilities Commission.

Subd. 6. **University land.** "University land" means approximately 2,840 acres owned by the University of Minnesota as of the effective date of this section lying within the area legally described as approximately the Southerly 3/4 of the Southwest 1/4 of Section 1 (comprising 120 acres), approximately the Southeast 1/4 of Section 2 (comprising 160 acres), the East 1/2 of Section 10, Section 11, the West 1/2 of Section 12, Section 13 and Section 14, all in Twp. 114 North, Range 19 West, Dakota County, Minnesota.

Subd. 7. **Permitted University uses.** "Permitted University uses" means University educational, research, outreach, scientific, and agricultural uses including, undiminished, all of the uses present as of the effective date of this section of the University land, all of the uses of University real property that adjoins the University land present as of the effective date of this act, any uses related to the foregoing uses, and the making of improvements incidental to those uses, provided that an improvement must be agreed to in writing by the University and the commissioner of natural resources.

Subd. 8. **Other permitted uses.** "Other permitted uses" means agricultural, outdoor recreation uses including those named in section 86A.03, subdivision 3, open space management uses, outdoor recreation-based uses consistent with those of the parks and open space system created pursuant to chapter 473, wildlife management areas, aquatic management areas, scientific and natural areas, and the making of improvements incidental to those uses, provided the improvements have been agreed to in writing by the University and the commissioner of natural resources.

Subd. 9. **Prohibited uses.** "Prohibited uses" means use of the University land for residential, commercial, or industrial uses, except to the extent those uses are otherwise permitted by this act, or are

permitted as of the effective date of this section under University leases, easements, or use agreements, or are utility uses within defined corridors.

Sec. 2. **[137.51] LAND PROTECTION AND TRANSFER.**

Subdivision 1. **Land protection.** The obligation of the state of Minnesota to make the payments required under section 137.54 is expressly conditioned upon the University's covenant in perpetuity, subject to subdivision 3, limiting the use of the University land by the University, its successors, and assigns to the permitted University uses and the other permitted uses and forbidding the use of the University land by the University, its successors, and assigns for any of the prohibited uses. A declaration imposing those restrictions and granting to the Department of Natural Resources the right to enforce the same which has been executed by the University and filed in the Office of the Dakota County Recorder shall satisfy this condition. In furtherance of the purposes of this subdivision, the University and Department of Natural Resources shall promptly endeavor to enter into a joint powers agreement pursuant to section 471.59, or a conservation easement held by a qualified conservation organization or by a conservation easement holder as described in applicable Minnesota law embodying those restrictions, which agreement or easement shall provide for cooperative oversight of the use of the University land. Nothing in this section or in any declaration, agreement, or easement made or entered into pursuant to this section shall impair the rights of third parties under leases, easements, or use agreements in force as of the effective date of this section. Any lease or other transfer of the University land made after the effective date of this section shall, unless otherwise agreed to by the commissioner of natural resources, be for a term that expires not later than the date the University land is conveyed as provided under subdivision 2. Any agreement between the board and the commissioner of natural resources must provide that the income received by the University from leases of the University land to third parties shall be dedicated to the operation and maintenance of the University land. Except as limited by this act or by any declaration, agreement, or conservation easement made, entered into, or granted as provided in this section, the rights of the University with respect to the University land while it continues to own the land are not impaired.

Subd. 2. **Land transfer.** Not later than the date on which the state of Minnesota makes the last of the payments required under section 137.54, the Regents of the University of Minnesota shall offer to convey the University land to the Department of Natural Resources in its "as is" condition by quit claim deed, without warranties, for the sum of \$1. The Department of Natural Resources may request conveyance of any or all of the University land offered to be conveyed and the regents shall convey the portion requested. The commissioner of natural resources may, at its option, request that the University convey all or part of the University land to another governmental unit of the state. Except as provided in this subdivision, the instrument of conveyance by the University may not limit the rights of the state with respect to the land. Any conveyance shall be subject to the perpetual right of the University to use the University land for the permitted University uses. A conveyance shall also be subject to the rights of third parties under leases, easements, and use agreements in force on the effective date of this act. The instruments of transfer shall otherwise limit the use of the University land to the other permitted uses and subject those uses to restrictions as may be provided in any agreement between the University and state or any conservation easement granted pursuant to subdivision 1, and proscribe its use for the prohibited purposes. The University of Minnesota shall have the right to enforce those limitations and restrictions. The University shall promptly endeavor and use due diligence to require the federal government to fulfill its obligations under applicable laws, including the Defense Environmental Restoration Program, United States Code, title 10, section 2701, et seq., or the Comprehensive Environmental Response Compensation and Liability Act, as amended, United States Code, title 42, section 9601, et seq., with respect to environmental contamination that occurred prior to the time the University took title to the University land. The University shall seal any abandoned wells on the land pursuant to state law.

Subd. 3. **Termination of use restrictions.** Unless otherwise agreed by the board and the commissioner of finance, in the event the state of Minnesota fails to make the total payments required by section 137.54 by July 1, 2033, the restrictions in this section on the University's use of the University land, any declaration, agreement, or conservation easement containing those restrictions, and the University's obligation to offer the University land to the state of Minnesota shall be null and void.

**Sec. 3. [137.52] RECREATIONAL PROGRAM ASSESSMENT.**

(a) The commissioner of natural resources, in cooperation with the Board of Regents of the University, shall submit to the governor and the legislature by January 15, 2007, an assessment of the short-term and long-term programmatic plans for the development of the land identified in section 137.50, subdivision 6. The assessment shall include, but is not limited to, a timeline for providing the recreational opportunities, and the needed restoration including native species of local ecotype, measurable outcomes, and anticipated costs. The assessment must also include an evaluation of the opportunities to foster small-scale farm-to-market vegetable farming. The commissioner of natural resources shall consult with interested stakeholders, including the county of Dakota, to assist in the development of the plan.

(b) The board shall, until the issue is resolved, report annually to the legislature on or before February 1, on its efforts and the efforts of the Department of Defense to remedy contamination of the University land caused by activities occurring prior to the University of Minnesota acquiring the land.

(c) The commissioner of natural resources, in consultation with the Pollution Control Agency, shall report to the legislature by January 7, 2007, on what entities are responsible for remediating pollution on the University land that occurred prior to the effective date of this section.

(d) The commissioner of natural resources, in cooperation with the board, shall submit to the governor and the legislature by January 7, 2007, a report regarding the implementation of section 137.51 and any recommendations for changes in section 137.51 necessary to carry out the intent of that section. The report must, among other things, specifically address the issue of whether a process or mechanism is necessary to resolve disputes between the University of Minnesota, the state, and other parties regarding uses of the University land.

(e) The commissioner of natural resources must communicate with interested parties, including the local government units that contain any part of the University land, regarding the intended activities of the department with respect to the University land.

**Sec. 4. [137.53] ACTIVITIES; CONTRACTS.**

The legislature recognizes that the board has all powers necessary or convenient for designing, constructing, equipping, improving, controlling, operating, and maintaining the stadium and may enter into contracts that are, in its judgment, in the best interests of the public for those purposes. Notwithstanding contrary law, the board may adopt the fair and competitive design and construction procurement procedures in connection with the stadium that it considers to be in the public interest. The board must ensure to the greatest extent practicable, that materials derived from American-made steel are used in the construction of the stadium. Sections 16B.33 and 16B.335 do not apply to the stadium.

**Sec. 5. [137.54] CONDITIONS FOR PAYMENT TO UNIVERSITY.**

(a) Before the commissioner may make the first payment to the board authorized in this section the commissioner must certify that the board has received at least \$110,750,000 in pledges, gifts, sponsorships, and other nonstate general fund revenue support for the construction of the stadium. On July 1 of each year after certification by the commissioner, but no earlier than July 1, 2007, and for so long thereafter as any bonds issued by the board for the construction of the stadium are outstanding, the state must transfer to the board up to \$10,250,000 to reimburse the board for its stadium costs, provided that bonds issued to pay

the state's share of such costs shall not exceed \$137,250,000. Up to \$10,250,000 is appropriated annually from the general fund for the purpose of this section. The appropriation of up to \$10,250,000 per year may be made for no more than 25 years. The board must certify to the commissioner the amount of the annual payments of principal and interest required to service each series of bonds issued by the University for the construction of the stadium, and the actual amount of the state's annual payment to the University shall equal the amount required to service the bonds representing the state's share of such costs. Except to the extent of the annual appropriation described in this section, the state is not required to pay any part of the cost of designing or constructing the stadium.

(b) The board must certify to the commissioner that the per semester student fee contribution to the stadium will be at a fixed level coterminous with bonds issued by the board to meet the student share of the design construction of the stadium and that the student fee will not be increased to meet construction cost overruns.

(c) Before the first payment is made under paragraph (a), the board must certify to the commissioner that a provision for affordable access for university students to the university sporting events held at the football stadium has been made.

**Sec. 6. [137.55] PUBLIC USE OF STADIUM.**

The Board of Regents is requested, in furtherance of its outreach mission and subject to its policies regarding the use of University facilities, to provide ample opportunities for use of the stadium for events sponsored by public bodies including public schools.

**Sec. 7. [137.56] ENVIRONMENTAL REVIEW.**

The commissioner must not make an annual payment required by this act until the board has completed an environmental review of the stadium project and the commissioner determines that the board is performing the duties of the responsible governmental unit as prescribed in the Minnesota Environmental Policy Act, chapter 116D, and the rules adopted under that chapter. The legislature ratifies the Environmental Quality Board's designation of the board as a responsible governmental unit.

**Sec. 8. [137.57] NO FULL FAITH AND CREDIT.**

Any bonds or other obligations issued by the board under this act are not public debt of the state, and the full faith and credit and taxing powers of the state are not pledged for their payment, or of any payments that the state agrees to make under this act.

**Sec. 9. [137.58] MITIGATION FUND.**

The Board of Regents is requested to cooperate with the reconstituted stadium area advisory group described in the University of Minnesota On-Campus Football Stadium-Final EIS, dated February 13, 2006, to mitigate the impact of the construction and operation of the stadium. The board shall also establish a mitigation fund for the support of community initiatives that relate to the impacts of the operation of the stadium. On July 1, 2007, the University shall deposit \$1,500,000 into a fund to be managed by the board. Income from the fund shall be made available exclusively to pay for mitigation activities. The use of the funds must be coordinated through the reconstituted stadium area advisory group.

**Sec. 10. [137.59] NEIGHBORHOOD IMPACT REPORT.**

The Board of Regents and the city of Minneapolis are requested to work with the reconstituted stadium area advisory group described in the University of Minnesota On-Campus Football Stadium-Final EIS, dated February 13, 2006, to assess and prepare a report of the impact of the university on the surrounding

community and the relationship of the community to the university. The report shall include, but not be limited to, an assessment of:

(1) the direct and indirect impacts of the university on the surrounding community, addressing issues of public safety, transportation, and housing quality, availability, and affordability;

(2) opportunities and strategies to improve coordination between the university, surrounding residential and business areas, and the city of Minneapolis;

(3) strategies for strengthening and revitalizing the neighborhoods and commercial business areas and supporting economic development; and

(4) identification of the best practices and strategies for building partnerships among the stakeholders.

The report shall include consensus recommendations from the University of Minnesota, the city of Minneapolis, and the reconstituted stadium area advisory group for short- and long-term solutions to ongoing issues and concerns and shall include projected costs and benefits of the recommendations made. The report shall be submitted to the governor and the legislature by January 15, 2007.

Sec. 11. **[137.60] EMINENT DOMAIN.**

The board may not acquire the fire station number 19 building for the construction of the stadium and related infrastructure, either directly or indirectly, through the exercise of the power of eminent domain.

Sec. 12. Minnesota Statutes 2004, section 297A.71, is amended by adding a subdivision to read:

Subd. 37. **Construction materials; University of Minnesota football stadium.** Materials and supplies used or consumed in, and equipment incorporated into, the construction of a football stadium constructed for use by the University of Minnesota are exempt. This subdivision expires one year after substantial completion of the football stadium.

Sec. 13. Minnesota Statutes 2004, section 298.28, is amended by adding a subdivision to read:

Subd. 9c. **Temporary distribution; city of Eveleth.** 0.20 cent per taxable ton must be paid to the city of Eveleth for distribution in 2007 through 2011 only, to be used for the support of the Hockey Hall of Fame, provided that it continues to operate in that city, and provided that the city of Eveleth certifies to the St. Louis County auditor that it has received donations for the support of the Hockey Hall of Fame from professional hockey organizations or other donors in an amount at least equal to the amount of the distribution under this subdivision. If the Hockey Hall of Fame ceases to operate in the city of Eveleth prior to receipt of the distribution in either year, and the governing body of the city determines that it is unlikely to resume operation there within a six-month period, the distribution under this subdivision shall be made to the Iron Range Resources and Rehabilitation Board. If the amount of the distribution authorized under this subdivision exceeds the total amount of donations for the support of the Hockey Hall of Fame during the 12-month period ending 30 days before the date of the distribution, the amount by which 0.20 cent per ton exceeds the donations shall be distributed to the Iron Range Resources and Rehabilitation Board.

Sec. 14. Minnesota Statutes 2004, section 340A.404, subdivision 4a, is amended to read:

Subd. 4a. **State-owned recreation; entertainment facilities.** Notwithstanding any other law, local ordinance, or charter provision, the commissioner may issue on-sale intoxicating liquor licenses:

(1) to the state agency administratively responsible for, or to an entity holding a concession or facility management contract with such agency for beverage sales at, the premises of any Giants Ridge Recreation Area building or recreational improvement area owned by the state in the town of White, St. Louis County;

(2) to the state agency administratively responsible for, or to an entity holding a concession or facility management contract with such agency for beverage sales at, the premises of any Ironworld Discovery Center building or facility owned by the state at Chisholm; and

(3) to the Board of Regents of the University of Minnesota for events at Northrop Auditorium and in any intercollegiate football stadium constructed by the University on its Minneapolis campus.

The commissioner shall charge a fee for licenses issued under this subdivision in an amount comparable to the fee for comparable licenses issued in surrounding cities.

Sec. 15. **[473.5955] TERMINATION OF LEASE.**

The lease between the Board of Regents of the University of Minnesota and the commission dated May 19, 1982, that requires the University of Minnesota football team to play its home football games at the Hubert H. Humphrey Metrodome until July 1, 2012, may be terminated by the board and the commission effective on or after the date designated by the board as the date of completion of the stadium on the University of Minnesota's east bank campus in the city of Minneapolis.

Sec. 16. **EFFECTIVE DATE.**

Sections 1 to 15 are effective the day following final enactment.

Presented to the governor May 22, 2006

Signed by the governor May 24, 2006, 3:25 p.m.