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State of Minnesota  
HOUSE OF REPRESENTATIVES

EIGHTY-SIXTH  
SESSION

HOUSE FILE No. **1263**

March 2, 2009

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The bill was read for the first time and referred to the Committee on Finance

1.1 A bill for an act  
1.2 relating to the city of St. Paul; forgiving repayments on a loan to finance the St.  
1.3 Paul RiverCentre; authorizing local bonds to expand the Minnesota event district;  
1.4 amending Laws 1998, chapter 404, section 23, subdivision 6, as amended.

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

1.6 Section 1. Laws 1998, chapter 404, section 23, subdivision 6, as amended by Laws  
1.7 2002, chapter 220, article 10, section 35, subdivision 6, is amended to read:

1.8 Subd. 6. **St. Paul RiverCentre Arena** 65,000,000

1.9 This appropriation is from the general fund  
1.10 to the commissioner of finance for a loan to  
1.11 the city of St. Paul to demolish the existing  
1.12 St. Paul RiverCentre Arena and to design,  
1.13 construct, furnish, and equip a new arena.

1.14 This appropriation is not available until the  
1.15 lessee to whom the city has leased the arena  
1.16 has agreed to make rental or other payments  
1.17 to the city under the terms set forth in this  
1.18 subdivision. The loan is repayable solely  
1.19 from and secured by the payments made  
1.20 to the city by the lessee. The loan is not a  
1.21 public debt and the full faith, credit, and  
1.22 taxing powers of the city are not pledged for  
1.23 its repayment.

2.1 (a) ~~\$48,000,000~~ \$15,250,000 of the loan  
2.2 must be repaid to the commissioner, without  
2.3 interest, within ~~20~~ 12 years from the date  
2.4 of substantial completion of the arena in  
2.5 accordance with the following schedule:

2.6 (1) no repayments are due in the first two  
2.7 years from the date of substantial completion;

2.8 (2) in each of the years three to five, the  
2.9 lessee must pay \$1,250,000;

2.10 (3) in each of the years six to ten, the lessee  
2.11 must pay \$1,500,000; and

2.12 (4) in each of the years 11 to ~~13~~ 12, the lessee  
2.13 must pay \$2,000,000; ;

2.14 ~~(5) in year 14, the lessee must pay~~  
2.15 ~~\$3,000,000;~~

2.16 ~~(6) in year 15, the lessee must pay~~  
2.17 ~~\$4,000,000; and~~

2.18 ~~(7) in each of the years 16 to 20, the lessee~~  
2.19 ~~must pay \$4,750,000.~~

2.20 (b) The commissioner must deposit the  
2.21 repayments in the state treasury and credit  
2.22 them to the general fund.

2.23 (c) The loan may not be made until the  
2.24 commissioner has entered into an agreement  
2.25 with the city of St. Paul identifying the rental  
2.26 or other payments that will be made and  
2.27 establishing the dates on and the amounts  
2.28 in which the payments will be made to the  
2.29 city and by the city to the commissioner. The  
2.30 payments may include operating revenues  
2.31 and additional payments to be made by the  
2.32 lessee under agreements to be negotiated  
2.33 between the commissioner, the city, and the  
2.34 lessee. Those agreements may include, but

3.1 are not limited to, an agreement whereby the  
3.2 lessee pledges to provide each year a letter  
3.3 of credit sufficient to guarantee the payment  
3.4 of the amount due for the next succeeding  
3.5 year; an agreement whereby the lessee  
3.6 agrees to maintain a net worth, certified each  
3.7 year by a financial institution or accounting  
3.8 firm satisfactory to the commissioner, that  
3.9 is greater than the balance due under the  
3.10 payment schedule in paragraph (a); and any  
3.11 other agreements the commissioner may  
3.12 deem necessary to ensure that the payments  
3.13 are made as scheduled.

3.14 (d) The agreements must provide that the  
3.15 failure of the lessee to make a payment due  
3.16 to the city under the agreement is an event  
3.17 of default under the lease between the city  
3.18 and the lessee and that the state is entitled to  
3.19 enforce the remedies of the lessor under the  
3.20 lease in the event of default. Those remedies  
3.21 must include, but need not be limited to, the  
3.22 obligation of the lessee to pay the balance due  
3.23 for the remainder of the payment schedule  
3.24 in the event the lessee ceases to operate a  
3.25 National Hockey League team in the arena.

3.26 (e) By January 1, 1999, the commissioner  
3.27 shall report to the chair of the senate  
3.28 committee on state government finance  
3.29 and the chair of the house committee on  
3.30 ways and means the terms of an agreement  
3.31 between the lessee and the amateur sports  
3.32 commission whereby the lessee agrees to  
3.33 make the facilities of the arena available to  
3.34 the commission on terms satisfactory to the  
3.35 commission for amateur sports activities  
3.36 consistent with the purposes of Minnesota

4.1 Statutes, chapter 240A, each year during the  
4.2 time the loan is outstanding. The amateur  
4.3 sports commission must negotiate in good  
4.4 faith and may be required to pay no more  
4.5 than actual out-of-pocket expenses for the  
4.6 time it uses the arena. The agreement may  
4.7 not become effective before February 1,  
4.8 1999. During any calendar year after 1999  
4.9 that an agreement under this paragraph is  
4.10 not in effect and a payment is due under  
4.11 the schedule, the lessee must pay to the  
4.12 commissioner a penalty of \$750,000 for that  
4.13 year. If the amateur sports commission has  
4.14 not negotiated in good faith, no penalty is  
4.15 due.

4.16 **Sec. 2. MINNESOTA EVENT DISTRICT EXPANSION, PHASE I.**

4.17 The city of St. Paul may issue up to \$40,000,000 of general obligation or special  
4.18 revenue bonds to finance the design, acquisition, construction, and equipping of a public  
4.19 community ice facility to be located within the block 39/arena tax increment district. The  
4.20 city may pledge, or use to pay the bonds, any money available to the city or its housing  
4.21 and redevelopment authority, including but not limited to, any revenue derived from  
4.22 the project. The estimated collection of the pledged money may be deducted from any  
4.23 general ad valorem taxes otherwise required to be levied before issuance of general  
4.24 obligation bonds under Minnesota Statutes, section 475.61, subdivision 1. The bonds may  
4.25 be issued in one or more series and sold without election on the question of issuance of  
4.26 the bonds or the levy of a property tax to pay the bonds. Except as otherwise provided  
4.27 in this section, the bonds must be issued, sold, and secured in the manner provided in  
4.28 Minnesota Statutes, chapter 475.

4.29 **Sec. 3. EFFECTIVE DATE; LOCAL APPROVAL.**

4.30 Section 2 is effective the day after the governing body of the city of St. Paul and its  
4.31 chief clerical officer timely complete their compliance with Minnesota Statutes, section  
4.32 645.021, subdivisions 2 and 3. Section 1 is effective the day after the city of St. Paul  
4.33 issues the bonds authorized in section 2.