

Summary of Rapid Park Site Ballpark Plan

1. The Minnesota Twins (“Twins”) have agreed with Hennepin County (“County”) to recognize the Rapid Park Site exclusively as the site to build a new Major League Baseball park.

2. The Rapid Park Site will represent the convergence point for:

- Light Rail Transit
- The Proposed Northstar Commuter Rail
- Interstate 394/94 Termination Into Downtown Minneapolis
- TAD Parking Facilities
- Target Center
- Warehouse District
- Downtown Minneapolis Business District
- Other Future Mixed Use Development

3. HOK architects have developed a preliminary plan and design for an open air ballpark. The County and the Twins will jointly finalize the ballpark plan. The ballpark is expected to cost \$360 million, and be completed by 2009, without a retractable roof.

- The Twins still favor a retractable roof and believe the State of Minnesota (“State”) can facilitate funding without using general funds using incremental sales and player income taxes or other methods.

- The County would agree to a roof only if no additional tax burden is imposed on Hennepin County residents.

4. The Twins will:

- Pay \$125 million of the ballpark costs, of which \$40 million will be paid initially, with the remaining \$85 million secured and paid prior to completion (see Exhibit 1).

— This commitment is not conditioned on financing and requires no County credit support or enhancement.

- Assume responsibility for ballpark construction cost overruns.

- Enter into a 30-year, no-escape use agreement which must be approved by Major League Baseball, to the satisfaction of the County.

- Pay ballpark operating expenses (estimated at \$10 million per year) and receive ballpark-related operating revenues.

- Pay \$0.6 million annually, with escalation, to fund future capital improvements of the ballpark.

- Share up to 18% of gross franchise sales proceeds if the Twins are sold prior to 2016.

- Provide for affordable tickets.

5. The County will:

- Fund \$235 million of the ballpark costs and approximately \$84 million for land, surface parking, site improvements and infrastructure. The ballpark will be publicly owned (see Exhibit 1).

- Fund the above investment by issuing tax-exempt, County bonds payable from a countywide sales tax to be authorized by the legislature, without a required referendum.

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- Pay \$1.4 million annually, with escalation, to fund future capital improvements of the ballpark.
- Maintain the right to use of the facility rent free for public events, subject to scheduling agreement.

Hennepin County/Twins Proposal

(Dollars in Millions)

Team Share

County Share

Total

Project Costs

Ballpark Construction Costs

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\$125

\$ 235

\$360

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On/Off Site Development Costs

-

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84

ct Costs

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\$125¹

\$319¹

\$444

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Sources and Uses Statement2

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Approximate Sources of Funds:

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Team Up-Front Cash Contribution

\$ 40

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\$ 40

Team Second Cash Payment/Financing

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85

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85

Net Proceeds From County Financing

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\$ 319

\$319

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Total Sources

\$ 125

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\$ 319

\$444

Approximate Uses of Funds:

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Ballpark Construction

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\$360

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On/Off Site Development Costs

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84

Total Uses

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Estimated Sizing of County Debt

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Net Proceeds from County Debt Issuance

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\$319

Issuance Cost/Debt Service Reserve/Bond Insurance

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34

Total County Debt Issuance

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\$353

Estimated Annual County Debt Service Payment

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\$21.5

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Estimated Annual Tax Revenue Required at 130% Coverage

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Estimated Annual Sales Tax Proceeds at .15%

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28

County Debt Statistics

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Estimated Average Interest Rate (Variable and Fixed Rate Debt)

4.75%

2

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Coupon Range

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3.4%-51.5%

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Assumed Underlying Rating

"A"

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Insured Rating

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"AAA"

1

The team share can increase to \$127.5; the County share can increase to \$321.5 based

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associated with surface parking.

2

It is assumed current market rates plus 50 basis points.