MINNESOTA
SPORTS FACILITIES
AUTHORITY

Minnesota Sports Facilities Authority
1005 4th Street South, Minneapolis, MN 55415

MEMORANDUM

TO: MSFA Commissioners

FROM: Michelle Hoffman, Director of Finance

DATE: June 26, 2025

SUBJECT: 2025-2026 Operating and Capital Budget

The 2025-2026 Operating and Capital Budget for the fiscal period from July 1, 2025 through June 30, 2026 is attached. This budget includes the Operating account, Capital Reserve account, and the Concession Capital Reserve account. A narrative that discusses the budgeted revenues, expenses, and transfers for each account, a capital projects list, and a concession capital projects list are also included in this budget document.

Recommended Motion:

The Minnesota Sports Facilities Authority adopts the attached 2025-2026 Operating and Capital Budget for the fiscal period July 1, 2025 through June 30, 2026 for the Operating account, the Capital Reserve account, and the Concession Capital Reserve account. The Authority authorizes the Chair and the Executive Director to make adjustments to the detailed revenue and expense budget lines within the Operating account budget and to adjust the project budgets within the Capital Reserve Project budget and Concession Capital Reserve Project budget.

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2025 – 2026

OPERATING AND CAPITAL BUDGETS

July 1, 2025 – June 30, 2026

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2025-2026 OPERATING AND CAPITAL BUDGET

U.S. Bank Stadium will begin its tenth year of operations on July 1, 2025. Attached is the Fiscal Year 2025-2026 Operating and Capital Budget for the period from July 1, 2025, through June 30, 2026. The budget includes three accounts, the operating account, capital reserve account, and concession capital reserve account. Highlights of each account are discussed below.

OPERATING ACCOUNT

Operating Revenues

Budgeted revenues for the operating account consist of the following revenue sources:

State of Minnesota/City of Minneapolis operating revenues	$ 8,042,177
Minnesota Vikings operating revenues	$11,090,572
Stadium operating revenues-ASM Global	$34,295,210
Miscellaneous revenues	$ 69,200
Total Operating Revenues	$53,497,159

Operating Expenses

Budgeted expenses for the operating account include:

Personal services	$ 823,733
Professional services	$ 1,171,600
Supplies and network support costs	$ 156,093
Stadium contractual commitments	$ 895,107
Insurance	$ 577,673
Miscellaneous expense	$ 136,730
Stadium operating expenses-ASM Global	$45,141,655
Total Operating Expenses	$48,902,591

Personal Services

The personal services budget includes the Chair's salary and the salaries and benefits for the full-time MSFA employees. Employee benefits include health insurance, dental insurance, long-term disability insurance, life insurance, and retirement benefits from the Minnesota State Retirement System. Workers' compensation insurance is also included in this category.

Professional Services

Professional services include a variety of professional consulting services. The MSFA will continue to utilize the services of professional consultants for the following services:

- Auditing Services
- Communication and Public Relations Services
- Legal Services and Legislative Representation
- Various Other Consulting Services

Stadium Contractual Commitments

The stadium's contractual commitments and leases include costs related to securing parking as required in the Stadium Act and the Stadium Use Agreement. The MSFA also has a long-term lease with Hennepin County for use of their space for the U.S. Bank Stadium Plaza area.

Insurance
Insurance includes commercial general liability, excess liability, automobile and garage keepers' liability, public entity management liability, crime insurance, network security and privacy liability (cyber), and terrorism insurance.

Miscellaneous
Miscellaneous expenses include a variety of expenses: travel, meetings expenses, training expenses, postage expenses, MSFA board member expenses, license and inspection fees, bank fees, and expense contingency for unknown future expenses.

Nonoperating Revenues
Nonoperating revenues include the following:

Revenues - Investment income	$ 1,500,000

Account Balance

Beginning Operating account balance (projected)	$28,901,071
Change in account balance	$6,094,568
Ending Operating account balance	**$34,995,640**

CAPITAL RESERVE ACCOUNT

Capital Reserve Revenues
The capital reserve account has the following budgeted revenues:

Minnesota Vikings capital cost payment	$2,015,875
State of Minnesota/City of Minneapolis capital payment	$2,010,544
State of Minnesota/City of Minneapolis excess sales tax	$2,346,828
Total Capital Reserve Revenues	$6,373,247

- Per the terms of the Stadium Use Agreement between the MSFA and the Minnesota Vikings Football Stadium, LLC, the Minnesota Vikings were required to contribute $1,500,000 to the MSFA beginning in 2016, and this amount increases annually by 3%.
- Per Minnesota Statute, 473J.12, subd. 4 the State of Minnesota/City of Minneapolis were required to contribute $1,500,000 to the MSFA beginning in 2016, and this amount increases annually by an adjustment factor.
- Per the 2023 Tax Bill, the MSFA must use the City of Minneapolis excess sales tax revenues for capital repairs, replacements, and improvements for the stadium or stadium infrastructure, and this revenue is included in the capital reserve account budget.

Capital Reserve Expenses
The 2024-2025 capital reserve account budget included projects that will not be completed by year-end. Therefore, the budget for capital project commitments of $5,955,000 at June 30, 2025 needs to be rolled forward, and this includes the roll forward amount for the LED Displays and Control System for $3,300,000. In addition, the 2025-2026 budget has a capital plan of $13,824,038 for new capital projects.

Following this narrative is a list of the capital projects.

Capital Budget Roll Forward	$5,955,000
New Capital Reserve Projects	$13,824,038
Total Capital Reserve Expenses	$19,779,038

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Account Balance	
Beginning Capital Reserve account balance (projected)	$47,391,616
Change in account balance	($13,405,791)
Ending Capital Reserve account balance	**$33,985,825**

CONCESSION CAPITAL RESERVE ACCOUNT

Concession Capital Reserve Revenues
Aramark Sports and Entertainment provides catering and concession services at U.S. Bank Stadium, and Aramark is obligated to pay 2.5% of gross sales to the MSFA on a monthly basis for deposit into the concession capital reserve account. These funds are designated for concession related capital projects as described below.

Concession Capital Reserve Revenues	$ 800,000

Concession Capital Reserve Expenses
The 2025-2026 budget has a concession capital reserve plan of $1,835,000 for concession capital projects. This includes $885,000 for digital overhead signage and an event level freezer which had been included in the prior year's budget, but which were not completed in 2024-2025.

Following this narrative is a list of the concession capital projects.

Concession Capital Reserve Projects	$1,835,000

Account Balance	
Beginning Concession Capital Reserve account balance	$2,105,350
Change in account balance	($1,035,000)
Ending Concession Capital Reserve account balance	**$1,070,350**

BUDGET CHANGE AUTHORITY

The MSFA funds the cost of operations, capital improvements and concession capital improvements from current resources and the reserve account balances.

The Chair and Executive Director have the authority to make line-item budget adjustments within an account and to establish and adjust project budgets in the capital reserve and concession capital reserve account.

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YEAR 2025-2026 BUDGET
Operating Account, Capital Reserve Account, Concession Capital Reserve Account
July 1, 2025 to June 30, 2026

Operating Account	Budget 2024-2025	Projection 2024-2025	Recommended Budget 2025-2026
Revenues:			
Stadium operating payments			
State of Minnesota/City of Minneapolis operating payment	$ 7,810,658	$ 8,032,421	$ 8,042,177
Minnesota Vikings operating payment	10,767,546	10,767,546	11,090,572
Stadium operating revenue-ASM Global	30,407,310	39,157,271	34,295,210
Miscellaneous revenues	64,200	78,219	69,200
Total operating revenues	49,049,714	58,035,457	53,497,159
Expenses:			
Personal services	955,199	685,699	823,733
Professional services	1,388,815	1,308,215	1,171,600
Supplies and network support	139,043	157,415	156,093
Stadium contractual commitments	828,890	819,525	895,107
Insurance	466,553	469,752	577,673
Miscellaneous	877,584	267,115	136,730
Stadium operating expenses-ASM Global	40,825,085	44,182,378	45,141,655
Total operating expenses	45,481,169	47,890,100	48,902,591
Operating income/(loss)	3,568,545	10,145,357	4,594,568
Nonoperating Revenues/(Expenses):			
Revenues-Investment earnings	1,000,000	2,410,697	1,500,000
Net Income/(loss) before transfers	4,568,545	12,556,054	6,094,568
Transfers:			
Transfer to Capital Reserve fund	(10,000,000)	(10,000,000)	-
Change in Account Balance	(5,431,455)	2,556,054	6,094,568
Beginning Operating Account Balance	31,160,858	26,345,018	28,901,071
Ending Operating Account Balance	**$ 25,729,403**	**$ 28,901,071**	**$ 34,995,640**

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YEAR 2025-2026 BUDGET
Operating Account, Capital Reserve Account, Concession Capital Reserve Account
July 1, 2025 to June 30, 2026

Capital Reserve Account	Budget 2024-2025	Projection 2024-2025	Recommended Budget 2025-2026
Revenues:			
Minnesota Vikings Capital Cost payment	$ 1,957,160	$ 1,957,160	$ 2,015,875
State of Minnesota/City of Minneapolis Capital payment	1,952,665	2,008,105	2,010,544
State of Minnesota/City of Minneapolis Sales tax	2,279,267	2,345,456	2,346,828
Total revenues	6,189,092	6,310,722	6,373,247
Capital Expenses:	22,740,608	7,779,198	19,779,038
Net Income/(loss) before transfers	(16,551,516)	(1,468,477)	(13,405,791)
Transfers:			
Transfer from Operating Account	10,000,000	10,000,000	-
Change in Account Balance	(6,551,516)	8,531,523	(13,405,791)
Beginning Capital Reserve Account Balance	38,945,647	38,860,093	47,391,616
Ending Capital Reserve Account Balance	**$ 32,394,131**	**$ 47,391,616**	**$ 33,985,825**

Concession Capital Reserve Account			
Revenues:			
Concession Capital Reserve payment	$ 800,000	$ 903,872	$ 800,000
Concession Capital Expenses:	2,445,613	220,529	1,835,000
Change in Account Balance	(1,645,613)	683,343	(1,035,000)
Beginning Concession Capital Reserve Account Balance	2,569,409	1,422,006	2,105,350
Ending Concession Capital Reserve Account Balance	**$ 923,796**	**$ 2,105,350**	**$ 1,070,350**

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Budget 2025-2026
July 1, 2025 - June 30, 2026
2025-2026 Capital Reserve Projects List - Capital Reserve Account

Item	Project Name		Budget
CAPITAL RESERVE PROJECTS:			
Item 1 - Secured Perimeter Project - Phase II			
1.01	Repair Fireproofing	$	701,578
1.02	Secure Perimeter - Phase II	$	1,600,000
Item 2 - Security			
2.01	Security Cameras	$	35,000
2.02	Card Readers	$	15,000
Item 3 - Technology			
3.01	Wired Network Switches	$	5,408,000
3.02	APC Rack Mounted UPS	$	1,081,600
3.03	Lumen Firewall	$	150,000
Item 4 - Production and Audio Visual			
4.01	Control Room Monitors	$	125,000
4.02	Fiber Converters	$	200,000
4.03	CG Replacement	$	200,000
4.04	Router Refresh	$	100,000
4.05	LED Displays Control System	$	3,300,000
4.06	Clubs & Suites AV Controls	$	1,100,000
4.07	Display Monitors	$	50,000
Item 5 - Electrical			
5.01	LED Lighting Updates / Replacements	$	600,000
5.02	Lighting Controls	$	500,000
Item 6 - Mechanical			
Item 8 - General Building			
8.01	Replace Concession Ceilings	$	100,000
8.02	Snow Gutter Repair	$	324,480
8.03	Legacy Door Actuators	$	35,000
8.04	SOC Remodel	$	490,000
Item 9 - Site			
9.01	Site Improvement	$	1,000,000
Item 12 -Specialty Items and Systems			
12.01	Replace Field Wall Pads	$	68,141
12.02	Field Decking	$	1,750,000
12.03	NFL Mandated Expenses	$	65,239
Item 13 - Equipment			
13.01	Lift	$	30,000
Item 15 - Emergency Capital Repairs and Unspecified Projects			
15.01	Emergency Capital and Unspecified Projects	$	750,000
	Total Capital Reserve Projects	**$**	**19,779,038**

PY Budgeted Projects Not Completed

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Budget 2025-2026

July 1, 2025 - June 30, 2026

2025-2026 Concession Capital Reserve Projects List - Concession Capital Reserve Account

Item	Project Name		Budget
CONCESSION CAPITAL RESERVE PROJECTS:			
C.01	Smallwares Refresh	$	200,000
C.02	Equipment Replacement		350,000
C.03	Stand Conversions		300,000
C.04	Digital Overhead Signage		825,000
C.05	Event Level Freezer Upgrade		60,000
C.06	Emergency Capital Repairs and Unspecified Projects		100,000
	Total Concession Capital Reserve Projects	**$**	**1,835,000**
	TOTAL CONCESSION CAPITAL RESERVE PROJECTS	**$**	**1,835,000**