

## **Lessons from Miller Park could influence Bucks arena talks**

The two professional sports venues in Milwaukee are a few miles from each other but still worlds apart in the eyes of lawmakers.

For the Bucks, legislators, local officials and the team are working on a deal that would free up millions of dollars, some possibly borrowed from the state, for construction of a new arena north of the Bradley Center. For the Brewers, Racine lawmakers have uncorked AB 93 in an attempt to rein in the sales tax that paid for the controversial construction and maintenance of Miller Park.

The Miller Park sales tax bill, scheduled for a committee vote Tuesday, is rooted in frustration over what those lawmakers say is a tax that just won't die. Sen. Van Wanggaard, R-Racine, is backing the bill and said constituents are wondering where their money is going. The bill would limit the stadium district's ability to issue bonds and spend taxpayer money.

Wanggaard called the sales tax "a bunch of garbage as far as a lot of us are concerned, especially in southeastern Wisconsin."

Mike Duckett, executive director of the Southeast Wisconsin Professional Baseball Park District, Miller Park's landlord, said that kind of anger is common. But he said it's misplaced when it comes to the sales tax, the stadium and the notion that million-dollar athletes and multimillion-dollar sports organizations are relying on public subsidies.

"It is a lightning rod," he said. "It is a hotspot. It is an emotional trigger."

It also is, in some respects, a case study for those fashioning a plan for the estimated \$500 million Bucks arena, Duckett said. Transparency, he said, should have ranked as a higher priority when the Miller Park deal was reached.

"It was prepared by a law firm behind closed doors in August 1995 and then passed by the Legislature a few months later," Duckett said. "That memorandum of understanding was the foundation of the legislation and the lease agreement."

The MOU established the district and put it in charge of managing a five-county, 0.1 percent sales tax that is part of the \$392 million stadium's financial structure. The agreement also made clear the Brewers did not want to be responsible for any construction cost overruns.

So the district took control of the project, but that extended to maintenance of the stadium and its high-tech but sometimes problematic roof during the length of the lease. The lease is scheduled to end in 2030 unless the Brewers exercise a 10-year option.

"It turned out in Milwaukee, the public put in about 70 percent of construction dollars, and the Brewers put in about 30," Duckett said. "In a perfect world, those numbers would have been flipped."

The Bucks, by comparison, are asking the public to cover 50 percent of the project cost. Herb

Kohl, former U.S. senator and former team owner, and the team's current owners have committed \$250 million to the project.

"Heck, it's a lot better start than what we got at Miller Park or Lambeau Field," said Duckett, who also worked for the Lambeau district as a construction consultant.

The maintenance of the ballpark through a segregated reserve fund is at the heart of the angst over the sales tax. That fund carries \$2.5 million per year, with the Brewers contributing \$750,000 and the taxpayers kicking in \$1.75 million.

"This is a good lesson learned," Duckett said, "and one the Bucks should keep in mind: We as a community had gotten pretty good at building public facilities but had no plans to maintain them."

The maintenance fund was part of the original deal. The sales tax, Duckett said, will sunset once the district has collected enough money to retire the project bonding, pay off the property insurance and cover the taxpayers' contributions to the fund through the end of what he anticipates will be a 40-year lease with the Brewers exercising that 10-year option.

By contrast, the Lambeau Field renovation sales tax in Brown County is ending later this year.

Until the Brewers lease ends, the decisions of how to spend that maintenance money are shared between the team and district, Duckett said, and backed by a state pledge not to interfere with district contracts. Sometimes, the money is used for maintenance projects no one outside the stadium notices.

Other times, though, the projects are high-profile, such as a \$6 million scoreboard and a \$3 million LED ribbon board.

Those projects added fuel to the fire during a recent public hearing on AB 93. In addition to controlling spending, the bill, written by Reps. Thomas Weatherston, R-Racine, and Cory Mason, D-Racine, would require State Building Commission approval and oversight of any new district contracts valued at more than \$500,000.

And Racine lawmakers' frustration over the sales tax is only strengthened by the fact that its original estimated sunset in 2014 has been extended to between 2018 and 2020. Racine has been a center of Miller Park and taxing controversy since the ballpark debate. Voters there recalled Republican Sen. George Petak following his vote in 1995 in favor of the stadium deal.

"We're trying to push for some semblance of accountability," said Wanggaard, who regained his seat in November after losing it in an Act 10-inspired recall in 2012.

The extension for the sales tax sunset has nothing to do with spending more taxpayer money, Duckett said. The state, he said, originally estimated sales tax growth at 5.5 percent, which was the foundation for the initial 2014 sunset date.

But the recession and boosts in Internet sales meant the tax growth has averaged only 1.1 percent overall, he said.

"We have not increased our debt at all since construction," Duckett said. "We've done nothing to increase costs to taxpayers."

But AB 93 could do just that, he said. Requiring state oversight of contracts would violate the state pledge, Duckett said, and raises the specter of lawsuits from bondholders, bond insurance companies or even the Brewers if the commission were to reject a project. A lawsuit, he said, would add to the sales tax.

Still, Mason, speaking to the Assembly's Urban and Local Affairs Committee during the bill's public hearing, said he has tried several times to simply remove Racine County from the sales tax. He said he has failed each time, but AB 93 offers a more moderate solution and answers an important question.

"How can we at least give taxpayers some certainty that this isn't just a blank check into perpetuity?" Mason told committee members.

That is a question Patrick Webb, executive director of the Green Bay/Brown County Professional Football Stadium District, was able to answer before the \$295 million Lambeau Field renovation even began in 2001. The district used a 0.5 percent, one-county sales tax to cover \$174 million in bonds.

"We knew from day one how much money we needed to collect," he said.

The district notified DOR in March that the sales tax no longer is needed. Webb said it will end Sept. 30.

Another element, he said, that sets Lambeau apart from Miller Park and, most likely, a new Bucks arena, is voters made the final decision in Green Bay.

"We also had a referendum," Webb said. "The community opted for it. The Legislature wasn't going to force it down our throats."

That was the Packers, Duckett said, and even that vote was close. It would be ideal if a lesson learned from the Miller Park project is that voters should have a say, but that would have meant no Brewers stadium and almost certainly no Bucks arena, he said.

"At the end of the day, if we left everything up to a vote," Duckett said, "we wouldn't have much of a community."