



# State of Wisconsin

LEGISLATIVE REFERENCE BUREAU

## Appendix A ... segment I

### LRB BILL HISTORY RESEARCH APPENDIX

The drafting file for 2015 LRB-1330/P4 (For: DOA - Budget)

has been copied/added to the drafting file for

**2015 LRB-1502** (For: DOA - Budget)

Are These "Companion Bills" ?? ... No



**RESEARCH APPENDIX -**  
**PLEASE KEEP WITH THE DRAFTING FILE**

Date Transfer Requested: 01/28/2015 (Per: MES)

The attached draft was incorporated into the new draft listed above. For research purposes the attached materials were added, as an appendix, to the new drafting file. If introduced this section will be scanned and added, as a separate appendix, to the digital drafting file.

**2015 DRAFTING REQUEST**

**Bill**

Received: 1/19/2015 Received By: mshovers  
Wanted: As time permits Same as LRB:  
For: Administration-Budget By/Representing: Wimmer  
May Contact: Mike Heifetz Drafter: mshovers  
Subject: Eminent Domain - miscellaneous Addl. Drafters: rchampag  
Local Gov't - misc Extra Copies: EVM, MED  
State Govt - miscellaneous

Submit via email: YES  
Requester's email:  
Carbon copy (CC) to: sbostatlanguage@webapps.wi.gov

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**Pre Topic:**

DOA:.....Wimmer, BB0462 -

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**Topic:**

Create a sports and entertainment special purpose district for a professional basketball home arena;  
fold in Bradley Center

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**Instructions:**

See attached

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**Drafting History:**

<u>Vers.</u>	<u>Drafted</u>	<u>Reviewed</u>	<u>Typed</u>	<u>Proofed</u>	<u>Submitted</u>	<u>Jacketed</u>	<u>Required</u>
/?	mshovers 1/20/2015			_____			
/P1	mshovers 1/24/2015	kfollett 1/20/2015	jfrantze 1/20/2015	_____	srose 1/20/2015		State S&L
/P2	mshovers	kfollett	jmurphy	_____	sbasford		State

<u>Vers.</u>	<u>Drafted</u>	<u>Reviewed</u>	<u>Typed</u>	<u>Proofed</u>	<u>Submitted</u>	<u>Jacketed</u>	<u>Required</u>
	1/26/2015	1/24/2015	1/25/2015	_____	1/25/2015		S&L
/P3	rchampag 1/27/2015	jdyer 1/27/2015	rschluet 1/27/2015	_____	mbarman 1/27/2015		State S&L
/P4	mshovers 1/27/2015	kfollett 1/27/2015	jmurphy 1/27/2015	_____	lparisi 1/27/2015		State S&L

FE Sent For:

<END>

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/P2	mshovers	kfollett	jmurphy	_____	sbasford		State

*1/27/15 SF*  
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*Jm*  
*1/27*  
*Jm*  
*1/27*

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1/27/15 MES 1/27/15  
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<b>Local Gov't - misc</b>	
<b>State Govt - miscellaneous</b>	Extra Copies: <b>EVM, MED</b>

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/?	mshovers 1/20/2015	<i>P3 1/27 jld</i>		_____			
/P1	mshovers 1/24/2015	kfollett 1/20/2015	jfrantze 1/20/2015	_____	srose 1/20/2015		State S&L
/P2		kfollett	jmurphy	_____	sbasford		State

<u>Vers.</u>	<u>Drafted</u>	<u>Reviewed</u>	<u>Typed</u>	<u>Proofed</u>	<u>Submitted</u>	<u>Jacketed</u>	<u>Required</u>
		1/24/2015	1/25/2015	_____	1/25/2015		S&L

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*1 P2 MES 1/24/15*  
*1 P2 SF 1/24*  
*Jan 15 1/25*



FE Sent For:

<END>



**Shovers, Marc**

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**From:** Hanaman, Cathlene  
**Sent:** Monday, January 19, 2015 1:14 PM  
**To:** Champagne, Rick; Shovers, Marc  
**Subject:** FW: Statutory Language Drafting Request - BB0462

**From:** [robert.wimmer@wisconsin.gov](mailto:robert.wimmer@wisconsin.gov) [mailto:[robert.wimmer@wisconsin.gov](mailto:robert.wimmer@wisconsin.gov)]  
**Sent:** Monday, January 19, 2015 1:06 PM  
**To:** Hanaman, Cathlene  
**Cc:** Ziegler, Paul - DOA; Wimmer, Robert C - DOA; Connor, Christopher B - DOA  
**Subject:** Statutory Language Drafting Request - BB0462

Biennial Budget: 2015-17

DOA Tracking Code: BB0462

Topic: Arena - District and Bonds

SBO Team: TLGED

SBO Analyst: Wimmer, Robert  
Phone: 608-266-7597  
E-mail: [robert.wimmer@wisconsin.gov](mailto:robert.wimmer@wisconsin.gov)

Agency Acronym: DOA

Agency Number: 505

Priority: High

Intent:

Establish a Sports and Entertainment District as well as language for the issuance state general obligation bonds or general appropriation bonds (TBD)

Attachments: False

Please send completed drafts to [SBOStatlanguage@webapps.wi.gov](mailto:SBOStatlanguage@webapps.wi.gov)

Special Purpose  
District

DRAFT  
01-19-15

## WISCONSIN ARENA AUTHORITY

The Wisconsin Arena Authority (the "Authority") would be established under state law to oversee the construction of a multi-purpose facility for public entertainment of state residents, including use by a National Basketball Association ("NBA") franchise in the city of Milwaukee.

### I. BRADLEY CENTER

The BMO Harris Bradley Center ("Bradley Center") opened in October 1988. At the time the Bradley Center was constructed, no provision was made for the building's long-term capital needs or annual operating expenses. Instead, those costs and the operation of the Bradley Center remain the responsibility of a state public body, the Bradley Center Sports and Entertainment Corporation.<sup>1</sup>

As the second oldest non-renovated arena with an NBA tenant, the Bradley Center cannot compete with other modern day arenas. Primarily, as a result of its age and condition, the Bradley Center faces a potential shortfall estimated at over \$100 million throughout the decade following any relocation of the Milwaukee Bucks. These expenses are currently and will be an obligation of the taxpayers under the existing Bradley Center structure.

### II. FUNDING A NEW ARENA

As an alternative to renovating and updating the Bradley Center, a new multi-purpose arena would be built in downtown Milwaukee at an estimated cost of \$500 million. Proposed funding sources and amounts for the construction of a new arena include:

Source	Amount
State Bonding	\$220 Million
Private Proceeds	\$250 Million
Other Proceeds	\$50 Million

#### General Fund Appropriation

Under the Wisconsin Constitution, the state can issue bonds to finance public improvements that have a public purpose and do not violate the internal improvements clause.<sup>2</sup> In the past, the state has issued federally tax exempt, general obligation bonds to assist local governments and

<sup>1</sup> See Wis. Stat. Ch. 232.

<sup>2</sup> The Wisconsin Supreme Court has held that professional sports facilities with a predominant governmental purpose do not constitute an internal improvement. See *Libertarian Party of Wisconsin v. State*, 199 Wis.2d 790, 546 N.W.2d 424 (1996).

nonprofit agencies with facility and infrastructure improvements, including the Bradley Center.<sup>3</sup> Depending on how the transaction and financing are structured, the state could use general obligation bonds or general fund appropriation bonds.

Any bonds issued by the state to assist in the construction of the new arena will require an appropriation of state funds in an amount sufficient, together with any other available monies, for the payment of the annual principal and interest due on the bonds. The exact cost to repay \$220 million in debt will depend on the type of bonds issued.

The state individual income tax is imposed on the wages and other income of NBA players and other NBA employees who are residents of Wisconsin as well as on a portion of wages and income of those who are residents of other states. In addition, the Milwaukee Bucks generate direct arena related sales taxes. The costs to repay the debt will be covered, in part, by dedicating these annual tax revenues.

#### Private Proceeds

Former Milwaukee Bucks owner, Senator Herb Kohl, and the current Milwaukee Bucks ownership group have committed a combined total of up to \$250 million of proceeds for the development of the new arena.

#### Financing, Construction and Use of the New Arena

The Authority shall use the proceeds of the state bonds and the private sources provided under the Arena Lease (defined below) to construct the new arena. The new arena will be leased to a special purpose affiliate of the Milwaukee Bucks ("ArenaCo") under a lease agreement (the "Arena Lease"). The Arena Lease shall require ArenaCo to maintain, improve, operate and manage the new arena as a revenue-generating enterprise. ArenaCo, as the lessee, shall also be responsible for all subleasing or use agreements with regard to the new arena, including a sublease or use agreement with the Milwaukee Bucks (the "Team"). Under the Arena Lease, ArenaCo would pay annual rent to the Authority and would be entitled to all revenues generated by the new arena. Once the Arena Lease is entered into, the Authority shall maintain minimum powers/duties but all other obligations and costs of operating and maintaining the arena shall be the responsibility of ArenaCo as the lessee.

As part of the financing structure for the new arena, under the Arena Lease, ArenaCo would make a contribution of private loan proceeds and other private sources to the Authority as prepaid rent or to fund tenant improvements, to be used by the Authority toward the construction of the new arena. ArenaCo would sublease the arena to the Team (or enter into a use agreement with the Team).

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<sup>3</sup> See "Milwaukee Bucks," *Wisconsin Legislative Fiscal Bureau Memorandum* (Sept. 30, 2014).

### III. THE AUTHORITY

The Authority would be established as a special district that is a local governmental unit separate and distinct from and independent of the state and the political subdivisions within its jurisdiction.

To ensure that the use of state bond proceeds complies with the Wisconsin Constitution, the legislature will determine that the creation of the Authority and appropriation of funds and issuance of bonds to support the Authority serves a statewide public purpose by:

- Encouraging economic development and tourism;
- Providing recreation;
- Reducing unemployment; and,
- Bringing needed capital into the state for the benefit and welfare of the people throughout the state.

The Authority, as determined by its board, has the power to spend revenues received from state's bond issuance and other sources toward the cost of constructing the new arena. While it may receive lease rental payments from ArenaCo, the Authority will not have the ability to tax or otherwise generate a revenue stream. Any operating expenses incurred by the Authority are expected to be minimal.

★ The Authority shall be governed by a nine-member board of directors appointed by the governor, confirmed by the State Senate. One of the board members shall be appointed by the governor to the position of board chair. Board members shall be appointed and confirmed within 30 days of the Authority's creation. Board members shall serve staggered seven-year terms. Members shall have executive and managerial experience and be Wisconsin residents. No members shall hold elective public office. Each member may hold his or her board position until a successor is appointed. As with other special districts, Authority board members would be subject to state ethics laws and financial disclosure requirements.

As a unit of local government, the Authority will have a geographic boundary of Milwaukee County. In the event that it is necessary, the Authority shall have the flexibility to work with the City of Milwaukee and Milwaukee County on the issuance of bonds by those local governments for the benefit of the Authority. In the event that the City of Milwaukee or Milwaukee County participates in issuing bonds for the Authority, the local government will each have a representative on the Authority's board. If that occurs, the mayor of the City of Milwaukee and/or the county executive of Milwaukee County shall have the ability to appoint an individual to serve on the Authority's board for a seven-year term.

The Authority shall have all of the powers necessary to carry out its statutory purpose related to the financing and construction of a new arena.

Accordingly, the Authority's statutory powers shall include:

- Regarding the arena:
  - Acquire, construct, equip, maintain and improve, operate and manage the arena facilities as a revenue-generating enterprise or engage other persons to do these tasks;
  - Acquire, lease, as lessor or lessee, use, or transfer or accept transfer of property;
  - Improve real property;
  - Condemn real property; and,
  - Enter into contracts.
  
- Regarding its own operation as the Authority:
  - Adopt bylaws;
  - Sue and be sued;
  - Maintain an office;
  - Employ personnel;
  - Purchase insurance, establish and administer a plan of self-insurance or participate in a government plan of insurance or self-insurance;
  - Mortgage, please or otherwise encumber the Authority's property or funds.
  - Maintain funds and invest funds;
  - Set standards governing the use of and the conduct within the arena facilities; and,
  - Promote, advertise and publicize its area facilities and related activities.

The Authority will differ from other special districts established in Wisconsin since it will not have taxing authority and its purpose will not extend beyond acquiring land and then the financing, construction, operation and maintenance and leasing of the new arena.

#### **IV. DEVELOPMENT OF A NEW ARENA AND RELATED AREAS**

##### Bradley Center

Ownership of the Bradley Center would be transferred from Bradley Center Sports and Entertainment Corporation to the Authority. State law will be changed so that the Bradley Center Sports and Entertainment Corporation may do so and the legislature will also need to order its dissolution. The Authority would then be responsible for all debt payments and other obligations of the Bradley Center. Once the new arena is built, the Authority would then have the power to sell, lease or redevelop of the Bradley Center property. Under the terms of the lease, the future use of the Bradley Center also could be delegated to the lessee of the new arena.

New Arena

To acquire the property on to which to build a new arena, the Authority shall have the power to purchase or lease real property as well as the authority to condemn. If necessary, the Authority shall have the power to enter into agreements in which it takes over debt payments on outstanding obligations that may accompany the ownership of existing facilities. The Authority may acquire property from private property owners as well as receive property from other local governments, including receiving real property currently owned by the City of Milwaukee and Milwaukee County.

The initial Arena Lease term shall be at least as long as the repayment term of the initial bonds issued by the Authority to construct the new arena. After the bonds are repaid, the Arena Lease shall provide for optional renewal periods available to ArenaCo as the lessee. At the time that ArenaCo does not renew the Arena Lease and vacates the property, the Authority shall determine a use for the property that is in the best interest and for the benefit of the residents of the state.

Dissolution

The Authority cannot be dissolved until its debts and obligations are satisfied. Like the Bradley Center Sports and Entertainment Corporation, dissolution of the Authority will require a future action of the legislature and other conditions as provided for under state law.

12636185.7



**SPORTS AND ENTERTAINMENT DISTRICT**

**1. CREATE WIS. STAT. § 13.48(45):**

Wis. Stat. § 13.48(45) is created to read:

SPORTS AND ENTERTAINMENT DISTRICT (a) The legislature finds and determines that sports and entertainment facilities encourage economic development and tourism in this state, by reducing unemployment and by bringing needed capital into the state for the benefit and welfare of people throughout the state. It is therefore in the public interest, and it is the public policy of this state, to assist a Sports and Entertainment District in the construction of sports and entertainment facilities under ch. 229.

(b) The building commission may authorize up to \$220,000,000 in general fund supported borrowing to aid a sports and entertainment district in the construction of sports and entertainment facilities under ch. 229 including the acquisition or lease of property. The state funding commitment shall be in the form of a grant to a Sports and Entertainment District. Before approving any state funding commitment under this paragraph, the building commission shall determine that the Sports and Entertainment District has secured additional funding from nonstate contributions for the project.

(c) If the building commission authorizes a grant to a Sports and Entertainment District under par. (b) and if the facility is not used principally for professional basketball under ch. 229, the state shall retain an ownership interest in the facility equal to the amount of the state's grant.

**Note: The provision grants the State Building Commission authority to issue general obligation bonds in order to provide a grant of \$220 million to a sports and entertainment district. Alternatively, the State Building Commission could issue general fund appropriation bonds.**

**2. CREATE WIS. STAT. § 20.866(2)(zdm):**

Wis. Stat. § 20.866(2)(zdm) is created to read:

*Sports and Entertainment District.* From the capital improvement fund, a sum sufficient for the building commission to provide a grant to a Sports and Entertainment District under ch. 229 to aid in the construction of sports and entertainment facilities including the acquisition or lease of property. The state may contract public debt in an amount not to exceed \$220,000,000 for this purpose.

**Note: This language authorizes the state to issue bonds to fund the authorized grant.**

3. CREATE WIS. STAT. § 20.867(3)(cm)

Wis. Stat. § 20.867(3)(cm) is created to read:

*Principal repayment, interest and rebates; Sports and Entertainment District.* A sum sufficient to reimburse s. 20.866 (1) (u) for the payment of principal and interest costs incurred in financing the construction grant under s. 13.48 (45), to make the payments determined by the building commission under s. 13.488 (1) (m) that are attributable to the proceeds of obligations incurred in financing the construction grant under s. 13.48 (45).

**Note:** This authorizes principal and interest payments on general obligation bonds issued to fund the \$220 million grant to the Sports and Entertainment District. The statutes do not specify the repayment costs since they may differ from initial estimates. Thus, the estimated annual repayment expense is not included in this statutory section. Moreover, this section would be modified if the state issues general fund appropriation bonds.

4. AMEND WIS. STAT. § 32.02(1):

Wis. Stat. § 32.02(1) is amended to read:

Any county, town, village, city, including villages and cities incorporated under general or special acts, a special district created under subchapter VI of ch. 229, school district, the department of health services, the department of corrections, the board of regents of the University of Wisconsin System, the building commission, a commission created by contract under s. 66.0301, with the approval of the municipality in which condemnation is proposed, a commission created by contract under s. 66.0303 that is acting under s. 66.0304, if the condemnation occurs within the boundaries of a member of the commission, or any public board or commission, for any lawful purpose, but in the case of city and village boards or commissions approval of that action is required to be granted by the governing body. A mosquito control commission, created under s. 59.70 (12), and a local professional football stadium district board, created under subch. IV of ch. 229, may not acquire property by condemnation.

**Note:** Wis. Stat. § 32.02 is titled "who may condemn; purposes." Legislative Fiscal Bureau has advised that special districts have condemnation authority. But since this authority is not expressly granted in Wis. Stat. § 32.02(1), this provision authorizes the Sports and Entertainment District to condemn property.

5. CREATE SUBCHAPTER VI OF CHAPTER 229:

Subchapter VI of Chapter 229 of the Wisconsin Statutes is created to read:

*from  
229.860*

**229.860 Legislative declaration.** (1) The legislature determines that the provision of assistance by state agencies to a district under this subchapter and any appropriation of funds to a district under this subchapter serve a statewide public purpose by assisting the development of sports and entertainment facilities in the state for providing recreation, by

encouraging economic development and tourism, by reducing unemployment and by bringing needed capital into the state for the benefit and welfare of people throughout the state.

(2) The legislature determines that a district serves a public purpose in political subdivisions in which it is located by providing recreation, by encouraging economic development and tourism, by reducing unemployment and by bringing needed capital into the district's jurisdiction for the benefit of people in the district's jurisdiction.

**Note: To ensure that the use of tax exempt general obligation bonds complies with the Wisconsin Constitution and federal tax laws, the legislature will determine that the creation of the District and issuance of bonds and appropriation of funds to support the District serves a statewide public purpose and complies with the internal improvements clause.**

*229.858*

**229.861 Definitions.** In this subchapter: (1) "Basketball arena" means an arena that is an arena that is principally used as the home arena of a professional basketball team described in s. 229.863 at the time that a district is created.

(2) "District" means a special district created under this subchapter.

(3) "District board" means the governing board of a district.

(4) "Political subdivision" means a county or city as described in s. 229.863.

(5) "Sports and entertainment facilities" means property, tangible or intangible, owned in whole or in substantial part, operated or leased by a district that is principally for professional basketball including spectator seating, practice facilities, parking lots and structures, garages, restaurants, concession facilities, entertainment facilities, facilities for the display or sale of memorabilia, transportation facilities, and other functionally related or auxiliary facilities or structures.

*From  
229.821*

**229.862 Creation and organization.** (1) There is created, for each jurisdiction under s. 229.863, a special district that is a local government unit, that is a body corporate and politic, that is separate and distinct from, and independent of, the state, that has the powers under s. 229.864 and the name of which includes "Sports and Entertainment District."

(2) A district is governed by its district board. Subject to pars. (d) and (g), the district board shall consist of nine members nominated by the governor and with the advice and consent of the senate appointed to serve staggered seven-year terms. The governor shall designate one member as chairperson of the board.

(a) Members shall be Wisconsin residents and each shall have executive and managerial experience. No member shall hold elective public office or be a candidate for elective public office.

*229.822*

(c)(b) Each member shall hold the member's position on the board until a successor is nominated by the governor.

*from 22A. 222 (g)(b)* (d)(c) A majority of the current membership of the district board constitutes a quorum to do business. The district may take action based on the affirmative vote of a majority of those members of the district board who are present at a meeting of the district board.

(c)(d) No member of the board may receive compensation for performing his or her duties. Each member of the board shall be reimbursed for his or her actual and necessary expenses incurred in the performance of his or her duties.

(d)(e) Upon the appointment and qualification of a majority of the members of a district board, the district board may exercise the powers and duties of a district board under this subchapter.

(g)(f) The county executive of a political subdivision described in s. 229.863 which provides funding to construct, equip or improve sports and entertainment facilities pursuant to 229.866 shall nominate a member to the board to serve a seven year term subject to confirmation by a majority of the members of the county board.

(h)(g) The mayor of a political subdivision described in s. 229.863 which provides funding to construct, equip or improve sports and entertainment facilities pursuant to 229.866 shall nominate a member to the board to serve a seven year term subject to confirmation by a majority of the members of the common council.

(i)(h) A member appointed under par. (f) or (g) shall qualify pursuant to par. (a). Upon appointment, the appointing official shall certify the member to the secretary of administration.

(3) The district board shall name the district, and the name shall include "Sports and Entertainment District."

*priv. local*

<sup>229.863</sup>  
**229.863 Jurisdiction.** A district's jurisdiction is any county with a population at the date of the district's creation of more than 500,000 and any first class city located therein that includes the principal site of a basketball arena that is home to a professional basketball team, that is a member of a league of professional basketball teams that have home stadiums in at least 10 states and that is approved by that league for use as a home stadium for that professional basketball team. Once created, the district's jurisdiction remains fixed even if population figures subsequently decline below the minimum described in this section.

<sup>229.864</sup>  
**229.864 Powers of a district.** A district has all of the powers necessary or convenient to carry out the purposes and provisions of this subchapter, except that it shall not issue

bonds or levy any tax. In addition to all other powers granted by this subchapter, a district may do all of the following:

**Note: This provision specifically excludes bonding and taxation from the powers of a district.**

(1) Adopt bylaws to govern the district's activities, subject to this subchapter.

(2) Sue and be sued in its own name, plead and be impleaded.

(3) Maintain an office.

(4) In connection with sports and entertainment facilities:

(a) Acquire, construct, equip, maintain, improve, operate and manage the sports and entertainment facilities as a revenue-generating enterprise, or engage other persons to do these things.

**Note: This provision authorizes the Board to operate and manage the facilities so that it has the power to delegate that authority to a lessee.**

(b) Acquire; lease, as lessor or lessee; use; transfer; or accept transfers of property, and assume debt payments and outstanding obligations for the property accepted.

**Note: This provision allows the transfer of Bradley Center ownership to the Board, along with outstanding debt.**

(c) Improve, maintain and repair property.

(d) Enter into contracts, subject to such standards as may be established by the district board. The district board may award any such contract for any combination or division of work it designates and may consider any factors in awarding a contract, including price, time for completion of work and qualifications and past performance of a contractor.

(e) Sell or otherwise dispose of unneeded or unwanted property.

(5) Employ personnel, and fix and regulate their compensation; and provide, either directly or subject to an agreement under s. 66.0301 as a participant in a benefit plan of another governmental entity, any employee benefits, including an employee pension plan.

(6) Purchase insurance, establish and administer a plan of self-insurance or, subject to an agreement with another governmental entity under s. 66.0301, participate in a governmental plan of insurance or self-insurance.

(7) Mortgage, pledge or otherwise encumber the district's property or funds.

(8) Maintain funds and invest the funds in any investment that the district board considers appropriate.

(9) Promote, advertise and publicize its sports and entertainment facilities and related activities.

(10) Set standards governing the use of, and the conduct within, its sports and entertainment facilities in order to promote public safety and convenience and to maintain order.

(11) Accept gifts, loans and other aid.

(12) Adopt and alter an official seal.

<sup>262</sup>  
**229.865 Special fund revenues.** (1) The district board shall maintain a special fund into which it deposits all funds received ~~from building commission pursuant to ss. 13.48(45), 20.866(2)(zdk) and 20.866(2)(zdm)~~ *and 16.527(3)(d)* *under 55.*

**Note:** This requires the deposit of state funds into a special account.

(2) The district may not deposit any other moneys into the special fund, except that the district shall credit all earnings on the revenues in the special fund to the special fund.

(3) No money in the special fund may be expended for the purpose of operating or maintaining sports and entertainment facilities under s. 229.861(5) or a basketball arena under s. 229.861(1). *this is the definition*

**Note:** The district has the authority to operate and maintain sports and entertainment facilities under this section in order to delegate that authority in a lease agreement. This provision is intended to ensure the district's compliance with the state's funding terms. If the use of city and county funds will also be limited to construction under s. 229.866, those dollars would also be deposited in this fund.

<sup>863</sup>  
**229.866 Powers granted to a political subdivision.** In addition to any powers that it may otherwise have, political subdivision described in s. 229.863 may do any of the following:

(1) Make grants or loans to a district upon terms that the political subdivision considers appropriate.

(2) Expend public funds to subsidize a district.

*from 229.826*

(3) Borrow money under ss. 67.04 and 67.12 (12) for sports or entertainment facilities or to fund grants, loans or subsidies to a district.

(4) Lease or transfer property to a district upon terms that the county or municipality considers appropriate.<sup>1</sup>

<sup>864</sup>  
~~229.867~~ **Dissolution of a district.** The district may not dissolve and wind up its affairs unless bonds issued by the building commission pursuant to ss. 13.48(45), 20.866(2)(zdk) and 20.866(2)(zdm) have been retired or unless the legislature enacts a law ordering dissolution.

<sup>865</sup>  
~~229.868~~ **Trust funds.** All moneys received under this subchapter, whether from the state, from a county or city in the district's jurisdiction or from any other source, are trust funds to be held and applied solely as provided in this subchapter. Any officer with whom, or any bank or trust company with which, those moneys are deposited shall act as trustee of those moneys and shall hold and apply the moneys for the purposes of this subchapter.

<sup>866</sup>  
~~229.869~~ **Budgets; rates and charges; audit.** A district shall adopt a calendar year as its fiscal year for accounting purposes. The district board shall annually prepare a budget for the district. Rates and other charges received by the district shall be used for the general expenses and capital expenditures of the district. A district shall maintain an accounting system in accordance with generally accepted accounting principles and shall have its financial statements audited annually by an independent certified public accountant.

Note: Both s. <sup>865</sup>~~229.868~~ and s. <sup>866</sup>~~229.869~~ are based on provisions related to other districts in Chapter 229.

6. AMEND WIS. STAT. § 232.05(3):

Wis. Stat. § 232.05(3) is amended to read:

The corporation may not: ~~(a) Sell or transfer the Bradley center to a sports and entertainment district established under chapter 229. Upon the completion of a sale or transfer, the corporation shall~~ ~~(b) Dissolve and wind up its affairs, unless the legislature enacts a law ordering dissolution or except as provided in s. 232.07.~~

<sup>1</sup> These provisions do not limit city or county financial support to construction. The language in s. 229.862(2)(f) and (g) provide the appointment of a board member by a city or a county if either provides funding to construct, equip or improve sports and entertainment facilities. Should city and county financial assistance be limited to construction like the state assistance? If a city or county will be permitted to provide broader financial assistance, should their appointment authority be contingent on providing assistance for construction?

**Note: This provision allows the sale of the Bradley Center to the sports and entertainment district. Once that transaction is complete, the Bradley Center Sports and Entertainment Corporation must dissolve.**

**7. ESTABLISH EFFECTIVE DATES**

**Note: If any provisions that should be effective on a date later than enactment, it should be noted here.**

**8. CREATE NONSTATUTORY LANGUAGE**

*APPOINTMENT OF DISTRICT BOARD MEMBERS.* No more than 7 days following the effective date of this act, the governor shall notify the senate of his nominations to the district board. No later than 30 days following the effective date of this act, the Senate shall confirm or reject the governor's nominees.

*STAGGERING OF TERMS.* District board members nominated by the governor shall have terms expiring as follows:

1. The terms of 3 members, as determined by the governor, shall expire on July 1, 2020.
2. The terms of 3 members, as determined by the governor, shall expire on July 1, 2021.
3. The terms of 3 members, as determined by the governor, shall expire on July 1, 2022.

A district board member appointed by a county executive pursuant to this act shall have a term expiring on July 1, 2020.

A district board member appointed by a mayor pursuant to this act shall have a term expiring on July 1, 2021.<sup>2</sup>

**Note: This is drafted as a nonstatutory provision since it is grants only one-time authority to the DOA secretary.**

12696420.4

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<sup>2</sup> Some of the initial terms must be for a period of less than seven years in order to accomplish the staggering. Any of these members can be reappointed to a full seven-year terms.





State of Wisconsin  
2015 - 2016 LEGISLATURE



LRB-1330/P1  
MES&RAC...

lf

DOA:.....Wimmer, BB0462 - Create a sports and entertainment special purpose district for a professional basketball home arena; fold in Bradley Center

**FOR 2015-2017 BUDGET — NOT READY FOR INTRODUCTION**

In 1/20 wanted 1/20

1 AN ACT ...; relating to: the budget

*Analysis by the Legislative Reference Bureau*  
**LOCAL GOVERNMENT**

first

seven

This bill creates a sports and entertainment district (district) with powers and duties to facilitate the construction of a basketball arena, as well as other sports and entertainment facilities, in a county with a population of more than 500,000 that has a 1st class city (collectively, local units) in which a professional basketball team's home arena is currently located. Generally, the district is governed by a board of members nominated by the governor, and with the advice and consent of the senate appointed, for staggered 7-year terms. Also under the bill, the county executive and mayor of a local unit may each appoint one additional member to the board if the local unit provides funding to the district.

nine

Board members must be Wisconsin residents, have executive and managerial experience, and may not be elective office holders or candidates for elective office. The district may not incur debt or impose taxes and may operate and manage the basketball arena and other facilities. The bill permits the district to exercise eminent domain authority, and also permits the Bradley Center Sports and Entertainment Corporation, which currently owns the Bradley Center, to transfer ownership of the Bradley Center to the district, along with all outstanding debt on the Bradley center.

X

The bill authorizes the state to issue or contract \$220,000,000 in public debt or appropriation obligations, or a combination thereof, to be used as a grant to assist

a district in the construction of sports and entertainment facilities, including the acquisition or lease of property. Under the bill, the state may only provide such a grant if the district has secured additional funding from nonstate sources for the project in an amount at least equal to \$300,000,000.

For further information see the *state and local* fiscal estimate, which will be printed as an appendix to this bill.

*The people of the state of Wisconsin, represented in senate and assembly, do enact as follows:*

- SECTION #. 13.48 (45); CR
- 1 13.48 (45) SPORTS AND ENTERTAINMENT DISTRICT. (a) The legislature finds and  
2 determines that sports and entertainment facilities encourage economic  
3 development and tourism in this state by reducing unemployment and by bringing  
4 needed capital into the state for the benefit and welfare of people throughout the  
5 state. It is therefore in the public interest, and it is the public policy of this state, to  
6 assist a sports and entertainment district in the construction of sports and  
7 entertainment facilities under subch. VI of ch. 229.
- 8 (b) Subject to par. (c), the building commission may authorize up to  
9 \$220,000,000 in general fund supported borrowing to assist a sports and  
10 entertainment district in the construction of sports and entertainment facilities  
11 under subch. VI of ch. 229, including the acquisition or lease of property. The state  
12 funding commitment shall be in the form of a grant to a sports and entertainment  
13 district. Before approving any state funding commitment under this paragraph, the  
14 building commission shall determine that the sports and entertainment district has  
15 secured additional funding from nonstate sources for the project in an amount at  
16 least equal to \$300,000,000.
- 17 (c) The amount of general fund supported borrowing authorized under par. (b)  
18 shall be reduced by the amount of any appropriation obligations contracted under s.  
19 16.527 (3) (d).

1 (d) If the building commission authorizes a grant to a sports and entertainment  
2 district under par. (b) and if, for any reason, the facility that is constructed with funds  
3 from the grant is not used principally for professional basketball, the state shall  
4 retain an ownership interest in the facility equal to the amount of the state's grant.

5 **SECTION 1.** 16.527 (3) (d) of the statutes is created to read:

6 16.527 (3) (d) 1. Subject to the limitations under subds. 2. to 4., the department  
7 may contract appropriation obligations of the state under this section for the purpose  
8 of assisting a sports and entertainment district under subch. VI of ch. 229 in the  
9 construction of sports and entertainment facilities, including the acquisition or lease  
10 of property. The assistance shall be in the form of a grant to the sports and  
11 entertainment district.

12 2. The sum of appropriation obligations issued under this section for the  
13 purpose under subd. 1. may not exceed \$220,000,000, less the amount of any grant  
14 awarded under s. 13.48 (45).

15 3. No appropriation obligations may be issued under this section for the  
16 purpose under subd. 1. unless the building commission determines that the sports  
17 and entertainment district has secured additional funding from nonstate sources for  
18 the project in an amount at least equal to \$300,000,000.

19 4. If the department issues appropriation obligations under this section for the  
20 purpose under subd. 1. and if, for any reason, the facility that is constructed with  
21 funds from the grant is not used principally for professional basketball, the state  
22 shall retain an ownership interest in the facility equal to the amount of the state's  
23 grant.

24 **SECTION 2.** 20.505 (1) (bv) of the statutes is created to read:

## SECTION 2

1           20.505 (1) (bv) *Appropriation obligations repayment; sports and entertainment*  
2 *facilities.* The amounts in the schedule to pay debt service costs due in the current  
3 fiscal year on appropriation obligations issued under s. 16.527 (3) (d), to make  
4 payments of the state under agreements and ancillary arrangements entered into  
5 under s. 16.527 (4) (e), and to pay related issuance or administrative expenses.

note: bud → SECTION 3. 20.505 (1) (in) of the statutes is created to read:

7           20.505 (1) (in) *Appropriation obligation proceeds; sports and entertainment*  
8 *facilities.* All moneys received from the sale of appropriation obligations that are  
9 issued under s. 16.527 (3) (d), and any earnings on such moneys and on any other  
10 moneys held for the purpose of this paragraph, to assist a sports and entertainment  
11 district under subch. VI of ch. 229 in the construction of sports and entertainment  
12 facilities, including the acquisition or lease of property, and to provide for reserves  
13 and for expenses of issuance and administration of the appropriation obligations,  
14 and to pay interest on the appropriation obligations, the redemption price of  
15 refunded appropriation obligations and any related obligations incurred under  
16 agreements entered into under s. 16.527 (4) (e), as determined by the department of  
17 administration. Estimated disbursements under this paragraph shall not be  
18 included in the schedule under s. 20.005.

note: bud → SECTION 4. 20.866 (1) (u) of the statutes is amended to read:

19           20.866 (1) (u) *Principal repayment and interest.* A sum sufficient from moneys  
20 appropriated under sub. (2) (zp) and ss. 20.115 (2) (d) and (7) (b) and (s), 20.190 (1)  
21 (c), (d), (i), and (j), 20.225 (1) (c) and (i), 20.245 (1) (e) and (j), 20.250 (1) (c) and (e),  
22 20.255 (1) (d), 20.285 (1) (d), (je), and (gj), 20.320 (1) (c) and (t) and (2) (c), 20.370 (7)  
23 (aa), (ac), (ad), (ag), (aq), (ar), (at), (au), (bq), (br), (cb), (cc), (cd), (cg), (cq), (cr), (cs),  
24 (ct), (ea), (eq), and (er), 20.395 (6) (af), (aq), (ar), and (au), 20.410 (1) (e), (ec), and (ko)

1 and (3) (e), 20.435 (2) (ee), 20.465 (1) (d), 20.485 (1) (f) and (go), (3) (t) and (4) (qm),  
 2 20.505 (4) (es), (et), (ha), and (hb) and (5) (c), (g), and (kc), 20.855 (8) (a), and 20.867  
 3 (1) (a) and (b) and (3) (a), (b), (bb), (bc), (bd), (be), (bf), (bg), (bh), (bi), (bj), (bL), (bm),  
 4 (bn), (bp), (bq), (br), (bt), (bu), (bv), (cb), (cd), (cf), (ch), (cj), (g), (h), (i), (kd), and (q) for  
 5 the payment of principal, interest, premium due, if any, and payment due, if any,  
 6 under an agreement or ancillary arrangement entered into under s. 18.06 (8) (a)  
 7 relating to any public debt contracted under subchs. I and IV of ch. 18.

History: 1971 c. 42; 1971 c. 100 s. 23; 1971 c. 125, 211, 215, 236, 307, 330, 336; 1973 c. 90 ss. 148 to 149m, 555m (2); 1973 c. 333; 1975 c. 26, 39, 40, 41, 200, 224, 422; 1977 c. 4, 6; 1977 c. 29 ss. 385 to 387, 1650m (4), 1656 (43); 1977 c. 418; 1979 c. 4; 1979 c. 34 ss. 675a to 677v, 2102 (6) (a), (39) (a), (52) (a); 1979 c. 107, 221; 1981 c. 1, ss. 17, 18, 47; 1981 c. 20, 108, 317, 336; 1983 a. 27; 1983 a. 36 s. 96 (4); 1983 a. 97, 192, 195, 212; 1983 a. 410 s. 2202 (2); 1985 a. 6; 1985 a. 8 ss. 4, 12; 1985a. 29 ss. 589m to 598, 3202 (23) (c), (26) (a), (53) (a); 1985 a. 77, 120, 332; 1987 a. 27, 295, 298, 399, 403, 409; 1989 a. 31, 46, 107, 122, 219, 336, 359, 366; 1991 a. 39, 51, 269, 309, 324; 1993 a. 2, 16, 98, 115, 213, 343, 377, 413, 437, 453, 485; 1995 a. 27 ss. 1159 to 1168s, 9126 (19), 9145 (1); 1995 a. 40, 57, 60, 113; 1995 a. 216, s. 30m and 9127; 1995 a. 227, 246, 372, 388, 416, 452; 1997 a. 27, 35, 61, 164, 237, 252; 1999 a. 4, 9, 146; 1999 a. 150 s. 672; 1999 a. 184; 2001 a. 12, 16, 103, 109; 2003 a. 33, 64, 91, 129; 2005 a. 11, 22, 25, 102, 300; 2007 a. 5; 2007 a. 20 ss. 582 to 597s, 9121 (6) (a); 2007 a. 226; 2009 a. 28, 361; 2011 a. 13, 32, 158; 2013 a. 20.

8 **SECTION 5.** 20.866 (2) (zr) of the statutes is created to read:

9 20.866 (2) (zr) *Sports and entertainment facility.* From the capital  
 10 improvement fund, a sum sufficient for the building commission to provide a grant  
 11 to a sports and entertainment district to aid in the construction of a facility, including  
 12 the acquisition or lease of property, as described in s. 13.48 (45). The state may  
 13 contract public debt in an amount not to exceed \$220,000,000 for this purpose.

note: bud →

14 **SECTION 6.** 20.867 (3) (bt) of the statutes is created to read:

15 20.867 (3) (bt) *Principal repayment, interest and rebates; sports and*  
 16 *entertainment facility.* A sum sufficient to reimburse s. 20.866 (1) (u) for the payment  
 17 of principal and interest costs incurred in financing the construction of a facility,  
 18 including the acquisition or lease of property, as described in s. 13.48 (45), to make  
 19 the payments determined by the building commission under s. 13.488 (1) (m) that are  
 20 attributable to the proceeds of obligations incurred in financing the project, and to  
 21 make payments under an agreement or ancillary arrangement entered into under  
 22 s. 18.06 (8) (a).

note: bud →

23 **SECTION 7.** 32.02 (1) of the statutes is amended to read:

SECTION 7

1           32.02 (1) Any county, town, village, city, including villages and cities  
 2 incorporated under general or special acts, a local sports and entertainment district  
 3 created under subch. VI of ch. 229, school district, the department of health services,  
 4 the department of corrections, the board of regents of the University of Wisconsin  
 5 System, the building commission, a commission created by contract under s. 66.0301,  
 6 with the approval of the municipality in which condemnation is proposed, a  
 7 commission created by contract under s. 66.0303 that is acting under s. 66.0304 if  
 8 the condemnation occurs within the boundaries of a member of the commission, or  
 9 any public board or commission, for any lawful purpose, but in the case of city and  
 10 village boards or commissions approval of that action is required to be granted by the  
 11 governing body. A mosquito control commission, created under s. 59.70 (12), and a  
 12 local professional football stadium district board, created under subch. IV of ch. 229,  
 13 may not acquire property by condemnation.

History: 1971 c. 100 s. 23; 1973 c. 243, 305; 1975 c. 68, 311; 1977 c. 29, 203, 438, 440; 1979 c. 34 s. 2102 (52) (b); 1979 c. 122; 1979 c. 175 s. 57; 1981 c. 86, 346, 374;  
 1983 a. 27; 1985 a. 29 s. 3200 (51); 1985 a. 30 s. 42; 1985 a. 187; 1985 a. 297 s. 76; 1987 a. 27; 1989 a. 31; 1993 a. 246, 263; 1993 a. 491 s. 284; 1995 a. 27 s. 9126 (19); 1995  
 a. 201; 1997 a. 204; 1999 a. 65; 1999 a. 150 s. 672; 1999 a. 167; 2001 a. 30 s. 108; 2005 a. 335; 2007 a. 20, s. 9121 (6) (a); 2009 a. 28, 205, 2011 s. 32; 2013 a. 1.

14

SECTION 8. Subchapter VI (title) of chapter 229 [precedes section 229.557] of

15 the statutes is created to read:

16

CHAPTER 229

17

SUBCHAPTER VI

18

LOCAL SPORTS AND ENTERTAINMENT DISTRICTS

19

SECTION 9. ~~229.557~~<sup>357</sup> of the statutes is created to read:

20

~~229.557~~<sup>357</sup> Legislative declaration. (1) The legislature determines that the

21

provision of assistance by state agencies to a district under this subchapter and any

22

appropriation of funds to a district under this subchapter serve a statewide public

23

purpose by assisting the development of sports and entertainment facilities in the

24

state for providing recreation, by encouraging economic development and tourism,

**SECTION 9**

1 by reducing unemployment, and by bringing needed capital into the state for the  
2 benefit and welfare of people throughout the state.

3 (2) The legislature determines that a district serves a public purpose in  
4 political subdivisions in which it is located by providing recreation, by encouraging  
5 economic development and tourism, by reducing unemployment and by bringing  
6 needed capital into the district's jurisdiction for the benefit of people in the district's  
7 jurisdiction.

8 **SECTION 10.** ~~229.358~~<sup>858</sup> of the statutes is created to read: ✓

9 **229.358**<sup>858</sup> **Definitions.** In this subchapter: (1) "Basketball arena" means an  
10 arena that is an arena that is principally used as the home arena of a professional  
11 basketball team, described in s. 229.860, at the time that a district is created. ✓

12 (2) "District" means a special purpose district created under this subchapter. ✓

13 (3) "District board" means the governing board of a district. ✓

14 (4) "Local unit" means a county or city that is described in s. 229.860. ✓

15 (5) "Sports and entertainment facilities" means property, tangible or  
16 intangible, owned in whole or in substantial part, operated, or leased by a district  
17 that is principally used for professional basketball, including spectator seating,  
18 practice facilities, parking lots and structures, garages, restaurants, concession  
19 facilities, entertainment facilities, facilities for the display or sale of memorabilia,  
20 transportation facilities, and other functionally related or auxiliary facilities or  
21 structures.

22 **SECTION 11.** ~~229.859~~<sup>858</sup> of the statutes is created to read: ✓

23 **229.859 Creation and organization.** (1) There is created, for each  
24 jurisdiction under s. 229.860, a special district that is a local governmental unit, that  
25 is a body corporate and politic, that is separate and distinct from, and independent

1 of, the state, that has the powers under s. 229.861 and the name of which includes  
2 "Sports and Entertainment District".

\*\*\*\*NOTE: Would you like this subsection to also state that the district is "separate and distinct from and independent of the local units within its jurisdiction"?

\*\*\*\*NOTE: If you have questions about this or any other embedded note, or about anything other than bonding, please contact Marc Shovers. If you have any questions related to the bonding provisions, please contact Rich Champagne.

3 (2) (a) A district is governed by its district board. Subject to pars. (g) and (h),  
4 the district board shall consist of nine members appointed by the governor. A person  
5 appointed under this paragraph may take his or her seat immediately upon  
6 appointment and qualification, subject to confirmation or rejection by the senate.  
7 Persons appointed and confirmed under this paragraph shall serve staggered  
8 seven-year terms. The governor shall designate one member as chairperson of the  
9 district board.

10 (b) Members of the district board shall be Wisconsin residents and shall have  
11 executive and managerial experience. No member may hold elective public office or  
12 be a candidate for elective public office.

13 (c) A member of the district board who is appointed by the governor shall hold  
14 his or her position on the board until the member's successor is appointed by the  
15 governor.

\*\*\*\*NOTE: Do you mean until appointed by the governor and confirmed by the senate?

16 (d) A majority of the current membership of the district board constitutes a  
17 quorum to do business. The district may take action based on the affirmative vote  
18 of a majority of those members of the district board who are present at a meeting of  
19 the district board.



1 (e) No member of the district board may receive compensation for performing  
2 his or her duties. A member of the district board shall be reimbursed for his or her  
3 actual and necessary expenses incurred in the performance of his or her duties.

4 (f) Upon the appointment and qualification of a majority of the members of a  
5 district board, the district board may exercise the powers and duties of a district  
6 board under this subchapter.

7 (g) The county executive of a county described in s. 229.860 which provides  
8 funding to construct, equip, or improve sports and entertainment facilities under s.  
9 229.863 shall appoint a member to the district board, subject to confirmation or  
10 rejection by a majority of the members-elect of the county board. A person appointed  
11 and confirmed under this paragraph shall serve a seven-year term, except that the  
12 initial term of the first member appointed under this paragraph shall be 5 years.

13 (h) The mayor of a city described in s. 229.860 which provides funding to  
14 construct, equip, or improve sports and entertainment facilities under s. 229.863  
15 shall appoint a member to the district board, subject to confirmation or rejection by  
16 a majority of the members-elect of the common council. A person appointed and  
17 confirmed under this paragraph shall serve a seven-year term, except that the  
18 initial term of the first member appointed under this paragraph shall be 6 years.

\*\*\*\*NOTE: I put the initial term of members appointed under pars. (g) and (h) in text  
instead of in the nonstats because it's uncertain when and if appointments will be made  
under these paragraphs. Also, I limited the years of an initial appointment to be  
consistent with what you requested in your sample draft. Is this consistent with your  
intent?

19 (i) A member appointed under par. (g) or (h) is subject to the requirements  
20 under par. (b). Upon appointment and confirmation of such a member, the  
21 appointing authority shall certify the member to the secretary of administration.

\*\*\*\*NOTE: Are members appointed under par. (g) or (h) subject to par. (e)?

SECTION 11

1 (3) The district board shall name the district, and the name shall include  
2 "Sports and Entertainment District".

3 SECTION 12. 229.860 of the statutes is created to read:

4 229.860 Jurisdiction. A district's jurisdiction is any county with a population  
5 of more than 500,000 and a <sup>1st</sup> class city that is located wholly or predominantly  
6 in that county, provided that the city includes the principal site of a basketball arena  
7 that is home to a professional basketball team, that is a member of a league of  
8 professional basketball teams that have home arenas in at least 10 states, and that  
9 is approved by that league for use as a home arena for that basketball team. Once  
10 created, the district's jurisdiction remains fixed even if population figures for the  
11 county decline below the minimum described in this section.

\*\*\*NOTE: Is the change I've made to this section consistent with your intent? By  
not linking the jurisdiction to the creation date of the budget, which would be the bill's  
effective date and would in effect close the class, there is much less likelihood that this  
provision would be subject to a private and local challenge under article IV, section 18 of  
the Wisconsin Constitution.

12 SECTION 13. 229.861 of the statutes is created to read:

13 229.861 Powers of a district. A district has all of the powers necessary or  
14 convenient to carry out the purposes and provisions of this subchapter, except that  
15 it may not issue bonds or levy or impose a tax. In addition to all other powers granted  
16 by this subchapter, a district may do all of the following:

- 17 (1) Adopt bylaws to govern the district's activities, subject to this subchapter.
- 18 (2) Sue and be sued in its own name, plead and be impleaded.
- 19 (3) Maintain an office.
- 20 (4) In connection with sports and entertainment facilities:

- 1 (a) Acquire, construct, equip, maintain, improve, operate, and manage the  
2 sports and entertainment facilities as a revenue-generating enterprise, or engage  
3 other persons to do these things.
- 4 (b) Acquire; lease, as lessor or lessee; use; transfer; or accept transfers of  
5 property, and assume debt payments and outstanding obligations for the property  
6 accepted.
- 7 (c) Improve, maintain, and repair property.
- 8 (d) Enter into contracts, subject to such standards as may be established by the  
9 district board. The district board may award any such contract for any combination  
10 or division of work it designates and may consider any factors in awarding a contract,  
11 including price, time for completion of work, and qualifications and past performance  
12 of a contractor.
- 13 (e) Sell or otherwise dispose of unneeded or unwanted property.
- 14 (5) Employ personnel, and fix and regulate their compensation; and provide,  
15 either directly or subject to an agreement under s. 66.0301 as a participant in a  
16 benefit plan of another governmental entity, any employee benefits, including an  
17 employee pension plan.
- 18 (6) Purchase insurance, establish and administer a plan of self-insurance or,  
19 subject to an agreement with another governmental entity under s. 66.0301,  
20 participate in a governmental plan of insurance or self-insurance.
- 21 (7) Mortgage, pledge or otherwise encumber the district's property or funds.
- 22 (8) Maintain funds and invest the funds in any investment that the district  
23 board considers appropriate.
- 24 (9) Promote, advertise, and publicize its sports and entertainment facilities  
25 and related activities.

**SECTION 13**

1           (10) Set standards governing the use of, and the conduct within, its sports and  
2 entertainment facilities in order to promote public safety and convenience and to  
3 maintain order.

4           (11) Accept gifts, loans, and other aid.

5           (12) Adopt and alter an official seal.

6           **SECTION 14.** 229.862 of the statutes is created to read:

7           **229.862 Special fund revenues.** (1) The district board shall maintain a  
8 special fund into which it deposits all funds received under ss. 13.48 (45) and 16.527  
9 (3) (d).

10           (2) The district may not deposit any other moneys into the special fund, except  
11 that the district shall credit all earnings on the revenues in the special fund to the  
12 special fund.

13           (3) No money in the special fund may be expended for the purpose of operating  
14 or maintaining sports and entertainment facilities or a basketball arena.

15           **SECTION 15.** 220.863<sup>29</sup> of the statutes is created to read:

16           **220.863 Powers granted to local units.** (1) In addition to any powers that  
17 it may otherwise have, a local unit may do any of the following:

18           (1) Make grants or loans to a district upon terms that the local unit considers  
19 appropriate.

20           (2) Expend public funds to subsidize a district.

21           (3) Borrow money under ss. 67.04 and 67.12 (12) for sports and entertainment  
22 facilities or to fund grants, loans, or subsidies to a district.

23           (4) Lease or transfer property to a district upon terms that the local unit  
24 considers appropriate.

25           **SECTION 16.** 229.864 of the statutes is created to read:

1           **229.864 Dissolution of a district.** A district may not dissolve and wind up  
2 its affairs unless debt issued under s. 13.48 (45) and obligations issued under s.  
3 16.527 (3) (d) have been retired.

\*\*\*\*NOTE: Upon dissolution, do you want to provide for transfer of the district's  
property to the city and county that constitute its jurisdiction? See, for example, s.  
229.828.

4           **SECTION 17.** 229.865 of the statutes is created to read:

5           **229.865 Trust funds.** All moneys received under this subchapter, whether  
6 from the state, from a local unit, or from any other source, are trust funds to be held  
7 and applied solely as provided in this subchapter. Any officer with whom, or any  
8 bank or trust company with which, those moneys are deposited shall act as trustee  
9 of those moneys and shall hold and apply the moneys for the purposes of this  
10 subchapter.

11           **SECTION 18.** 229.866 of the statutes is created to read:

12           **229.866 Budgets; rates and charges; audit.** A district shall adopt a  
13 calendar year as its fiscal year for accounting purposes. The district board shall  
14 annually prepare a budget for the district. Rates and other charges received by the  
15 district shall be used for the general expenses and capital expenditures of the  
16 district. A district shall maintain an accounting system in accordance with generally  
17 accepted accounting principles and shall have its financial statements and debt  
18 covenants audited annually by an independent certified public accountant.

19           **SECTION 19.** 232.05 (3) of the statutes is amended to read:

20           232.05 (3) The corporation may not:

21           (a) Sell, exchange, or otherwise divest itself of the Bradley center to a sports  
22 and entertainment district under subch. VI of ch. 229.

1 (b) Dissolve and wind up its affairs, ~~unless the legislature enacts a law ordering~~  
2 ~~dissolution or except as provided in s. 232.07 upon the sale, exchange, or other~~  
3 divestiture of the Bradley center.

History: 1985 a. 26; 1989 a. 31.

4 **SECTION 9129. Nonstatutory provisions; Local Government.**

5 (1) LOCAL SPORTS AND ENTERTAINMENT DISTRICT <sup>create a.r.(a)</sup> (a) *Appointment of district board*  
6 *members.* Not later than 7 days after the effective date of this subsection... [LRB  
7 inserts date], the governor shall notify the senate of his or her initial appointments  
8 to the district board under section 229.859 of the statutes, as created by this act, and  
9 not later than 30 days after the effective date of this subsection... [LRB inserts date],  
10 the senate shall confirm or reject the governor's appointees.

11 (b) *Staggering of terms.* Notwithstanding the (seven)-year terms specified  
12 under section 229.859 of the statutes, as created by this act, the initial appointees  
13 of the governor under par (a) shall have terms that expire as follows:

14 1. The terms of 3 members, as determined by the governor, shall expire on July  
15 1, 2020.

16 2. The terms of 3 members, as determined by the governor, shall expire on July  
17 1, 2021.

18 3. The terms of 3 members, as determined by the governor, shall expire on July  
19 1, 2022.

20

(END)

*paragraph*

*paragraph*

*7*

*paragraph a.r.(a)*

**Shovers, Marc**

---

**From:** Wimmer, Robert C - DOA <Robert.Wimmer@wisconsin.gov>  
**Sent:** Friday, January 23, 2015 4:44 PM  
**To:** Champagne, Rick; Shovers, Marc  
**Cc:** Heifetz, Michael G - DOA; Taylor, Kevin - DOA; Erdman, David R - DOA; Hurlburt, Waylon - GOV; Ziegler, Paul - DOA  
**Subject:** Statutory Revision to 15-1330/P1 - BB0462  
**Attachments:** Arena Statutory Language Revision.pdf; Comments on Draft Legislation

Rick and Marc,

Here are the edits that we talked about. The document has BLACK edits from our bond consulting firm with the groups edits in RED. I tried to cross off and explain any of the changes that we would like to make so please let me know if you have any questions related to the attached PDF.

Also, I have attached an email from the bond consulting firm laying out more detail of some additions that may be useful. We are interested in all of their suggestions except the Open Meeting/ Public Records Law. This we would like to keep similar to the current practice of the Bradley Center, so please apply that language as necessary. I hope I have provided you with enough detail, but feel free to contact me with any additional questions you may have. My cell is 262-949-3393. Sorry for the poor handwriting. Thanks again for all your help.

**Bob Wimmer**

Executive Policy & Budget Analyst

State Budget Office  
Department of Administration | State of Wisconsin  
608-266-7597  
Robert.Wimmer@wisconsin.gov

**Champagne, Rick**

---

**From:** Speckhard, Rebecca A. (MKE x1761) <rebecca.speckhard@quarles.com>  
**Sent:** Thursday, January 22, 2015 1:54 PM  
**To:** Taylor, Kevin - DOA; Erdman, David R - DOA; Heintz, Aaron M - DOA; Wimmer, Robert C - DOA  
**Cc:** Peelen, Jeffrey D. (MKE x1773)  
**Subject:** Comments on Draft Legislation  
**Attachments:** Black PDF.PDF

**Follow Up Flag:** Follow up  
**Flag Status:** Flagged

Gentlemen,

As promised, to memorialize the discussion on our conference call this morning, attached is a markup of our questions and comments on the initial draft of the legislation relating to the State's issuance of appropriation obligations to fund a grant for the construction of sports and entertainment facilities.

In addition, on our call, we discussed the following conceptual issues, which I have grouped loosely under State bond issuance related matters, and district-related matters:

State Bond Issuance Related Matters

- RAC • Security. We discussed that the State's desire is to structure these obligations as appropriation obligations issued under s. 16.527.
- RAC • Maximum Bond Authority. In view of the possibility of the issuance of the bonds as capital appreciation bonds (CABs), we are researching possible suggested changes to s. 16.527 to accommodate the accrual of accreted value over the life of the bond issue, to make it clear that the dollar cap applies to the initial principal amount of the CABs (rather than the accreted value at maturity), and will follow up separately with those suggestions.
- Federal tax exemption. As we mentioned, we have been researching how the federal tax rules related to the issuance of tax-exempt bonds, in particular the private activity rules, will apply to the bonds. In summary, if we can conclude that the State is making the grant of proceeds to an unrelated party (within the meaning of the tax regulations), and there are no payments (other than generally applicable taxes) being made to the State or any related party in respect of the financed property, that would be one avenue for concluding that there is no impermissible private activity or private loan. (If we cannot reach that conclusion, tax-exempt financing may still be possible for all or a significant portion of the project, but it would require analysis of the underlying use and payment arrangements with respect to the facilities.) A related party, in the applicable tax regulations, is defined as any member of the same controlled group. Whether two entities are part of the same controlled group depends on all the facts and circumstances, but the regulations consider factors like (i) the right to approve and to remove without cause a controlling portion of the governing body and (ii) the right or power to require the use of funds or assets of the controlled entity for any purpose of the controlling entity. You will note that in our markup we have suggested that making the district board members removable only for cause may be helpful in this regard, and will continue our research on this point.
- 17.07  
(3) • State tax exemption. We discussed that bonds issued by the baseball park district and football stadium district in the State have a specific State tax exemption for the interest earned on those bonds under s. 71.05(1)(c) and s. 71.26(1m), and that those and other similar districts created under Ch. 229 have a tax exemption for their income under s. 71.26(1)(bm). The State may wish to consider whether these bonds and this district should enjoy similar State tax treatment, and if so, include language amending those sections accordingly.



District-Related Matters

In our quick initial review of the legislation, we also flagged the following district-related issues for consideration and possible further investigation and research, if desired.

- Sales tax exemption/property tax exemption. We discussed whether the legislation needs to address a sales tax exemption on the acquisition of materials for its construction project, as the baseball park and football stadium districts had. S. 77.54(41) exempts from sales tax the sale of building materials, etc. to an owner, contractor etc. if it is used for the construction or development of property that would be exempt from property tax under s. 70.11(36). It is unclear to us whether the district's facilities would need to be added to s. 70.11 (36). It may be that property is already covered by the language in 70.11(36)(a). *Nothing needs to be done*
- Intergovernmental cooperation. S. 66.0301 expressly lists baseball park and football stadium districts in the definition of municipalities authorized to enter into intergovernmental cooperation agreements under that section. Including the district in that list would clarify the authority for the district to enter into cooperation agreements with other units of government. *No one is covered*
- Permitted investments. It appears in the proposed legislation that the intent is that the district board may invest in any investments it considers appropriate. However, s. 66.0603, governing permitted municipal investments, by its terms generally restricts the investments of governing boards of political subdivisions to a certain subset of permitted investments. The football stadium district board has an express carve-out in s. (1) of that statute, and the State may wish to consider a legislative change which adds a similar carveout for this district board.
- Open Meeting /Public Records Laws. Without having performed detailed research on this point, it appears that this district would likely be subject to the State Open Meetings Law and Public Records Law requirements. Local exposition districts created under Ch. 229 and the Bradley Center district have express carveouts exempting them from these laws (s. 19.32(1) and s. 19.82(1)), but the baseball park and football stadium districts do not appear to.

We appreciate the opportunity to review and discuss the proposed legislation, and look forward to the next draft. Please don't hesitate to contact either of us with any questions or to discuss further.

Thanks,

Rebecca

**Rebecca A. Speckhard**  
Attorney  
Quarles & Brady LLP  
411 East Wisconsin Avenue  
Suite 2350  
Milwaukee, Wisconsin 53202-4462  
[www.quarles.com](http://www.quarles.com)  
P: (414) 277-5761  
F: (414) 271-3552  
[rebecca.speckhard@quarles.com](mailto:rebecca.speckhard@quarles.com)

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Q & B Comments 1/22/15



State of Wisconsin  
2015 - 2016 LEGISLATURE



LRB-1330/P1  
MES&RAC:kj/fj

DOA:.....Wimmer, BB0462 - Create a sports and entertainment special purpose district for a professional basketball home arena; fold in Bradley Center

**FOR 2015-2017 BUDGET — NOT READY FOR INTRODUCTION**

1 AN ACT ...; relating to: the budget.

*Analysis by the Legislative Reference Bureau*

**LOCAL GOVERNMENT**

This bill creates a sports and entertainment district (district) with powers and duties to facilitate the construction of a basketball arena, as well as other sports and entertainment facilities, in a county with a population of more than 500,000 that has a first class city (collectively, local units) in which a professional basketball team's home arena is currently located. Generally, the district is governed by a board of nine members nominated by the governor, and with the advice and consent of the senate appointed, for staggered seven-year terms. Also under the bill, the county executive and mayor of a local unit may each appoint one additional member to the board if the local unit provides funding to the district.

Board members must be Wisconsin residents, have executive and managerial experience, and may not be elective office holders or candidates for elective office. The district may not incur debt or impose taxes and may operate and manage the basketball arena and other facilities. The bill permits the district to exercise eminent domain authority, and also permits the Bradley Center Sports and Entertainment Corporation, which currently owns the Bradley Center, to transfer ownership of the Bradley Center to the district, along with all outstanding debt on the Bradley Center.

The bill authorizes the state to issue or contract \$220,000,000 in ~~public debt or appropriation obligations, or a combination thereof,~~ to be used as a grant to assist

Handwritten marks: a checkmark and two large cursive letters 'e'.

a district in the construction of sports and entertainment facilities, including the acquisition or lease of property. Under the bill, the state may only provide such a grant if the district has secured additional funding from nonstate sources for the project in an amount at least equal to \$300,000,000.

For further information see the *state and local* fiscal estimate, which will be printed as an appendix to this bill.

*The people of the state of Wisconsin, represented in senate and assembly, do enact as follows:*

*and will serve a public purpose*

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~~SECTION 1. 13.45 (45) of the statutes is created to read:~~

~~13.45 (45) SPORTS AND ENTERTAINMENT DISTRICT. (a) The legislature finds and determines that sports and entertainment facilities encourage economic development and tourism in this state by reducing unemployment and by bringing needed capital into the state for the benefit and welfare of people throughout the state. It is therefore in the public interest, and it is the public policy of this state, to assist a sports and entertainment district in the construction of sports and entertainment facilities under subch. VI of ch. 229.~~

~~(b) Subject to par. (c), the building commission may authorize up to \$220,000,000 in general fund supported borrowing to assist a sports and entertainment district in the construction of sports and entertainment facilities under subch. VI of ch. 229, including the acquisition or lease of property. The state funding commitment shall be in the form of a grant to a sports and entertainment district. Before approving any state funding commitment under this paragraph, the building commission shall determine that the sports and entertainment district has secured additional funding from nonstate sources for the project in an amount at least equal to \$300,000,000.~~

Move to Section 16.527  
(1)  
(c)

create 4. with language related to 16.527 (3)(6) with no mention of outstanding obligations

1 (c) The amount of general fund supported borrowing authorized under par. (b)  
2 shall be reduced by the amount of any appropriation obligations contracted under s.  
3 16.527 (3) (d).

4 (d) If the building commission authorizes a grant to a sports and entertainment  
5 district under par. (b) and if, for any reason, the facility that is constructed with funds  
6 from the grant is not used principally for professional basketball, the state shall  
7 retain an ownership interest in the facility equal to the amount of the state's grant.

8 SECTION 2. 16.527 (3) (d) of the statutes is created to read:

9 16.527 (3) (d) 1. Subject to the limitations under subs. 2. to <sup>5.</sup> ~~4.~~, the department  
10 may contract appropriation obligations of the state under this section for the purpose  
11 of assisting a sports and entertainment district under subch. VI of ch. 229 in the  
12 construction of sports and entertainment facilities, including the acquisition or lease  
13 of property. The assistance shall be in the form of a grant to the sports and  
14 entertainment district.

15 2. The sum of appropriation obligations issued under this section for the  
16 purpose under subd. 1. may not exceed \$220,000,000, ~~less the amount of any grant~~  
17 ~~awarded under s. 13.48 (45).~~

18 3. No appropriation obligations <sup>department</sup> may be issued under this section for the  
19 purpose under subd. 1. unless the ~~building commission~~ determines that the sports  
20 and entertainment district has secured additional funding from nonstate sources for  
21 the project in an amount at least equal to \$300,000,000.

22 4. If the department issues appropriation obligations under this section for the  
23 purpose under subd. 1. and if, for any reason, the facility that is constructed with  
24 funds from the grant is not used principally for professional basketball, the state

Confirm this amount does not include  
\$25 million DOT Grant or \$10 million  
Building Commission grant, or other  
state funding sources.

Please add some language

ADAM if the Books and the lease they need to pay off the bonds

2015-2016 Legislature -4- Consider whether requirement of grant repayment should be inserted here or covered in grant agreement with the district

LRB-1330/P1 MES&RAC:kjfi

as a part of any agreement.

1 shall retain an ownership interest in the facility equal to the amount of the state's  
2 grant.

3 SECTION 3. 20.505 (1) (bv) of the statutes is created to read:

4 20.505 (1) (bv) *Appropriation obligations repayment; sports and entertainment*  
5 *facilities.* The amounts in the schedule to pay debt service costs due in the current  
6 fiscal year on appropriation obligations issued under s. 16.527 (3) (d), to make  
7 payments of the state under agreements and ancillary arrangements entered into  
8 under s. 16.527 (4) (e), and to pay related issuance or administrative expenses.

to make deposits into reserve funds,

(See 20.505 (1) (br) for pension & appropriation bonds)

\*\*\*NOTE: This SECTION involves a change in an appropriation that must be reflected in the revised schedule in s. 20.005, stats.

9 SECTION 4. 20.505 (1) (in) of the statutes is created to read:

10 20.505 (1) (in) *Appropriation obligation proceeds; sports and entertainment*  
11 *facilities.* All moneys received from the sale of appropriation obligations that are  
12 issued under s. 16.527 (3) (d), and any earnings on such moneys and on any other  
13 moneys held for the purpose of this paragraph, to assist a sports and entertainment  
14 district under subch. VI of ch. 229 in the construction of sports and entertainment  
15 facilities, including the acquisition or lease of property, and to provide for reserves  
16 and for expenses of issuance and administration of the appropriation obligations,  
17 and to pay interest on the appropriation obligations, the redemption price of  
18 refunded appropriation obligations and any related obligations incurred under  
19 agreements entered into under s. 16.527 (4) (e), as determined by the department of  
20 administration. Estimated disbursements under this paragraph shall not be  
21 included in the schedule under s. 20.005.

There needs to be language for DOR to be able to transfer money collect to DOA to pay the bonds.

or noted

\*\*\*NOTE: This SECTION involves a change in an appropriation that must be reflected in the revised schedule in s. 20.005, stats.

22 ~~SECTION 5. 20.866 (1) (u) of the statutes is amended to read:~~

1        ~~20.866 (1) (u) *Principal repayment and interest.* A sum sufficient from moneys~~  
 2        ~~appropriated under sub. (2) (zp) and ss. 20.115 (2) (d) and (7) (b) and (s), 20.190 (1)~~  
 3        ~~(c), (d), (i), and (j), 20.225 (1) (c) and (i), 20.245 (1) (e) and (j), 20.250 (1) (c) and (e),~~  
 4        ~~20.255 (1) (d), 20.285 (1) (d), (je), and (gj), 20.320 (1) (c) and (t) and (2) (c), 20.370 (7)~~  
 5        ~~(aa), (ac), (ad), (ag), (aq), (ar), (at), (au), (bq), (br), (cb), (cc), (cd), (cg), (cq), (cr), (cs),~~  
 6        ~~(ct), (ea), (eq), and (er), 20.395 (6) (af), (aq), (ar), and (au), 20.410 (1) (e), (ec), and (ko)~~  
 7        ~~and (3) (e), 20.435 (2) (ee), 20.465 (1) (d), 20.485 (1) (f) and (go), (3) (t) and (4) (qm),~~  
 8        ~~20.505 (4) (es), (et), (ha), and (hb) and (5) (c), (g), and (ke), 20.855 (8) (a), and 20.867~~  
 9        ~~(1) (a) and (b) and (3) (a), (b), (bb), (bc), (bd), (be), (bf), (bg), (bh), (bi), (bj), (bL), (bm),~~  
 10       ~~(bn), (bp), (bq), (br), (bt), (bu), (bv), (cb), (cd), (cf), (ch), (cj), (g), (h), (i), (kd), and (q) for~~  
 11       ~~the payment of principal, interest, premium due, if any, and payment due, if any,~~  
 12       ~~under an agreement or ancillary arrangement entered into under s. 18.06 (8) (a)~~  
 13       ~~relating to any public debt contracted under subchs. I and IV of ch. 18.~~

14        SECTION 6. 20.866 (2) (zr) of the statutes is created to read:

15        20.866 (2) (zr) *Sports and entertainment facility.* From the capital  
 16        improvement fund, a sum sufficient for the building commission to provide a grant  
 17        to a sports and entertainment district to aid in the construction of a facility, including  
 18        the acquisition or lease of property, as described in s. 13.48 (45). The state may  
 19        contract public debt in an amount not to exceed \$220,000,000 for this purpose.

      \*\*\*NOTE: This SECTION involves a change in an appropriation that must be  
 reflected in the revised schedule in s. 20.005, stats.

20        SECTION 7. 20.867 (3) (bt) of the statutes is created to read:

21        20.867 (3) (bt) *Principal repayment, interest and rebates; sports and*  
 22        *entertainment facility.* A sum sufficient to reimburse s. 20.866 (1) (u) for the payment  
 23        of principal and interest costs incurred in financing the construction of a facility,

1 including the acquisition or lease of property, as described in s. 13.48 (45), to make  
2 the payments determined by the building commission under s. 13.488 (1) (m) that are  
3 attributable to the proceeds of obligations incurred in financing the project, and to  
4 make payments under an agreement or ancillary arrangement entered into under  
5 s. 18.06 (8) (a).

\*\*\*\*NOTE: This SECTION involves a change in an appropriation that must be reflected in the revised schedule in s. 20.005, stats.

6 SECTION 8. 32.02 (1) of the statutes is amended to read:  
7 32.02 (1) Any county, town, village, city, including villages and cities  
8 incorporated under general or special acts, a local sports and entertainment district  
9 created under subch. VI of ch. 229, school district, the department of health services,  
10 the department of corrections, the board of regents of the University of Wisconsin  
11 System, the building commission, a commission created by contract under s. 66.0301,  
12 with the approval of the municipality in which condemnation is proposed, a  
13 commission created by contract under s. 66.0303 that is acting under s. 66.0304, if  
14 the condemnation occurs within the boundaries of a member of the commission, or  
15 any public board or commission, for any lawful purpose, but in the case of city and  
16 village boards or commissions approval of that action is required to be granted by the  
17 governing body. A mosquito control commission, created under s. 59.70 (12), and a  
18 local professional football stadium district board, created under subch. IV of ch. 229,  
19 may not acquire property by condemnation.

*"local" not used throughout consistently see, for example, section 2 on p 3.*

20 SECTION 9. Subchapter VI (title) of chapter 229 [precedes 229.857] of the  
21 statutes is created to read:

22 CHAPTER 229

23 SUBCHAPTER VI

1 LOCAL SPORTS AND  
2 ENTERTAINMENT DISTRICTS

3 SECTION 10. 229.857 of the statutes is created to read:

4 229.857 Legislative declaration. (1) The legislature determines that the  
5 provision of assistance by state agencies to a district under this subchapter and any  
6 appropriation of funds to a district under this subchapter serve a statewide public  
7 purpose by assisting the development of sports and entertainment facilities in the  
8 state for providing recreation, by encouraging economic development and tourism,  
9 by reducing unemployment, and by bringing needed capital into the state for the  
10 benefit and welfare of people throughout the state.

11 (2) The legislature determines that a district serves a public purpose in  
12 political subdivisions in which it is located by providing recreation, by encouraging  
13 economic development and tourism, by reducing unemployment, and by bringing  
14 needed capital into the district's jurisdiction for the benefit of people in the district's  
15 jurisdiction.

16 SECTION 11. 229.858 of the statutes is created to read:

17 229.858 Definitions. In this subchapter:

18 (1) "Basketball arena" means an arena that is an arena that is principally used  
19 as the home arena of a professional basketball team, described in s. 229.860, at the  
20 time that a district is created.

21 (2) "District" means a special purpose district created under this subchapter.

22 (3) "District board" means the governing board of a district.

23 (4) "Local unit" means a county or city that is described in s. 229.860.

24 (5) "Sports and entertainment facilities" means property, tangible or  
25 intangible, owned in whole or in substantial part, operated, or leased by a district

"purpose" not used in 229.857(1) - see next page



1 that is principally used for professional basketball, including spectator seating,  
2 practice facilities, parking lots and structures, garages, restaurants, concession  
3 facilities, entertainment facilities, facilities for the display or sale of memorabilia,  
4 transportation facilities, and other functionally related or auxiliary facilities or  
5 structures.

*"purpose" not used here*

6 SECTION 12. 229.859 of the statutes is created to read:

7 229.859 **Creation and organization.** (1) There is created, for each  
8 jurisdiction under s. 229.860, a special district that is a local governmental unit, that  
9 is a body corporate and politic, that is separate and distinct from, and independent  
10 of, the state, that has the powers under s. 229.861 and the name of which includes  
11 "Sports and Entertainment District".

\*\*\*NOTE: Would you like this subsection to also state that the district is "separate and distinct from and independent of the local units within its jurisdiction"?

\*\*\*NOTE: If you have questions about this or any other embedded note, or about anything other than bonding, please contact Marc Shovers. If you have any questions related to the bonding provisions, please contact Rick Champagne.

12 (2) (a) A district is governed by its district board. Subject to pars. (g) and (h).  
13 the district board shall consist of 9 members appointed by the governor. A person  
14 appointed under this paragraph may take his or her seat immediately upon  
15 appointment and qualification, subject to confirmation or rejection by the senate.  
16 Persons appointed and confirmed under this paragraph shall serve staggered 7-year  
17 terms. The governor shall designate one member as chairperson of the district board.

18 (b) Members of the district board shall be Wisconsin residents and shall have  
19 executive and managerial experience. No member may hold elective public office or  
20 be a candidate for elective public office.

*D-note*  
*Clarify: if city and county appoint members, would the total be 11? or do they each appoint one of the existing 9?*

*For federal tax purposes, it would be beneficial to have removal of members only "for cause". If acceptable, please consider adding language -*

1 (c) A member of the district board who is appointed by the governor shall hold  
2 his or her position on the board until the member's successor is appointed by the  
3 governor.

*example on next page*

\*\*\*\*NOTE: Do you mean until appointed by the governor and confirmed by the senate?

*yes*

4 (d) A majority of the current membership of the district board constitutes a  
5 quorum to do business. The district may take action based on the affirmative vote  
6 of a majority of those members of the district board who are present at a meeting of  
7 the district board.

*At will appointment*

8 (e) No member of the district board may receive compensation for performing  
9 his or her duties. A member of the district board shall be reimbursed for his or her  
10 actual and necessary expenses incurred in the performance of his or her duties.

11 (f) Upon the appointment and qualification of a majority of the members of a  
12 district board, the district board may exercise the powers and duties of a district  
13 board under this subchapter.

14 (g) The county executive of a county described in s. 229.860 which provides  
15 funding to construct, equip, or improve sports and entertainment facilities under s.  
16 229.863 shall appoint a member to the district board, subject to confirmation or  
17 rejection by a majority of the members-elect of the county board. A person appointed  
18 and confirmed under this paragraph shall serve a 7-year term, except that the initial  
19 term of the first member appointed under this paragraph shall be 5 years.

20 (h) The mayor of a city described in s. 229.860 which provides funding to  
21 construct, equip, or improve sports and entertainment facilities under s. 229.863  
22 shall appoint a member to the district board, subject to confirmation or rejection by  
23 a majority of the members-elect of the common council. A person appointed and

*Clarify: does this include provide infrastructure improvements, or only cash, and if so, is there a minimum dollar threshold?*

1 confirmed under this paragraph shall serve a 7-year term, except that the initial  
2 term of the first member appointed under this paragraph shall be 6 years.

\*\*\*NOTE: I put the initial term of members appointed under pars. (g) and (h) in text instead of in the nonstats because it's uncertain when and if appointments will be made under these paragraphs. Also, I limited the years of an initial appointment to be consistent with what you requested in your sample draft. Is this consistent with your intent?

3 (i) A member appointed under par. (g) or (h) is subject to the requirements  
4 under par. (b). Upon appointment and confirmation of such a member, the  
5 appointing authority shall certify the member to the secretary of administration.

\*\*\*NOTE: Are members appointed under par. (g) or (h) subject to par. (e)?

6 (3) The district board shall name the district, and the name shall include  
7 "Sports and Entertainment District".

8 SECTION 13. 229.860 of the statutes is created to read:

9 **229.860 Jurisdiction.** A district's jurisdiction is any county with a population  
10 of more than 500,000 and a 1st class city that is located wholly or predominantly in  
11 that county, provided that the city includes the principal site of a basketball arena  
12 that is home to a professional basketball team, that is a member of a league of  
13 professional basketball teams that have home arenas in at least 10 states, and that  
14 is approved by that league for use as a home arena for that basketball team. Once  
15 created, the district's jurisdiction remains fixed even if population figures for the  
16 county decline below the minimum described in this section.

\*\*\*NOTE: Is the change I've made to this section consistent with your intent? By not linking the jurisdiction to the creation date of the budget, which would be the bill's effective date and would in effect close the class, there is much less likelihood that this provision would be subject to a private and local challenge under article IV, section 18, of the Wisconsin Constitution.

17 SECTION 14. 229.861 of the statutes is created to read:

18 **229.861 Powers of a district.** A district has all of the powers necessary or  
19 convenient to carry out the purposes and provisions of this subchapter, except that

Removal for Cause paragraph - example:  
(5) For inefficiency or neglect of duty or misconduct in office, a member may be removed by the officer which appointed the member. To the extent applicable, the provisions of s. 17.16 relating to removal for cause apply to any removal.

No answer from requester, so I assumed they want no change. Note was removed

1 it may not issue bonds or levy or impose a tax. In addition to all other powers granted  
2 by this subchapter, a district may do all of the following:

3 (1) Adopt bylaws to govern the district's activities, subject to this subchapter.

4 (2) Sue and be sued in its own name, plead, and be impleaded.

5 (3) Maintain an office.

6 (4) In connection with sports and entertainment facilities:

7 (a) Acquire, construct, equip, maintain, improve, operate, and manage the  
8 sports and entertainment facilities as a revenue-generating enterprise, or engage  
9 other persons to do these things.

10 (b) Acquire; lease, as lessor or lessee; use; transfer; or accept transfers of  
11 property, and assume debt payments and outstanding obligations for the property  
12 accepted.

13 (c) Improve, maintain, and repair property.

14 (d) Enter into contracts, subject to such standards as may be established by the  
15 district board. The district board may award any such contract for any combination  
16 or division of work it designates and may consider any factors in awarding a contract,  
17 including price, time for completion of work, and qualifications and past performance  
18 of a contractor.

19 (e) Sell or otherwise dispose of unneeded or unwanted property.

20 (5) Employ personnel, and fix and regulate their compensation; and provide,  
21 either directly or subject to an agreement under s. 66.0301 as a participant in a  
22 benefit plan of another governmental entity, any employee benefits, including an  
23 employee pension plan.

1 (6) Purchase insurance, establish and administer a plan of self-insurance or,  
2 subject to an agreement with another governmental entity under s. 66.0301,  
3 participate in a governmental plan of insurance or self-insurance.

4 (7) Mortgage, pledge, or otherwise encumber the district's property or funds.

5 (8) Maintain funds and invest the funds in any investment that the district  
6 board considers appropriate.

*[Consider adding a specific carveout to  
66.0603 to make it clear it does not  
apply.]*

7 (9) Promote, advertise, and publicize its sports and entertainment facilities  
8 and related activities.

9 (10) Set standards governing the use of, and the conduct within, its sports and  
10 entertainment facilities in order to promote public safety and convenience and to  
11 maintain order.

12 (11) Accept gifts, loans, and other aid.

13 (12) Adopt and alter an official seal.

14 SECTION 15. 229.862 of the statutes is created to read:

15 229.862 Special fund revenues. (1) The district board shall maintain a  
16 special fund into which it deposits all funds received under ss. 13.48 (45) and 16.527

17 (3) (d) *Monies in said special fund shall be expended only for  
the construction of sports and entertainment facilities, including*

18 (2) The district may not deposit any other moneys into the special fund, except  
19 that the district shall credit all earnings on the revenues in the special fund to the  
20 special fund.

*the acquisition  
or lease  
of  
property*

21 (3) No money in the special fund may be expended for the purpose of operating  
22 or maintaining sports and entertainment facilities or a basketball arena.

23 SECTION 16. 229.863 of the statutes is created to read:

24 229.863 Powers granted to local units. (1) In addition to any powers that  
25 it may otherwise have, a local unit may do any of the following:

66.0621 and Chapter 24

PR Nov 9

- 1 (1) Make grants or loans to a district upon terms that the local unit considers
- 2 appropriate.
- 3 (2) Expend public funds to subsidize a district.
- 4 (3) Borrow money under ss. 67.04 and 67.12 (12) for sports and entertainment
- 5 facilities or to fund grants, loans, or subsidies to a district.
- 6 (4) Lease or transfer property to a district upon terms that the local unit
- 7 considers appropriate.

8 SECTION 17. 229.864 of the statutes is created to read:

9 **229.864 Dissolution of a district.** A district may not dissolve and wind up  
10 its affairs unless ~~debt issued under s. 13.48 (45)~~ and obligations issued under s.  
11 16.527 (3) (d) have been retired.

\*\*\*NOTE: Upon dissolution, do you want to provide for transfer of the district's  
property to the city and county that constitute its jurisdiction? See, for example, s.  
229.828.

NO response -  
Assumption is they did not want this - nothing done  
Note removed

12 SECTION 18. 229.865 of the statutes is created to read:

13 **229.865 Trust funds.** All moneys received under this subchapter, whether  
14 from the state, from a local unit, or from any other source, are trust funds to be held  
15 and applied solely as provided in this subchapter. Any officer with whom, or any  
16 bank or trust company with which, those moneys are deposited shall act as trustee  
17 of those moneys and shall hold and apply the moneys for the purposes of this  
18 subchapter.

19 SECTION 19. 229.866 of the statutes is created to read:

20 **229.866 Budgets; rates and charges; audit.** A district shall adopt a  
21 calendar year as its fiscal year for accounting purposes. The district board shall  
22 annually prepare a budget for the district. Rates and other charges received by the  
23 district shall be used for the general expenses and capital expenditures of the

1 district. A district shall maintain an accounting system in accordance with generally  
2 accepted accounting principles and shall have its financial statements and debt  
3 covenants audited annually by an independent certified public accountant.

Since district does not have bond is same authority will there be any "debt covenants"?

4 SECTION 20. 232.05 (3) of the statutes is amended to read:

5 232.05 (3) The corporation may not:

lower case in both places?

6 (a) Sell, exchange, or otherwise divest itself of the Bradley center to a sports  
7 and entertainment district under subch. VI of ch. 229.

8 (b) Dissolve and wind up its affairs, unless the legislature enacts a law ordering  
9 dissolution or except as provided in s. 232.07 upon the sale, exchange, or other  
10 divestiture of the Bradley Center.

11 SECTION 9129. Nonstatutory provisions; Local Government.

12 (1) LOCAL SPORTS AND ENTERTAINMENT DISTRICT.

13 (a) Appointment of district board members. Not later than 7 days after the  
14 effective date of this paragraph ... [LRB inserts date], the governor shall notify the  
15 senate of his or her initial appointments to the district board under section 229.859  
16 of the statutes, as created by this act, and not later than 30 days after the effective  
17 date of this paragraph ... [LRB inserts date], the senate shall confirm or reject the  
18 governor's appointees.

70 days

19 (b) Staggering of terms. Notwithstanding the 7-year terms specified under  
20 section 229.859 of the statutes, as created by this act, the initial appointees of the  
21 governor under paragraph (a) shall have terms that expire as follows:

22 1. The terms of 3 members, as determined by the governor, shall expire on July  
23 1, 2020.

24 2. The terms of 3 members, as determined by the governor, shall expire on July  
25 1, 2021.

