



Legislative Fiscal Bureau

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Joint Committee on Finance

Paper #906

Grants to Local Professional Football Stadium Districts (DOT-- Local Transportation Aid)

[LFB 2001-03 Budget Summary: Page 654, #2]

CURRENT LAW

A local professional football stadium district for the construction and maintenance of a renovated football stadium for the Green Bay Packers was created by 1999 Act 167. The Green Bay-Brown County Professional Football Stadium District is contiguous with Brown County and is governed by a seven-member board. The District, as approved by the electors of the District at referendum in September, 2000, has imposed 0.5% sales and use taxes for purposes related to football stadium facilities.

The District also has authority to issue up to \$160 million in revenue bonds, or take out up to a \$160 million loan from Brown County, using proceeds from a loan to the county from the state Board of Commissioners of Public Lands, to acquire, construct or renovate its professional football stadium facilities. To date, the District has issued \$149.5 million in bonds for the redevelopment project.

GOVERNOR

Provide \$9,100,000 SEG in 2001-02 for the purpose of awarding grants to a local professional football stadium district. Create an annual appropriation for the purpose of awarding the grants. Specify that the appropriation would be repealed effective July 1, 2002. Provide DOT the authority to award grants to a local professional football stadium district and specify that this authority would not apply after June 30, 2002.

DISCUSSION POINTS

1. As introduced, the bill to fund the renovation of Lambeau Field (1999 Assembly Bill 892) contained language that would have created a continuing appropriation from the transportation fund for the purpose of making aid payments for transportation-related infrastructure. However, no funding for stadium district aid payments would have been appropriated under the original bill. The bill would have authorized DOT to make aid payments to a local professional football stadium district for the development, construction, reconstruction or improvement of bridges, highways, parking lots, garages, transportation facilities or other functionally-related or auxiliary facilities or structures associated with a football stadium. All the provisions relating to the funding of transportation-related infrastructure were subsequently deleted from the bill.

2. The Joint Committee on Finance, in an action at the December, 2000, quarterly meeting under s. 13.10 of the statutes, directed DOT to hold \$9,100,000 in reserve in the transportation fund for future appropriation by the Legislature for infrastructure improvements associated with the redevelopment of Lambeau Field.

3. During legislative deliberations on Assembly Bill 892, Green Bay Packers' officials and their project managers indicated that the funds would be used as indicated in the following table. The Packers indicate that the anticipated use of the funds has not changed since the original proposal:

Transportation Infrastructure

<u>Project Activity</u>	<u>Amount</u>
Site Acquisition and Improvements	
Demolition and Remediation	\$75,000
Site Utilities and Improvements	4,822,000
Transportation Sitework	3,003,150
Fixtures and Equipment	
Graphics and Signage	300,000
Parking Equipment	260,000
Waste Handling Equipment	25,000
Development Costs	
Geotechnical and Soil Analysis	61,850
Testing and Inspection	160,000
Taxes, Insurance and Bonding	293,000
Permits and Regulatory Costs	<u>100,000</u>
Total	\$9,100,000

4. City of Green Bay and Village of Ashwaubenon officials indicate that they have no plans to develop or construct any government-operated, public parking facilities in the Lambeau Field area. Village of Ashwaubenon officials have indicated that additional parking could be provided for Lambeau Field through a shared parking arrangement with businesses locating in the Village's nearby tax incremental financing district.

5. Unlike the language relating to state funding for transportation-related infrastructure at Lambeau Field that was deliberated by the Legislature last year, the Governor's recommendation would not restrict the use of the \$9,100,000 by the District. Under the bill, it is possible that the state transportation funding could be used for purposes that are not transportation-related. DOA indicates that the broader language would provide the District with greater flexibility in determining how the funds are to be used. However, under the Governor's recommendation, once the funds are appropriated by state, the final determination on the use of the funds would be made by the Stadium District Board.

6. Representatives of the Green Bay Packers indicate that the Packers would prefer to have the allowable uses of the funds be specified in a manner similar to Assembly Bill 892, as introduced but be limited to improvements to the existing parking lot facility. They indicate that they would prefer that DOT be provided the authority to make aid payments to a local professional football stadium district for the development, construction, reconstruction or improvement of parking lots, garages, transportation facilities or other functionally-related or auxiliary facilities or structures on the existing parking lot facility of a professional football stadium.

7. District Board officials have indicated their support for the broader language recommended by the Governor, which does not specify any allowable use for the state funds. The Board officials indicate that the Governor's recommendation would provide the District Board with the most flexibility in determining how funds would be used.

8. Proponents of providing state funding for transportation infrastructure related to the Lambeau Field redevelopment project have argued that the state has already provided infrastructure funding for the construction of Miller Park for the Milwaukee Brewers. The following table indicates the infrastructure funding provided by the DOT for Miller Park.

**State Funding for Miller Park
(In Millions)**

State Segregated Funds	<u>Amount</u>
Freeway relocation	\$14.6
Preliminary engineering/environmental impact statement	2.8
Aid to Baseball Park District	<u>12.0</u>
 Total	 \$29.4
 Federal Funding	
Freeway relocation project	<u>9.1</u>
 Grand Total	 \$38.5

9. The statutory language identifying the allowable uses of the \$12,000,000 in aid to the Baseball Park District was the same language included in the Lambeau Field redevelopment bill, as introduced. The District indicates that the funding was used for the construction of parking lots and storm sewers at the stadium.

10. At the time of the legislative deliberations on the proposal to renovate Lambeau Field, the project manager indicated that it is likely that the funding would not be needed until the last six months of project construction. The project manager now indicates that, under the current construction schedule, the funding may be needed in the fall of 2002 (fiscal year 2002-03).

11. The bill would provide the Green Bay-Brown County Professional Football Stadium District \$9,100,000 in state transportation funding in 2001-02. Because the funding would not likely be needed until the second year of the biennium, the Committee could provide the funding in 2002-03, which would allow the transportation fund to earn the interest on the funds for an additional year. It is estimated that if the funds were allowed to remain in the transportation fund for an additional year, approximately \$410,000 in investment earnings would accumulate to the transportation fund in the biennium.

12. Under the Lambeau Field redevelopment, the District is expected to use its authority to provide \$160 million toward the project costs, with the remaining \$135 million, including the \$9.1 million for transportation-related infrastructure costs, to be funded from non-District revenue sources. If the state does not provide the \$9.1 million, the Packers indicate that the project would likely be modified to lower the overall cost.

13. One possible way in which not providing the \$9.1 million in state funding could impact the costs to District taxpayers involves whether or not the \$10.0 million construction reserve

fund created under 1999 Act 167 would be used to replace the funding. The reserve was funded with revenues from the Packers associated with the one time user fees assessed season ticket holders for Packer games at Lambeau field. The earnings on the fund are to be applied to the costs of constructing football stadium facilities. The principal amount of the reserve would be applied to the final costs of completing the stadium as contemplated in the construction agreement between the District and the Packers. Any balance in the construction reserve fund that remains following final completion and payment for the football stadium facilities must be applied to the early retirement of bonds backed by the District sales and use taxes. Therefore, any use of the \$10 million construction reserve for project costs would result in higher taxpayer costs than would occur if the reserve would not be used for the project.

ALTERNATIVES TO BILL

A. DOT Authority to Make Grants

1. Approve the Governor's recommendation to provide DOT the authority to award grants to a local professional football stadium district (no restrictions would be placed on the use of the funds).

2. Modify the Governor's recommendation by specifying that the grants to a local professional football stadium district could only be used for the development, construction, reconstruction or improvement of bridges, highways, parking lots, garages, transportation facilities or other functionally-related or auxiliary facilities or structures associated with a football stadium.

3. Modify the Governor's recommendation by specifying that the grants to a local professional football stadium district could only be used for the development, construction, reconstruction or improvement of parking lots, garages, transportation facilities or other functionally-related or auxiliary facilities or structures on the existing parking lot facility of a professional football stadium.

4. Maintain current law. (DOT would not be provided authority to award grants to a local professional football stadium district.)

B. Grant Funding

1. Approve the Governor's recommendation to provide \$9,100,000 SEG in 2001-02 for the purpose of awarding grants to a local professional football stadium district. Create an annual appropriation for the purpose of awarding the grants. Specify that the appropriation would be repealed effective July 1, 2002. Specify that DOT's authority to award grants to a local professional football stadium district would not apply after June 30, 2002.

2. Modify the Governor's recommendation by providing \$9,100,000 SEG in 2002-03, rather than 2001-02, for the purpose of awarding grants to a local professional football stadium district. Specify that the appropriation would be repealed effective July 1, 2003, rather than July 1,

2002. Specify that DOT's authority to award grants to a local professional football stadium district would not apply after June 30, 2003, rather than June 30, 2002. Increase estimated transportation fund revenue by \$410,000 in 2001-02 to reflect additional investment earnings due to the delayed payment.

Alternative B2	SEG
2001-03 REVENUE (Change to Bill)	\$410,000

3. Maintain current law. (No funding would be provided to the local professional football stadium district for transportation-related infrastructure.)

Alternative B3	SEG
2001-03 FUNDING (Change to Bill)	- \$9,100,000

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