

City Council follows stadium script, approving project 7-6

By [Brian Lambert](#) | 05/24/12

Don't let the Vikings stadium suspense kill you. [The Stib's Eric Roper reports](#) that things went as planned Thursday at City Hall: "In one of the last steps before work begins on a new Vikings stadium, the Minneapolis City Council voted 7-6 Thursday to approve a plan that would fund the facility using redirected sales taxes. The vote is the last major hurdle for the project, but not the final word on the matter — the Council has to ratify their decision during a regularly scheduled meeting on Friday morning. Thursday's approval showed that no votes had changed since seven members pledged their support in late March."

Earlier, [Roper](#) writes about the morning session: "An audience packed with construction workers in hard hats and reflective vests watched a sharply divided Minneapolis City Council take up the question of whether to approve building a new Viking stadium on the site of the Metrodome. ... But Mayor R.T. **Rybak is counting on his slim majority of seven council members, who pledged their support for the deal in late March, to approve it today.**" If they care about being "major league," they have no choice.

[Roper also notes](#) a Taxpayer League survey released Wednesday: "The unscientific phone survey comes from the Taxpayers League of Minnesota, which opposes the plan for the city to use sales tax dollars to fund a new stadium on the Metrodome site. **Fifty five percent of survey respondents said they do not support the plan**, while 27 percent support it and 17 percent are undecided. The survey, which was conducted by Winding Creek Group, called 1,331 Minneapolis residents in four wards who voted in the 2009 municipal election. ... Those wards are represented by stadium supporters Diane Hofstede, Kevin Reich, Meg Tuthill and Sandy Colvin Roy."

Earlier, [MPR Cathy Wurzer and Tim Nelson](#) had one of their chats about the stadium deal.

Wurzer: But it looks like this is going to pass.

Nelson: It does.

Wurzer: What then?

Nelson: Minneapolis has this two-step process. Today is technically just a committee recommendation, but it's the committee of the whole — the entire council is on it — **so they're essentially telling themselves they ought to vote for this again tomorrow**, at a formal council hearing. If that passes, there will be a five-member authority set up to build the stadium itself. Rybak will appoint two people, Gov. Mark Dayton will name three — two members and a chair. So look for those appointments soon. They'll probably hire a consulting firm and some attorneys, and they'll start drawing up what's called the "long form" that lays out the nitty gritty of the agreement between the state, the city and the Vikings — right down to the carpeting. The law lays out a rather convoluted bidding process on this, and either the stadium authority or the Vikings or both can oversee construction. So look for some resolution on that. But construction probably won't start until next spring.”

A couple of conservative Cato Institute folks reiterate the now-oft-made/futile point about tax-subsidized stadiums. [Ilya Shapiro says:](#) “As former Cato legal associate (and Minnesotan) Nick Mosvick and I write in the Huffington Post, these stadium deals hurt most fans:

That’s because they lead to increased taxes and higher prices, squeezing the average fan for the benefit of owners and sponsors. And that’s not even counting the overwhelming majority of taxpayers, regardless of fandom, who never set foot in these gladiatorial arenas. ...

“[The economic benefit] arguments are always trotted out for these sweetheart deals, but the evidence regarding the economic effects of publicly financed stadiums consistently tells a different story. For example, Dennis Coates and Brad Humphreys performed [an exhaustive study](#) of sports franchises in 37 cities between 1969 and 1996 and **found no measurable impact on per-capita income.** ... [An older study](#) looked at 12 stadium areas between 1958 and 1987 and found that **professional sports don’t drive economic growth.** [A shorter-term study](#) looked at job growth in 46 cities from 1990 to 1994 and found that **cities with major league teams grew more slowly.** ... And

we shouldn't forget that **local governments often employ property-rights-trampling eminent domain to facilitate these money-squandering projects**. Read the [whole thing](#). It's not a matter of ideology; we even quote Keith Olbermann approvingly!"

At [Forbes, Mike Ozanian](#) looks at the final chapter and says: “[P]olitical proponents of the stadium have apparently resorted to some bizarre math to paint a rosier picture for the public. Barbara Johnson, president of the Minneapolis City Council, [wrote](#) in an opinion piece in [the] StarTribune: ‘There are no new taxes here. We’ll use existing food, liquor, lodging and sales taxes that, until recently, could only pay for expenses tied to the Minneapolis Convention Center.’ The taxes Johnson is referring to are those that are currently designated for the Minneapolis Convention Center: 0.5% general sales tax; 3.0% downtown restaurant tax; 3.0% downtown liquor tax; and 2.625% hotel tax. These sources contributed \$50.8 million to the convention center in 2010. **The problem with Johnson’s simple tax math is that according to the city’s 2012 budget the convention center is losing money and cannot afford to have funds siphoned off.** Last year the convention center [jettisoned](#) about a dozen supervisors and [placed] 23 of its 44 full-time events workers on a call-in-as-needed status, all part of an effort to slash operating costs and free up tax revenue that the city of Minneapolis might use elsewhere.”

And ... our old friend, [Neil de Mause at Field of Schemes](#), as resigned as everyone, writes: “Meanwhile, **we now have a figure for an additional public subsidy in the deal: \$11 million worth of land will be removed from the property tax rolls and handed to the Vikings** as part of the project, it was revealed to the council on Monday. If I’m using [this](#) correctly, that’s about \$460,000 a year in additional taxes the Vikings will get out of paying, which comes to a present value of around \$7 million. That’s just for the new land being exempted from taxes, though; there’s no reason not to charge the Vikings property taxes on the Metrodome land, or on the stadium itself, since it will be primarily a private facility. (Or, if you insist on considering it a ‘people’s stadium’ because the state can hold monster truck rallies there, the city could charge a pro-rated payment in lieu of taxes for the amount of use that goes to football.) State senator John Marty has previously estimated this exemption as being worth [\\$25 million a year](#), which comes to about \$380 million in present value.” Who do you think understands these clauses and numbers better? Zygi and the NFL, or our legislative “negotiators”?

Oh, and you did see this, right? [Marcus Fuller in the PiPress writes](#): “When incoming Gophers athletics director Norwood Teague was in town briefly this week, men’s basketball coach Tubby Smith wasn’t the only coach talking practice facility. University of Minnesota football coach Jerry Kill told Teague during an hour-long meeting Tuesday ... that **fixing the Gibson-Nagurski football complex should be an ‘immediate’ priority when Teague takes over for retiring AD Joel Maturi on June 18.**

Smith’s new basketball practice facility would take an estimated \$15 million to \$20 million to build next to Williams Arena. Kill said renovating the football team’s indoor practice facility, used by several other teams throughout the year, would cost about \$3 million.” The thing with being “major league” is that you can never be “major league” enough.

How's your learning curve on the question of sulfide mining? In a Strib post, [Paul Austin of Conservation Minnesota](#) writes: “Three non-profit organizations, Conservation Minnesota, Friends of the Boundary Waters Wilderness and the Minnesota Center for Environmental Advocacy (MCEA) have launched an educational initiative known as Mining Truth. The goal is to engage all Minnesotans — including mining companies, non-profit organizations, businesses, policy makers and private citizens — in a respectful, open, fact-based dialogue about the issue of sulfide mining. Mining Truth is built on the notion that while this issue is controversial, emotional and has far-reaching implications, the more Minnesotans who are part of the discussion and decision, the better off we will all be. Sulfide mining isn't your grandfather's iron mining. This type of mining produces metals like copper, nickel and gold, but its byproducts include sulfuric acid and toxic contaminants. Currently two sulfide mines are proposed in Minnesota's lake country, one near Lake Superior and one near the Boundary Waters Canoe Area Wilderness.”

In a very Japanese-like move, Fairview's boss is stepping down. [Tony Kennedy and Maura Lerner of the Strib](#) report: “Mark Eustis, president and CEO of Fairview Health Services, will retire in July in the wake of revelations about aggressive, and possibly illegal, debt-collection tactics at its hospitals. Fairview's board of directors, during an unusual meeting Wednesday night, voted not to renew Eustis' contract. Eustis, 59, has been under fire since a report last month by Minnesota Attorney General Lori Swanson about debt collectors hounding patients for money in emergency rooms and other hospital wards. Eustis, who has been president of Fairview since 2007, was instrumental in hiring a consulting firm, Accretive Health, that Swanson blamed for the heavy-handed tactics.”