

## Ruben Rosario: Vikings stadium deal was fool's gold. Legislators need to try again.

by Ruben Rosario March 28, 2013

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I'm talking here about the flawed deal state legislators and the governor were bamboozled into making to help build a new Vikings stadium. Since there's really no contract or written agreement to this public fleecing, I'm strongly suggesting an extreme makeover.

This already was corporate welfare at its worst. Then news broke this month that confirms that Minneapolis and state taxpayers will be getting hosed for more than the \$498 million in public contributions to the estimated \$975 million stadium project.

It turns out that the \$35 million projected in annual revenues from state-approved electronic charitable gambling actually yielded about \$1.7 million last year. Now, this was the projection that would take care of the state's \$348 million contribution.

Given that bars and restaurants are not exactly embracing the e-pull-tab and e-bingo devices because they are not being used as sold, I have no doubt they're going to eventually tap into the general fund or come up with another scheme to shake down the taxpayer for more money.

And who came up with this grossly inflated projection? Why, the state gambling control board, after consulting with -- guess who? -- the gambling industry, a consultation Dayton admitted recently he did not know about.

With all due respect, that's like a farmer asking a fox to go into the henhouse and let him know if plenty of chickens

are inside.

"Plenty for sure," the fox mumbles as it comes out, spitting feathers from its mouth.

Dayton is acting like the clueless tourist getting played by a wily Times Square three-card monte dealer, except that the money he's losing is yours and mine. But Dayton doesn't get all the blame here. This mistake was pushed through by a then-Republican- controlled Legislature with bipartisan support.

I don't blame principal team owner Zygmunt Wilf, either. He's the fox allowed into the henhouse. He's in the business of making money. If there are fools out there willing to help him make it by giving him their hard-earned money, then the shame is on them, not him.

So, while the public's pockets are rifled, Wilf the fox does a jig in front of his bank vault with the following:

-- Millions from stadium naming rights. Consider that the Carolina Panthers, who play in a smaller market, get \$7 million annually for the next 20 years from the Bank of America. The New York Jets and Giants will split up to \$645 million over 23 years for Met Life naming rights to the stadium they share at the Meadowlands in New Jersey.

-- Millions from branding, merchandise, season tickets and one-time but hefty personal-seat license fees to help pay construction costs.

-- Millions from suite and luxury box rentals.

-- A sweetheart \$200 million loan from the NFL.

-- Ownership of a team valued by Forbes magazine at \$975 million -- the same figure as the new stadium price tag -- and because it is incorporated in Delaware and not here, the franchise doesn't pay federal income taxes. Add the fact that the NFL, which raked in \$9.5 billion in revenues last year, is considered a tax-exempt, nonprofit organization. No wonder it can offer such loans to its national satellites of franchise cash cows.

And what do we get monetarily out of the deal? Temporary construction jobs and permanent stadium jobs that mostly will fall in the minimum-wage and low-paying range. A bonanza for area businesses near the arena, no doubt. But that promise of economic boom to the city and state? Most studies by sports economists debunk the myth that sports teams significantly boost the local economy or spur growth. One study noted that there is no county in the U.S. where sports account for more than one-half of 1 percent of all jobs or payroll dollars.

This legalized mugging in broad daylight is going to get worse for the public.

Perhaps the legislative panel created to oversee the funding and construction of the stadium project should read, among other cautionary tales, Neil deMause's book before it holds its first meeting down the road.

The New York-based investigative journalist co-wrote "Field of Schemes: How the Great Stadium Swindle Turns Public Money into Private Profit" (University of Nebraska, 2008).

The book, first published in 1998, details a successful playbook put into action by team owners for more than two decades now: Bemoan inadequacy of an existing arena, threaten to relocate, exaggerate the economic benefits and persuade politicians and a lapdog local news media to help bang the drumbeat for public support and financing while hidden subsidies and revenues fill their coffers.

The result, the authors conclude, "is a story of deceptive politicians, taxpayer swindles, media slants, the power of Big Money, and most of all, a political system that serves the rich and powerful at the expense of the average fan, the average taxpayer, and the average citizen."

The Cato Institute, a libertarian policy think tank, said much the same after the Vikings deal was struck last spring: "These deals benefit team owners and the politicians who get to wrap themselves in team colors to the exclusion of taxpayers or fans (who are priced out of the games their increased taxes support)."

Dayton told folks this week not to panic over whether electronic gaming revenues will cover the state's total share for the proposed stadium. He raised the prospect of a sports-themed lottery and a stadium suite tax as public-revenue backups. Well, the panic button was pushed by many well before last year's legislative action, and it was ignored. And sure, let's go out and further blow our paychecks on gambling to help build a stadium. That makes sense.

There is nothing except embarrassment stopping the state Legislature from scrapping this deal and starting over. I say lock up the public henhouse and blow this deal up before the first shovel strikes ground next fall.