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The Collusion of Big Government and Big Business, Stadium Welfare Edition

Damon W. Root | May 23, 2012

Writing at *The Huffington Post*, the Cato Institute's Ilya Shapiro and Nick Mosvick explain how the deal recently struck by Minnesota Gov. Mark Dayton to build a new publicly-subsidized stadium for the Minnesota Vikings will leave taxpayers "stuck with the check." They write:

The stadium costs $975 million on paper, with over half coming from public funds, $348 million from the state and $150 million from Minneapolis -- not through parking taxes or other stadium-related user fees, but with a new city sales tax. In return, the public gets an annual $13 million fee and the right to rent out the stadium on non-game-days....

The reality of the Vikings deal is that the owners will gain the most, not taxpayers or fans. Taxpayers will bear most of the risk, while the expected increase in the franchise's value will accrue wholly to the owners -- who will also be free from facility-financing costs. The owners will also have new revenue opportunities in the form of higher ticket prices, club seats, stadium-naming rights, and advertising. With all these luxury goodies, the only fans who will be able to actually attend the games are those with luxury incomes, many of whom will surely be writing the cost off their taxes as a business expense.

Read the rest here. For more on why stadium welfare is such a lousy deal for taxpayers, check out Reason.tv's "Take Us Out of the Ballgame: Are sports subsidies worth it?"