



Barrett economics: Barrett wants you to buy the Bucks a new arena

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By Ryan Ekvall | Wisconsin Reporter

MADISON — **Milwaukee Mayor Tom Barrett** wants to keep the **National Basketball Association Bucks** in Milwaukee, and he's ready to spend taxpayers' money to do that. "What I have said as mayor is this is not a burden that city of Milwaukee taxpayers can bear by themselves. And that if there is going to be involvement, it has to go beyond the city," Barrett said Tuesday.

Speaking before 200 people at a **Milwaukee Press Club** luncheon, Barrett's readiness to build a taxpayer-funded arena for the Bucks distinguishes him from **Gov. Scott Walker**, Barrett's Republican opponent in the June 5 recall.

BMO Harris Bank recently entered into a six-year, \$18 million naming rights agreement for the **Bradley Center**, the arena where the Bucks play now. Bucks owner Democratic **U.S. Sen. Herb Kohl**, who is retiring from office, said that gives Milwaukee just six years to finance, build and open a new arena for his team, which ended the season with the fifth-lowest attendance in the league.

"Yes, there is a timeline here," Kohl told the **Associated Press** news service.

While he declined to say what the Bucks would do if the city falls short, he offered a warning worthy of **Tony Soprano**: "That would not be a good place to get to. I can't anticipate what would happen, but that would not be a good place to get to."

Kohl has endorsed Barrett's gubernatorial campaign and made several appearances with Barrett last month. Taxpayers would be wise to ignore Kohl's threats.

Look just west of the city to **Miller Park**, home of the **Brewers**, for an example of publicly subsidized pro sports facilities. Original construction costs came in nearly \$100

million over budget. Since 1996, the **Southeast Wisconsin Professional Baseball Park District** — the quasi-governmental agency created by the Legislature to manage stadium finances — has collected less than \$377 million in sales tax.

That leaves taxpayers in Milwaukee, **Waukesha**, **Ozaukee**, **Washington** and **Racine** counties on the hook for the more than \$500 million it took to finance construction of Miller Park. Last year, taxpayers in the five counties contributed [\\$25 million](#).

"Whenever these deals happen, it seems that the owners are able to leverage the politician's incentives to look good in front of hometown fans to get sweetheart deals," said **Ilya Shapiro**, a senior fellow at the **Cato Institute**, a free-market think tank. "In terms of a business effect, it's generally a net zero in that people aren't spending their recreation dollars or entertainment dollars elsewhere. It's displacing other business activity.

"It might be something hometown politicians can use to wrap themselves in the team's colors. Taxpayers are left holding the bag."

The public subsidy of Miller Park cost then-state **Sen. George Petak**, R-Racine, his job in a 1996 recall vote.

Other Barrett boondoggles

Barrett also ripped Walker for turning down \$810 million in one-time federal stimulus funds for a high-speed rail line between **Madison** and Milwaukee.

"Poof!" Barrett said Tuesday as he threw up both hands, "\$810 million gone. Gone."

Walker rejected the funds, citing the projected operations cost of \$7 million annually — paid for not with federal funds but by Wisconsin taxpayers. In 2008, **California** residents voted for a \$33 billion high-speed rail. The projected costs quickly ballooned to \$42 billion. Now, taxpayer costs are estimated to be \$100 billion over 20 years.

But Barrett was non-committal about his support for another transportation project, the proposed [\\$64 million Milwaukee streetcar](#).

"The issue there now is going to be before the public service commission before we even move forward on that ... but I support a balanced transportation system. That means support for mass transit, for local streets," he said.

WE Energies, a Milwaukee utilities company whose management donated more than \$10,000 to Barrett's campaign, estimated its costs on the project at \$45 million. City **Alderman Bob Donovan** called for Barrett to put the plan on hold.

"I have no doubt in my mind the overwhelming majority of the citizens of Milwaukee do not support this," Donovan said at a Tuesday news conference. Though much of the \$64

million is supposed to come from federal transit dollars, Donovan contends that money can be spent on more urgent projects.

“If you’re going to have a streetcar, why not go to **Wall Street** and try to get it yourself?” said **Walter Block**, economist at **Loyola University** in **New Orleans**. “If a private company wants to have whatever — a stadium, a trolley line, a steel mill, whatever it is — then they can sell bonds, sell stock, try to raise the money.

“At bottom, what the city is doing is forcing people to contribute whether they want to or not. You’d see a great boom among the recipients. You don’t see the things that could have been built if people could have kept the money for themselves.”

The **Golden State Warriors** recently announced they’re moving to a new stadium in **San Francisco**. The cost to taxpayers? Zero.

“Building a world-class, state-of-the-art sports and entertainment facility will create thousands of new jobs for local residents,” said Warriors Co-Executive Chairman and CEO [Joe Lacob](#). “We are pleased to be privately financing the arena — with no money from the city’s general fund and no new taxes — and look forward to providing an incredible entertainment experience for **Bay Area** fans.”