

Terry Moulton: The true cost of the Bucks arena



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I'm sure many of you have been hearing about a proposal in the state budget to build a new arena for Milwaukee's professional basketball team, the Bucks. The current Bucks arena, the BMO Harris Bradley Center, was built in 1986 and the Bucks are almost certain to leave Milwaukee in 2017 if a newer, more modern arena is not built.

Unfortunately, when the current Bradley Center was built back in 1986, the state agreed to be responsible for the upkeep of the arena. Because of that agreement, the state is forced to be involved in any plans for the arena.

The Bucks are the main tenant of the current arena and if the Bucks were to leave Milwaukee, the state would be responsible for \$120 million in maintenance and debt service costs for the current Bradley Center. The state would also lose the income tax and other revenues generated by every NBA game played in the state, estimated to add up to \$419 million over the next two decades.

As a result, the governor has proposed a plan that would keep the Bucks in Milwaukee, get the state out of the arena business, and simultaneously create an economic development region in Milwaukee.

When Gov. Walker first proposed state aid for the new arena, the plan required the state to contribute \$220 million once the Bucks raised an additional \$300 million for the construction of the new arena. However, many legislators, including me, were not comfortable with \$220 million coming from state taxpayers.

After legislative leaders negotiated with city and county officials, a new proposal was introduced that requires greatly reduced state funding. The state is on the hook for no more than \$4 million per year over the next 20 years.

Meanwhile, \$47 million is coming from the City of Milwaukee, \$55 million from Milwaukee County, and \$93 million from the Wisconsin Center District (an organization that manages venues, including the UW-Milwaukee Panther Arena and Wisconsin Center in Milwaukee, and would manage the new arena).

In addition to building a new arena for the Bucks, these funds will help create an entertainment and shopping district around the arena. Milwaukee is a critical economic engine in Wisconsin, accounting for 35 percent of Wisconsin's economy.

Proponents of this new district believe that it will bring growth to Milwaukee's economy through the creation of jobs, additional consumer spending and increased tourism. It has been estimated that the arena and surrounding district will create \$500 million in economic growth for Wisconsin. The \$80 million investment that the state is making for a new arena is substantially less than the costs of letting the Bucks leave.

More importantly, before deciding whether to support this proposal, I want to be sure that there are safeguards for Wisconsin taxpayers.

The governor is promising no new taxes in order to fund the arena, using the economic growth Milwaukee gets from the arena and surrounding entertainment district to fund the state portion of the arena. Additionally, if the Bucks leave Milwaukee after the new arena is built, the team must pay back the public money, so taxpayers are doubly protected.

As always, if you have questions or comments about any state-related issues, you can contact me at Sen.Moulton@legis.wisconsin.gov or (888) 437-9436.