

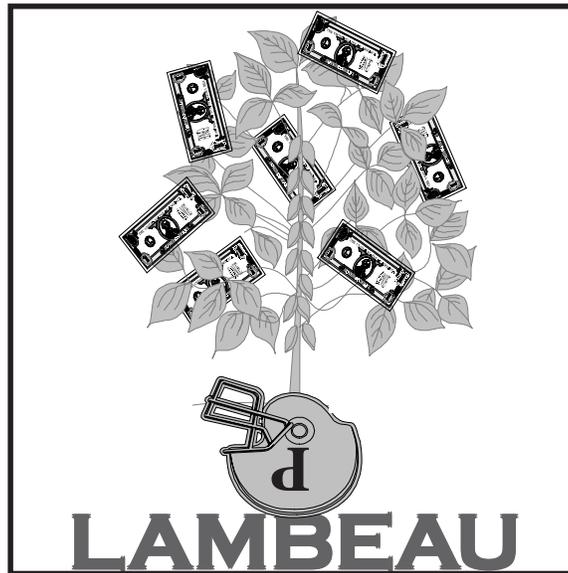
THE PACKERS AND PUBLIC FUNDING

JAMES H. MILLER

The day the giant crane known as Big Blue smashed into Miller Park the reverberations swept across Milwaukee and all the way up into Green Bay. Certainly in the short term the death of three ironworkers overshadowed any other issue, but the long term ramifications are beginning to be played out across the state. Perhaps for the first time the finances of the Green Bay Packers and the Milwaukee Bucks will be directly influenced by the Milwaukee Brewers. The hows and whys of this will produce some of the most interesting public policy debates in Wisconsin over the next several years.

Clearly the team with the most to lose from the Miller Park debacle was the Brewers. The shock of losing a new stadium for next season will certainly play havoc with their cash flow. The real question is will it also play havoc with taxpayers? Herein lies the impact that may actually spill over to the Packers and the Bucks.

As this piece is written, there is no way of knowing exactly what the economics of Miller Park will be. We have been told there is insurance, but who knows how much additional



money may have to come from the public. It is an answer that we may not find out until sometime in the next millennium. But it potentially opens up the same wounds that were exposed when the issue of the stadium was fought out several years ago.

Ironically, the team that may have the biggest problem because of Miller Park is the Bucks. It has been rumored around Milwaukee for the last year that Herb Kohl would like to see the Bradley Center renovated to produce additional income for the Bucks. Considering that it was originally a gift from Jane Pettit, that does not seem to be an outlandish request. Until Miller Park. Now the Bucks may face a very serious problem. If the Brewers need additional money, will Milwaukee area taxpayers be willing to step up with additional revenues to help the Bucks? For Herb Kohl this is a very serious dilemma. Besides being the owner, he is also a politician who is likely to seek office in Wisconsin once or twice over the next several years. Does he really want to be in a position where he goes out and asks the public to subsidize his team

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when he is a millionaire many times over? Another problem for Kohl is that he generously donated \$25 million to the University of Wisconsin for the Kohl Center in Madison. If he is willing to spend that much money on a project in Madison, will Milwaukee area taxpayers be inclined to subsidize him for a project here?

Then there is the question of public support. Last July, Harris Interactive (the company that does the Harris Poll) did a survey of 1000 Wisconsin residents. One of the questions dealt with fan support for Wisconsin sports teams. By far the team with the most support were the Packers, followed by the Badgers, then the Brewers and the Bucks. As you can see from the chart on the next page, the Packers without question have the most support in Wisconsin. Interestingly, both the Packers and the Badgers have a larger fan base in Milwaukee than either the Bucks or the Brewers. These results tend to confuse the question of whether there will be any real public support for any kind of additional aid for the Bucks and even the Brewers.

But then Miller Park will also have an impact on the Packers. Their problems are remarkably dissimilar to the Brewers or the Bucks. They begin with not only a large fan base, but being a Wisconsin institution. Their support cuts across all geographic and racial lines, and there are almost as many female as male fans. In addition, unlike the Brewers, there is no corporate welfare involved with the Packers. However one feels about supporting professional sports with tax money, there is little question that the owners of the Milwaukee Brewers will gain monetarily because of taxpayer support. The Packers do not have this problem because they are a not-for-profit team. Along the way the Packers have done something that the Brewers never did — they released their financial records. Certainly the Packers appear to be better positioned for public support than the Brewers.

Yet, even for them it will be a struggle. In the Harris poll, we asked Wisconsin residents whether they would support the idea of state

funding to replace or renovate Lambeau Field. The majority of residents said no. Interestingly, when it was pointed out to these people that the Packers were the only not-for-profit sports franchise in the United States, support went to almost 50-50. Herein lies the potential for the Packers to build public support. Clearly they have more good will than the other two major-professional sports teams in Wisconsin. But, unlike the Bucks and the Brewers, they have a problem that is unique. Today the only people who can see a Packer game in person are season ticket holders. In the past year, seven season tickets were turned over, with a waiting list approaching 50,000. The numbers are truly amazing. The people at the end of this waiting list are looking at approximately six millenniums before their names come up for tickets. In a situation like this, can the Packers really expect taxpayers to subsidize a stadium where they will never be able to attend a game. That is the one difference between the Brewers and the Packers. Anyone in Wisconsin can potentially attend a Brewers game. That is simply not the case today with the Packers. It is something that the Packers must come to grips with if they hope to get any kind of public financing.

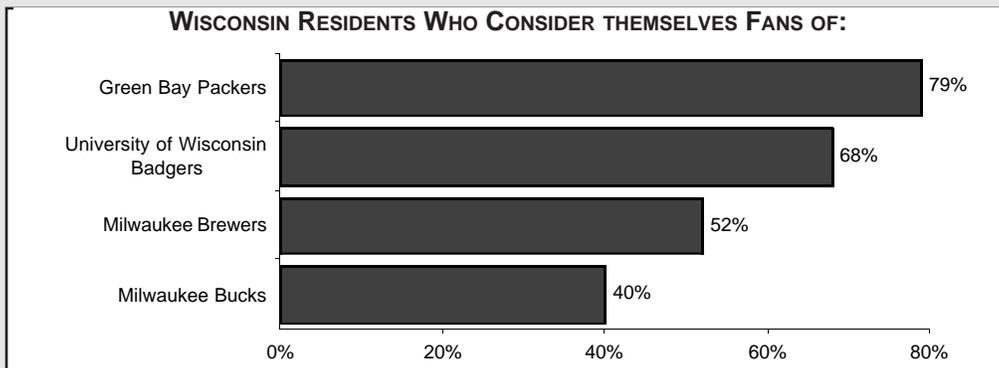
One idea that has been suggested is putting a personal seat license on season tickets. One possibility is to put a \$2,000 fee on each seat held by seven-game ticket holders. That would produce approximately \$110 million. For the three-game season ticket holders, a fee of \$1,000 would produce an additional \$55 million. Together you are looking at approximately \$165 million just from the season ticket holders. Again, one of the problems that the Packers have is the growing speculation that season tickets are held by corporations and not by individuals. Considering that they have a waiting list of 50,000, you would expect they would be able to raise an enormous amount of money by asking the fans who would directly benefit from a new stadium for financial support.

There is another way for the Packers to gain good will and potential support from taxpayers. Simply change the way season tickets are distributed. Before Milwaukee politicians managed to lose the Packer games at County

The Packer Poll

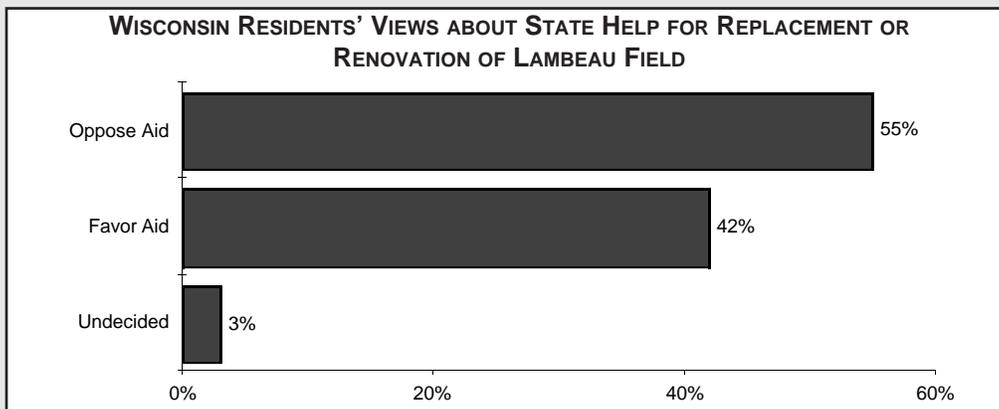
Between July 22 and July 28, 1999, the national polling firm Harris Interactive did a survey of 1002 Wisconsin residents who were 18 years of age or older. The sample was drawn from a list of telephone numbers generated by a computer. There were several questions asked about the Green Bay Packers.

Although eight out of ten Wisconsin residents consider themselves fans of the Packers, only 42% think the state should pay for the replacement or renovation of Lambeau Field. The Packers occupy a unique place in Wisconsin with only the Wisconsin Badgers attracting fan support at anything close to their level. The Packers' appeal is universal across the state. It is highest in the Waukesha County where 88% of the residents consider themselves fans, but in every area of the state at least 70% of Wisconsinites consider themselves fans. Men are only slightly more likely to be fans of the Packers than women, 81% to 77%. Both blacks and whites are fans, though whites (81%) more so than blacks(64%).



When residents were polled about their views regarding state help for renovation of Lambeau field only 42% favored aid while 55% opposed it. These views about providing state aid were not a function of where residents lived. Support for aid was actually higher in Waukesha County (51%) than in the Green Bay area (43%).

The one bright note for the Packers in terms of potential funding was that when opponents were reminded that the Packers were the only locally owned, not-for-profit team in any major league American professional sport, some then changed their minds. A plurality of 49% to 48% continue to oppose aid, with the balance undecided. There is no question that the Packers will face opposition to the idea of state or local funding. But the fact that our survey shows that the support is almost equal when the Packers begin telling their story, indicates that the quest for government money to improve Lambeau Field is not necessarily a futile one. There is some reason to think from this survey that there is still hope for taxpayer support, but it won't be easy.



Stadium, season ticket holders in Green Bay only had tickets for five regular games per season. Why not go back to a similar system? For example, if the Packers were to select one game a year, which would be approximately 55,000 tickets at Lambeau, they could set up a lottery where any fan in Wisconsin would be allowed to buy two tickets for a game. After attending a game, your name would be removed from the ticket lottery. If they spread it out over five years, you would be looking at approximately 275,000 people who would have the opportunity of going to a game at Lambeau who currently cannot. This would produce not only a stronger fan base, but also the goodwill necessary for getting taxpayer support.

There is little doubt that the Packers are going to need additional revenues in the future. It is simply the way professional sports is being run. And certainly if tax dollars can support a for-profit institution like the Brewers, there is no reason that a not-for-profit entity like the Packers shouldn't get some public funding. But the Packers must be flexible. They cannot expect that they are entitled to this money.

For better or for worse, entitlements have been ended for welfare recipients in Wisconsin. There is no reason why even a not-for-profit corporation should be allowed corporate welfare unless there is some direct benefit to the taxpayer.