



ROBERT BROOKS

STATE REPRESENTATIVE • 60TH ASSEMBLY DISTRICT

Hearing Testimony

Senate Committee on Government Operations

Wednesday, October 25, 2023

Chairman Stroebel and members of the Senate Committee on Government Operations, thank you for affording me the opportunity to testify in favor of Assembly Bills 438 and 439 and Senate Bills 482 and 483, relating to baseball park district administration and funding for improvement of professional baseball park facilities.

As most of you know, the State of Wisconsin owns American Family Field and the Milwaukee Brewers Baseball Club is our tenant. The Brewers' lease is set to expire in 2030; the State of Wisconsin has a contractual obligation to maintain the facility. Based on studies completed by both the Milwaukee Brewers Baseball Club and the State of Wisconsin, we are currently devoid of enough funds in the stadium board account to meet our current lease obligations. This puts the State of Wisconsin in jeopardy of a possible default and the Brewers leaving early. As such, it is imperative for the State of Wisconsin to take action sooner rather than later.

Understanding why this bill came to fruition and how the State of Wisconsin ended up in this predicament requires background information about the history of professional baseball financing. 1995 Wisconsin Act 56 established the Southeast Wisconsin Professional Baseball Park District to oversee the design and construction of a new stadium for the Milwaukee Brewers Baseball Club. To finance project costs, upkeep, and infrastructure improvements to the stadium, the District was authorized to issue revenue bonds and impose a local sales and use tax in Milwaukee, Ozaukee, Washington, Waukesha, and Racine Counties. The tax expired in March of 2020.

The Southeastern Wisconsin Professional Baseball Park District is a special district that is a local unit of government, a body corporate and politic that is separate, distinct and independent from the state.¹ The district is governed by a board comprised of six individuals appointed by the governor, two individuals appointed by the Milwaukee County Executive, and one individual appointed by each of the following: Milwaukee Mayor, the Racine County Executive, the Waukesha County Executive, the Chairperson of the Ozaukee County Board of Supervisors, and the chairperson of the Washington County Board of Supervisors. The powers and duties of the District are enumerated under Wis. Stat. subch. III or ch. 229. This subsection provides some

¹ The District is an independent body and no other entities secures its debt. In fact, Wis. Stat. 229.52 specifies that the state and the District's sponsoring municipalities are not responsible for the debt of the district. That said, however, there is a "state moral obligation pledge" under Wis. Stat. 229.53, which assures the District's bondholders that the state will not "limit or alter the rights and powers vested in the district" under statute before the District has fully met and discharged of its bonds and any interest due on those bonds.



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oversight authority to the secretary of the Department of Administration, specifically with respect to special debt service reserve funds.

To fund the construction of then-Miller Park, the state legislature, in 1996, imposed a six-county sales tax increase of 0.1 percent. The aforementioned sales tax was terminated on March 31, 2020. As of March 2020, shortly before elimination of the sales tax increase, "\$605 million had been collected to pay for the construction of Miller Park and the Stadium District's ongoing financial obligations to operate it. What is more, since 2001—the year American Family Field, then Miller Park opened—the Brewers have paid \$19.8 million in rent to the district and another \$106.8 million to maintain and enhance the park."² According to the *Milwaukee Journal Sentinel*, "The tax repays the \$290 million in construction debt plus interest for the stadium which opened in April 2001."³

According to the Metropolitan Milwaukee Association of Commerce, "Approximately \$605 million in contributions from the District have been used to fund the initial construction and ongoing maintenance of the ballpark over the past twenty-one years. The Brewers signed an initial thirty-year lease with the District to operate the building and play their home games therein. Since opening in 2001, the Brewers have paid the District \$19.8 million in rent."⁴

The Wisconsin Legislative Fiscal Bureau, in describing the stadium funding sources, wrote, "According to terms of the existing lease between the Southeastern Wisconsin Professional Baseball Park District and the Milwaukee Brewers Baseball Club, the District is responsible for certain lease obligations, including major capital repairs and necessary improvements related to the stadium, and maintenance and repairs associated with the stadium's retractable roof, among other obligations. Regarding the "necessary improvement" specified under the lease, the lease requires the district to make any and all necessary improvements to keep the stadium on par with the replacement components and upgraded facilities in use in at least seventy-five percent of all Major League Baseball stadiums"⁵

Where we are now and why this bill is of paramount importance:

- First, the State of Wisconsin is a principal owner of the stadium and a default on the lease obligations would be detrimental as the Brewers are American Family Field's only tenant.

² Taschler, Joe. "Five-county Miller Park stadium sales tax will go away on March 31 after 23 years. *The Milwaukee Journal Sentinel*, March 11, 2020. Retrieved from: <https://www.jsonline.com/story/news/2020/03/10/miller-park-board-end-sales-tax-helped-fund-brewers-stadium/5002966002/>

³ IBID.

⁴ Metropolitan Milwaukee Association of Commerce, "Economic, Tax Revenue, and Media Impacts of the Milwaukee Brewers Baseball Club and Miller Park," February 17, 2020, p.5.

⁵ Wisconsin Legislative Fiscal Bureau, "Baseball Park Lease Extension terms and funding assumptions," May 31, 2023.



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- The stadium is more than twenty years old and in need of constant renovations. For example, the stadium's air conditioning system is obsolete, making it nearly impossible to find replacement parts. In fact, just two of the stadium's three original chillers (used for cold water and air conditioning) are operational.
- The local sales tax has expired, leaving revenue sources for the maintenance and improvement of the stadium well short of what is needed.
- Having a professional baseball team provides profound economic benefits to Milwaukee, the surrounding communities and the entire state.

Assembly Bills 438 and 439 and Senate Bills 482 and 483 are the result of hundreds of hours of collaboration between stakeholders. In the past several weeks, I have met with the City of Milwaukee, County of Milwaukee and representatives from Governor Evers' office to discuss the bills and potential amendments. I look forward to continuing these conversations and working with stakeholders on all sides of the issue to ensure the Brewers remain in Milwaukee. These bills provide much-needed repairs to American Family Field and ensure the Milwaukee Brewers remain in Wisconsin through 2050. Furthermore, these bills direct state and local funding of a professional baseball park district, directs the district's use of those funds, and modifies the powers and ministration of the District.

The following represents an epigrammatic summation of the bills' core provisions:

- The bill contains a twenty-seven year lease term, keeping the team in Milwaukee until 2050.
- A new investment of \$100 million by the Milwaukee Brewers Baseball Club. This is more than double the team's current rent payment.
- More than \$200 million in local funding from Milwaukee County and the City of Milwaukee.
- The state's contribution will be covered by income taxes collected from the Brewers and visiting teams.
 - According to the non-partisan Legislative Fiscal Bureau—income tax generated within the stadium district is estimated to total \$643.6 million over the length of this lease. Keeping the Brewers in Wisconsin will net the state roughly \$232.1 million in income tax collection alone between now and 2020.
 - According to the Legislative Reference Bureau, \$1.6 million of state sales tax is attributed to the Brewers being located in Wisconsin. This estimate is fourteen percent of the \$11.2 million derived from taxable ballpark activities. The fourteen percent adjustment factor is the estimated percentage of out-of-state attendees at Brewers games. With three percent annual growth projected by the Legislative Fiscal Bureau, this would net an additional \$63.8 million over the life of the lease.
 - In total, according to the Legislative Fiscal Bureau, the state is projected to pull in nearly \$700 million in income tax revenue and direct sales tax revenue at the



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ballpark over the twenty-seven year lease. The state stands to net nearly \$300 million by keeping the Brewers here in Wisconsin.

- At least one home game each month of the season will be designated as a discount day for Wisconsin residents.

Since its formation in 1970, the Milwaukee Brewers Baseball Club, has generated massive support from Wisconsinites in all seventy-two counties, been an economic driver in southeast Wisconsin and a source of pride for our state. The Brewers relocating to another state would be a disaster for Wisconsin and result in a completely avoidable economic decline for all of the communities and counties dependent upon the team for sales tax revenue. According to the Metropolitan Milwaukee Association of Commerce, "For fifty years, the Brewers have been an economic asset for the City, County, and State. Since moving to Miller Park, the team has provided enhanced benefits to the local economy, attracting more than 2.7 million fans despite operating in the smallest market in Major League Baseball. The consistent impact of the Brewers has led to additional investment in the area surrounding the ballpark, and has helped maintain the economic stability of local businesses."⁶

Loss of the state's only tenant in American Family Field would result in billions of dollars in lost revenue, and all but guarantee Milwaukee will never again be the home of a Major League Baseball team. Every resident of Wisconsin would be adversely affected if the Brewers left Milwaukee. These bills appropriate money for much-needed upgrades to American Family Field does not increase the sales taxes on hardworking Wisconsinites and ensures that professional baseball remains in Milwaukee until at least 2050.

Assembly Bills 438 and 439 and Senate Bills 482 and 483 benefit every community in Wisconsin. Thanks to the new shared revenue formula, every community in the state benefits from every dollar spent at the district. Currently, sales in the stadium alone exceeds \$225,000,000 and will grow with winterizing the stadium.

I am happy to answer any questions you have regarding these bills and look forward to working with stakeholders to ensure the Brewers remain in Wisconsin through 2050.

⁶ Metropolitan Milwaukee Association of Commerce, "Economic, Tax Revenue, and Media Impacts of the Milwaukee Brewers Baseball Club and Miller Park," February 17, 2020, p.4.



DAN FEYEN

STATE SENATOR

18th Senate District
(608) 266-5300
Sen.Feyen@legis.wi.gov

PO Box 7882, Madison, WI 53707-7882
<http://legis.wisconsin.gov/senate/18/feyen>

To: The Senate Committee on Government Operations
From: Sen. Dan Feyen
Re: Senate Bill 482 and 483

Hello, Chairman Stroebel and members of the committee, thank you for taking the time to hear public testimony on this incredibly important legislation.

First things first, I think we can all agree that the City and County of Milwaukee and the State of Wisconsin as a whole, are better off with the Milwaukee Brewers playing baseball here in Wisconsin. The Brewers have been a source of pride, excitement, and an economic engine for the entire state for 53 years. The goal of this legislation is to make sure the Brewers continue to play Major League Baseball in Wisconsin through at least 2050.

This bill provides the necessary investments to not only maintain the stadium, but to keep American Family Field as one of the premier ballparks in America. The bill reshapes the Stadium District Board and provides one time funding for winterization, maximizing the usefulness of the stadium and allowing it to be used year-round.

It is important that people understand the situation and how we got to this point. Currently, the state is the principal owner and is responsible for American Family Field. The team is the only tenant. This puts us on the hook for the entire stadium if the Brewers were to ever leave. An empty ballpark and parking lot does very little good for anyone in Milwaukee or the rest of the state. If American Family Field was suddenly empty, the state would incur the cost to demolish. The City and or County would then have to redevelop the area. This is not to mention the loss in sales tax revenue from game day, tourism revenue from fans visiting and staying in Milwaukee, and the income tax that is generated by Brewers players, Brewers employees, visiting players, and visiting team's employees.

And let me be very clear, if the Brewers leave Wisconsin, the odds of us ever seeing Major League Baseball in our state again are incredibly low.

This stadium needs a lot of work. It is now more than 20 years old and is running off of only two of its three chillers, which cool the park and its running water. It is in desperate need of upgrades to its equipment, much of which is now too obsolete to even locate parts for. We need to stay ahead of the curve on stadium updates to ensure American Family Field remains a state-of-the-art venue now and into the future.



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The bill provides \$25 million for the winterization of American Family Field. As of right now, the stadium is unable to host winter events because it is not fully enclosed and has a lack of heating capacity. This funding will allow American Family Field to become a year-round destination, hosting concerts, conventions, and other sporting events. All of this will boost visibility and tax revenue for both Milwaukee and the state.

There have been concerns raised about public tax dollars going to a privately owned team. I cannot stress this enough, no tax dollars are going directly to the Brewers. The money that both the state and locals are contributing will be allocated to the Stadium District Board. The Board will have to vote on expenditures, this will provide accountability and transparency for the public's investment.

On top of that, the state tax dollars going into this deal are the income taxes collected from the teams playing on the field and the team employees. If you don't play or work for a Major League team, your state tax dollars are not going towards the upkeep of the stadium. This means that a person living in Vilas County will not see one dime of their income taxes go towards keeping the Brewers here. Conservative estimates have the State of Wisconsin taking in \$630.5 million in income taxes from player and team employee salaries through the end of this lease. The state will bring in \$219 million more throughout the lifetime of this deal than we will be putting in. Additionally, it is estimated that state and local tax revenues under this lease will total \$887.7 million. This is a good deal for Wisconsin.

This opportunity would not have come together without a significant contribution from the team itself. Throughout this process, the Brewers have maintained their desire to stay here in Wisconsin. To back up this sentiment, the Milwaukee Brewers are committed to \$31.6 million to continue their current rent, \$50 million in additional rent payments, and \$50 million in new capital projects. The Brewers are bringing \$132 million to the table.

Lastly, we are continuing to make this bill better. We have been in ongoing dialogue with Representatives from the County and City of Milwaukee as well as members of the legislature on both sides of the aisle. We are open to suggestions or tweaks that can improve this bill. We all want the Brewers to remain in Wisconsin, this bill is our opportunity to make it happen.

Testimony of Tim Sheehy, Chair, Southeast Wisconsin Professional Baseball Park District Board. October 25, 2023

As Chair of the district park board, I respect the diligent work done by current and prior board members, staff, and the Brewer management to put us in position to have a team in the smallest market in major league baseball playing in the same stadium for 49 years. It is testament to the district's partnership with the Brewers.

Board makeup. The district park board came into existence prior to construction of (then) Miller Park. It oversaw the construction of Miller Park, negotiated the current lease, within the guidelines of the memorandum of understanding and enabling legislation, which began in 2001 and runs through 2030-with a team option to extend this lease in 5-two-year increments through 2040. And since 2001 the district has overseen the capital improvements and maintained the stadium in partnership with the Brewers.

There are 13 board members. (6) appointed by the Governor. Of those six, 5 are from the taxing counties, and one is at large (me). (6) appointed by the taxing counties, Ozaukee, Racine, Wahington, Waukesha, and Milwaukee (which has two), and (1) by City of Milwaukee. We have one current vacancy, Ozaukee.

Role of the board.

- Serve as fiduciaries of the public funding to build Miller Park and maintain American Family field in accordance with the lease.
- Meet the obligations of our partnership with the Brewers under the terms of our lease agreement.
- Keep American Family field in the condition required to host a Major League baseball team.

District Finances. Since our inception, the district has collected \$609M in sales tax revenue, roughly half of that from Milwaukee County. This funding went to construct the stadium, pay off the borrowing (bonding), fund subsequent capital improvements. District operations/insurance are largely covered by the rent the Brewers pay.

Since the construction of Miller Park, the District has largely expended its funds on capital improvements and maintenance in accordance with the lease provisions.

A good picture of these expenditures can be gleaned from the last decade.

- \$41.4 in capital improvements were made from 2014- '23.
 - 40% or \$16.5M were for communication equipment, notably audio system, broadcast, and video boards. (Recent this year)
 - 22% or \$9M was spent on roof repairs and maintenance.
 - 21% or \$8.5M on infrastructure, pavement, seats, lighting

- Capital improvements over this ten-year period averaged \$4.2M a year. The past two years are the highest at \$8M, and \$13M respectively.

The expenditures are a testament to the age of the facility, and the replacement of major capital items like video board and control room.

Urgency for legislative action. The district is nearing the end of its lease (2030). We have limited funds set aside for a lease that does not require limited expenditure. The district now has an inherent conflict determining how best to spend our remaining funds, while meeting our leasehold obligations. And those obligations may in fact outstrip our ability to comply with the necessary capital improvements.

The district is managing a 22-year-old building in need of an increasing number of capital replacements, and increasing costs for these capital projects. Without clear direction from a new lease and funding that matches that lease, the district board is placed in a position of making determinations about what we can afford to replace, given our current funding, while still meeting the obligations to the team under our lease.

We have a tenant willing to sign a new lease for 27 years, but until that is settled law, we are not sure, for example, whether a kitchen remodel makes sense, or whether to put in new bathrooms. The further this uncertainty extends, the more challenging these decisions become, and the more precarious it is to balance the district's finances.

Conversely, if the tenant views the landlord (district) as inherently unable to meet the required improvements, there is no way they would pick up the five 2-year extensions under the current lease.

The district has a finite source of funds and we must manage our current capital against the current lease. We can't guess at what may or may not pass as legislation. So, we are in no-man's land.

I can't tell you with certainty that the district's existing finances can meet all our lease requirements through 2030. In addition to potential roof repairs, any calculation requires an assessment of "a known, unknown".

For example, the lease requires the district to meet certain capital improvements when they occur in 75% of other MLB ballparks. And those improvements must fall within the top 25% of MLB ballparks.

Lesson learned. Avoid matching a finite funding source with an open-ended obligation to fund capital improvements.

To make this contrast clear, if the district expended all its funds through 2030, the district estimates it can cover up to **\$8.4M a year** in capital improvements. This accounts for cash on hand, investments, future revenue from team contributions, and the sale of license plates. While utilizing all assets set aside for 2031-2040.

The Brewers through their consultant VSG identified the need to spend **\$24M** a year through 2040 to keep the ballpark in MLB condition.

The state, through its Division of Facilities and Development hired ICON Venue group to review the VSG study and its recommended capital improvements from 2023-2040.

ICON noted in reviewing the VSG study that capital expenditures could run from between **\$31-35M** a year through 2040.

Back to the urgency. Under a 2030 spend down scenario, the district has **\$8M** to spend per year, VSG says **\$24M** is needed, and ICON states **\$30-34M** may be necessary.

If the goal is to meet our obligations through the end of the 2030 lease, we "might" make it. But making it means we have a stadium in need of further repair, without a tenant as the gateway to Milwaukee from the west.

If we have a new lease through 2050, then it seems obvious that the VSG and CAA ICON studies provide a solid road map for the funding necessary and the parameters for this new lease.

Notes. The lease fuse was lit in 2001, it has burned true to projections for 22 years. The fact that it is not pinpoint accurate in estimating capital costs 30-40 years in the future is not the fault of the district or team.

Given the best information at the time, the sales tax was hit out of the park in 2020, there is no throwing it back on the field.

This is a new ballgame with the Brewers communicating their interest in extending American Family field as their home through 2050.

District operating expenses over the past decade range between \$900,000 and \$1M per year. Those costs cover contracted staff, technical advisers, and project management. Significantly, the insurance premiums for the property account for between 18-34% of the district's lean operating budget.

The district has an annual financial audit completed each year, and it is shared publicly.

Southeast Wisconsin Professional Baseball Park District
 2014 - 2023 Segregated Reserve Fund Expenditures Summarized by Category
 September 29, 2023

Category	Amount
ADA Improvements	\$ 426,757
Heating, ventilation, air conditioning (HVAC)	\$ 2,295,110
Fire detection and suppression system	\$ 2,015,246
Audio system replacement	\$ 3,457,177
Broadcast upgrades	\$ 4,600,000
Video boards	\$ 8,514,422
Structural steel painting	\$ 2,169,569
Plumbing / storm sewer	\$ 552,641
Retractable roof major capital repairs	\$ 1,140,835
Retractable roof maintenance and repairs	\$ 3,090,164
Retractable roof control system replacement	\$ 1,290,993
Retractable roof membrane replacement	\$ 2,328,228
Roof replacement (non-retractable roofs)	\$ 1,134,139
Stadium seat replacement	\$ 1,644,814
Lighting	\$ 2,370,158
Environmental / stormwater permit	\$ 431,243
Pavement / concrete / inlets	\$ 1,976,201
Other/Misc (building envelope, site, security, etc)	\$ 1,924,906
Total	\$ 41,362,604

SRF Budget Year	
2014	\$ 1,826,702
2015	\$ 1,261,186
2016	\$ 1,117,664
2017	\$ 1,687,459
2018	\$ 1,239,040
2019	\$ 3,373,855
2020	\$ 5,664,447
2021	\$ 3,603,360
<i>Projected</i> 2022	\$ 8,097,631
<i>Projected</i> 2023	\$ 13,491,260
Total	\$ 41,362,604

Southeast Wisconsin Professional Baseball Park District

Projected 2024 - 2040 Segregated Reserve Fund Expenditures Summarized by Category
September 29, 2023

	Amount
Retractable roof maintenance and repairs	\$ 6,740,000
Retractable roof major capital repairs / membrane replacement	\$ 10,775,000
Building system (HVAC, plumbing)	\$ 3,100,000
Elevator / escalator / lifts	\$ 3,710,000
Pavement / concrete / inlets	\$ 4,205,000
Environmental / stormwater permit	\$ 575,000
Other Prioritized Projects (building envelope, site, security, etc)	\$ 7,671,000
Building automation	\$ 1,189,000
Video boards	\$ 8,500,000
Stadium seat replacement	\$ 3,800,000
Total	\$ 50,265,000

Southeast Wisconsin Professional Baseball Park District
 October 3, 2023

Available Capital Funding

Current Balance (8/31/23)	Through 2030	Through 2040
SRF	\$ 7,128,100	\$ 7,128,100
Stabilization (1)	\$ 24,666,124	\$ 24,666,124
Maintenance & Capital Improvement	\$ 1,171,419	\$ 1,171,419
Asset - Liability Matching Fund (5)	\$ 16,973,121	\$ -
Subtotal	\$ 49,938,764	\$ 32,965,643
Future Deposits		
Total SRF deposits per lease agreement (\$2.5M/year)	\$ 17,500,000	\$ 42,500,000
Estimated Maintenance & Capital Improvement fund deposits (\$300k/year)	\$ 2,100,000	\$ 5,100,000
Estimated future interest earnings @ 1% interest (2)	\$ 760,000	\$ 2,000,000
Subtotal	\$ 20,360,000	\$ 49,600,000
Total Current Balance + Future Deposits	\$ 70,298,764	\$ 82,565,643
2022 – 2023 Encumbered SRF Projects	\$ (11,180,000)	\$ (11,180,000)
TOTAL AVAILABLE FOR CAPITAL PROJECTS	\$ 59,118,764	\$ 71,385,643
TOTAL AVAILABLE FOR CAPITAL PROJECTS PER YEAR	\$ 8,445,538	\$ 4,199,155
	<i>(2024 - 2030)</i>	<i>(2024 - 2040)</i>

Approximate 0.1% Stadium Tax Contribution to Total Available For Capital Projects

Current Balance (8/31/23)		
SRF (3)	\$ 6,272,728	\$ 6,272,728
Stabilization	\$ 24,666,124	\$ 24,666,124
Future Deposits		
District SRF deposits per lease agreement (\$2.2M/year) (4)	\$ 15,400,000	\$ 37,400,000
2022 – 2023 Encumbered SRF Projects	\$ (11,180,000)	\$ (11,180,000)
Total Approximate 0.1% Stadium Tax Contribution	\$ 35,158,852	\$ 57,158,852

Notes:

(1) For both capital projects and operating expenses (e.g., property insurance premium) that are higher than estimated. Assumes no use for operating purposes.

(2) This analysis assumes level spending each year.

(3) Assumes portion of current balance is from Team Deposit.

(4) Includes AMRC payment Team has pledged to the SRF.

(5) Funding through 2030 assumes use of the Asset-Liability Matching fund US treasuries (8/31/23 market value) dedicated to 2031 - 2040.

US Treasury				
Year	Mature Date	For Funding Year		8/31/2023 Value
1	11/15/30	2031	\$	1,973,450.40
2	11/15/31	2032	\$	1,910,216.00
3	11/15/32	2033	\$	1,838,598.00
4	11/15/33	2034	\$	1,773,574.60
5	11/15/34	2035	\$	1,712,723.95
6	11/15/35	2036	\$	1,680,967.60
7	11/15/36	2037	\$	1,618,249.50
8	11/15/37	2038	\$	1,554,762.20
9	11/15/38	2039	\$	1,487,437.05
10	11/15/39	2040	\$	1,423,141.80
			\$	16,973,121.10

Southeast Wisconsin Professional Baseball Park District
 2013 - 2022 Operating Expenditures

	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
Operations, Management and Administration	\$ 696,044	\$ 720,308	\$ 768,510	\$ 626,363	\$ 577,962	\$ 644,271	\$ 868,422	\$ 940,862	\$ 798,142	\$ 727,847
Property Insurance Premium	\$ 209,420	\$ 214,701	\$ 220,927	\$ 187,939	\$ 200,458	\$ 166,990	\$ 167,012	\$ 136,738	\$ 204,379	\$ 377,581
Total	\$ 905,464	\$ 935,009	\$ 989,437	\$ 814,302	\$ 778,419	\$ 811,261	\$ 1,035,434	\$ 1,077,600	\$ 1,002,521	\$ 1,105,428

**TESTIMONY BEFORE THE SENATE COMMITTEE ON GOVERNMENT OPERATIONS
CRAIG DICKMAN & ROB ZERJAV
WISCONSIN TIMBER RATTLERS**

Good afternoon. Chair Stroebel, Vice Chair Bradley, esteemed Committee Members,

I'm Craig Dickman, the principal owner, and Chairman of the Wisconsin Timber Rattlers – and I am joined today by Rob Zerjav – the President & CEO of the team.

As background, I am a Wisconsin native who has lived – and worked – in this State my whole life. In addition to being an owner of the Timber Rattlers, I have been an active entrepreneur who currently leads TitledownTech, a firm that invests capital and resources to help build startup companies – focused on Wisconsin. Previously, I started my own company – Breakthrough Fuel – that became a leading supply chain company in the country and ended up doing business in 47 countries, all while based in Wisconsin, as it still is. And prior to that, I led another company, Paper Transport, and was part of helping it grow from 85 people to more than 1300, still headquartered in Wisconsin.

Simply, my life has been building business and economic value in Wisconsin. And that is one reason why this is so important to me. I see the Milwaukee Brewers – not only as an important partner – but a critical part of our Wisconsin economy and culture.

The Timber Rattlers, located in Outagamie County, are the High-Class A affiliate of the Milwaukee Brewers. We are one of 120 communities, across the Country, that have an affiliation with a Major League team. And while we operate independently, shouldering our own successes and challenges, our bond with the Brewers underlies our ability to operate a viable organization and deliver an exceptional experience for our fans.

A few years ago, Major League Baseball contracted and eliminated 40 Minor League teams. We survived, largely thanks to investments we were willing to make in our team and ballpark, and because the Milwaukee Brewers actively advocated on our behalf. This underscores the Brewers' far-reaching impact, extending well beyond Milwaukee.

ROB -----

Good afternoon and thank you for the opportunity to speak in support of the bills in front of this Committee today.

As Craig mentioned, I am currently the President & CEO of the team, a position I have held for 21 years. My journey with the team began as an unpaid intern, more than 26 years ago, and led me to hold literally every job at the ballpark. This experience has provided me with a unique vantage point on the impact of our partnership with the Brewers.

We recently completed our 15th season as the Brewers' affiliate. Our transition to the Brewers, from the Seattle Mariners, wasn't just a change of logo – it was transformational. The impact of the Brewers partnership was immediate and significant. In our first year as the Brewers's affiliate, our attendance increased by more than 30%. And whenever a Brewers player comes to Appleton for rehabilitation, we see a direct increase in attendance. This shows the magnetic allure the Brewers hold across the State.

This has allowed us to build a strong organization here in Wisconsin. We currently employ 30 full-time people and have more than 400 part-time game day and hospitality people. In addition to 66 baseball games per year, we operate another 200 events at the ballpark annually. And, this core enables us to extend to our operation of the Fond du Lac Dock Spiders, an independent team that has another 4 full-time and 100 part-time people employed in the area.

Our team is a gathering point for fans and families stretching across eastern Wisconsin. Fans, young and old, converge with shared excitement. Our games are not just events; they are collective experiences. And it all begins with our affiliation with the Milwaukee Brewers.

CRAIG -----

Rob's insights illuminate the depth of our connection with the Brewers and the broader community. This is more than business—it's tradition, pride, and a legacy interwoven with Wisconsin's identity.

Economically, the Brewers invigorate local businesses, spur employment, and boost tourism. But beyond metrics, baseball possesses an intangible value, etching memories, uniting families, and bridging generations.

Now, we stand at a pivotal juncture. The legislation before you can secure a legacy that has warmed the hearts of Wisconsinites for generations or risk an irreplaceable loss. We ask you to support this bill. Together, let's continue the rich tradition of baseball in Wisconsin and ensure that the rhythm of bats and cheers echo for many more generations to come.

AMERICAN FAMILY FIELD TESTIMONY

12:30 p.m.

Oct. 25

State Capitol

- Hello, members of the senate Committee on Government Operations.
- Thank you so much for the opportunity to testify before you today.
- I'm Claire Koenig, communications and public affairs director for VISIT Milwaukee, which has the honor of driving economic impact to the Greater Milwaukee area through tourism. We happen to have the best jobs in the region – we get to be cheerleaders for all of the good things *brewing* in Milwaukee, and we get to drive tourism to the community by promoting the work of our restaurants, museums, arts and cultural attractions, as well as our beloved sports teams and their home fields.
- There is no denying that Milwaukee is a sports city – and one that punches above its weight in just about every respect.
- In Milwaukee, we wait for hours to welcome a new player to our team, we parade through the city for our champions, and we pack parking lots to the gills hours before the first pitch just to gather and celebrate the team we love.
- It won't surprise you to learn this from a tourism bureau, but I'm happy to report that visitors from around the country also come in droves to experience what it's like to love professional sports in Milwaukee.
- The perfect example of this is American Family Field, which has become one the region's top attractions, drawing over 2.4 million attendees in the 2022 season alone – a figure that doesn't include the tens of thousands of fans that sell out the stadium for A-list concerts and events. While many of those attendees come from Milwaukee and the surrounding counties, nearly 40% travel from over an hour away and have become some of our favorite visitors.
- Why? Because those who travel farther to get here tend to stay longer and leave behind more money, ultimately contributing to the \$6 billion dollars tourism contributes to the Greater Milwaukee area each year.
- According to our data, over 36% of all American Family Field visitors stay overnight in Milwaukee, generating revenue not just for our hotels and short-term rentals but for restaurants, bars, attractions, ride-share companies, tour companies, retailers and more that they frequent when they're here.
- As much as it pains me to say this, Cubs fans, Cardinals fans and Twins fans are especially wonderful for Milwaukee because of how long they stay and how many

different tourism businesses benefit from their time in here. Just ask some of our most popular attractions like the breweries and museums who can see some of their best weekends of the summer during those rivalry games.

- Because of this, it's no wonder that since opening its doors in 2001, American Family Field has contributed \$2.5 billion dollars in economic impact to our economy, contributing \$24 million annually in net new tax revenue to the state while supporting 3,000 jobs in 2022 alone – most of which are hospitality jobs.
- On top of what Brewers baseball does for our economy, we can't forget that they have also brought in those A-list performers like George Strait, Morgan Wallen, and Pink!, who drive hotel occupancy throughout Milwaukee County to nearly 100%. In 2022, in fact, just *five* nights of American Family Field concerts generated \$9 million in revenue for Milwaukee's hotels alone.
- American Family Field is the only venue of its kind for our market and we wouldn't get those acts, those music fans, or those baseball fans – and the revenue they generate for our hospitality community – without it.
- The ballpark and the Brewers are also a symbol of the pride we have for our community and they set us apart from even bigger markets without MLB teams. Just like the Packers and Bucks, they are *Wisconsin's* team and we couldn't be more proud to have them in our backyard.
- This is why I'm urging you today to continue to support the bipartisan solution proposed in Senate Bills 482 and 483 that secures American Family Field and Brewers baseball *in Wisconsin* for the next generation. We believe there is robust, bipartisan statewide *behind you all the way*.
- Thank you so much for your time and all of the consideration you've given this issue, and thank you again for allowing us the opportunity to testify before you today.



To: Members of the Senate Committee on Government Operations

From: Megan Novak, State Director, Americans for Prosperity - Wisconsin

Date: October 25, 2023

Subject: Protecting Taxpayers

Chairman Stroebel, and members of the Senate Committee on Government Operations, thank you for the opportunity to provide testimony today on Senate Bills 482, 483, and the Assembly companion bills. I regret not being able to testify in person today, however a prior family obligation requires me to be out of Madison this afternoon.

Americans for Prosperity – Wisconsin believes spending bills that the Legislature considers must first and foremost protect taxpayers – and the bills before you today do not yet meet this goal, in part because of the one-sided deal that was signed in the 1990s between the State and the Brewers. That deal put taxpayers last, and the legislation before the committee today would not make needed improvements to start better protecting taxpayers. We understand that there are certain contractual obligations that must be met as a result of this deal and how the stadium ownership is currently structured. We are not opposed to the state meeting its contractual obligations.

When it comes to taxpayer protections, AFP-Wisconsin is concerned that this proposal:

- Does not require an audit of the stadium district, especially after the Legislature recently eliminated the previous 0.1% sales tax with assurances that the District was financially sound;
- Does not include claw back provisions to recoup taxpayer dollars if the team is sold;
- Does not push to renegotiate the original one-sided deal between the state and the team;
- Does not account for future reductions or elimination of the income tax between now and 2050 in using the ‘jock tax’ to fund this proposal; and
- Does not require a user fee or ticket surcharge like in the previous deal for the Bucks’ stadium, so those using the stadium the most are also helping to pay for the upkeep.

As you all know, Wisconsinites in every corner of the state are struggling in the current economy. On top of this sluggish economy, Governor Evers’ irresponsible vetoes and veto threats have prevented taxpayers from seeing needed and significant income tax relief passed by the Legislature. If the Legislature continues to move forward with a deal for the Brewers, we urge negotiations include an income tax cut that is far greater than any amount spent on a deal.

In closing, Wisconsin taxpayers deserve protection and a significant tax cut. We urge our elected officials to prioritize taxpayer protections, such as an audit, claw backs, a renegotiated contract and user fee, along with a substantial income tax cut as negotiations continue. Thank you, Chairman Stroebel and committee members for the opportunity to provide comments on this important issue today.