


Office of the Comptroller

# Milwaukee County

Scott B. Manske • Comptroller

Date: October 10, 2019  
To: Chairman Theodore Lipscomb, Sr., Milwaukee County Board  
From: Scott Manske, Comptroller   
Re: Questions Regarding the Milwaukee County Contribution to the New Arena (Fiserv Forum)

---

The following are responses to questions raised by the Finance and Audit Committee of the Milwaukee County Board at its meeting on October 8, 2019. The responses are based on a review of bond documents for the Wisconsin Center District, State Statute, and conversations with the Wisconsin Center District.

**Are the Bucks or the Deer District LLC, who leases the arena, paying property taxes on the new arena?**

The Wisconsin Center District ("District") operates the Wisconsin Center convention facility and other downtown venues. The District owns but leases to Deer District LLC ("ArenaCo") the Fiserv Forum and immediate surrounding improvements ("Arena") as well as the underlying land ("Arena Land"). The District is exempt under Wisconsin law from real property taxes and, thus, is not required to pay any real property tax related to the Arena and/or Arena Land. To the District's knowledge and information, certain land surrounding the Arena and Arena Land has been purchased by affiliated entities of ArenaCo, and thus is subject to real property tax. Certain of these surrounding properties, and the Arena and Arena Land are part of a larger City of Milwaukee ("City") Tax Incremental District (TID #84). The City issued bonds in the amount \$20 million to help make improvements within TID #84, which represents a portion of the City's contribution towards the development of the Arena. Any incremental real property tax payments related to such improvements will go first to pay off the debt issued by the City for TID #84.

**What does the annual \$4.0 million contribution from Milwaukee County pay for?**

The County, as required by State Statute, will contribute a total of \$80 million, payable in increments of \$4.0 million per year for a period of twenty years towards the building of the Arena. The County's payment is made by the State of Wisconsin reducing the County's annual shared revenue payment. The County's contribution is really an offset of the State of Wisconsin's annual appropriation of \$8.0 million to pay debt service on bonds that were issued to partially fund the Arena project, and is used towards paying both interest and principal on such bonds. Per Statute, the State's contribution of \$8.0 million less the County's shared revenue reduction will require the State to fund a \$4.0 million per year for a period of twenty years. Total principal and interest payments due on that debt issuance are \$159.85 million.

**What is the ticket surcharge that the Deer District LLC is paying for events at the new arena: Fiserv Forum?**

Under an agreement that the District has with ArenaCo, and in accordance with Wisconsin State Statutes, ArenaCo pays the District rent and a ticket surcharge related to the use of the Arena. ArenaCo is required to collect and remit to the District a \$2 surcharge on certain tickets sold for certain events at the Arena, which is divided between the State and the District. Specifically, per Wisconsin Statute § 229.445, “[Twenty-five] percent of the amount received under this section [shall be distributed] to the Department of Administration for deposit into the general fund and [the board of directors] shall retain the remainder for the [D]istrict.” The proceeds from the \$2 surcharge are expected to be approximately \$2.0 million annually, of which 25% (or approximately \$0.5 million) will be retained by State of Wisconsin.

**Can Milwaukee County assess a ticket surcharge on the new arena to help offset its annual \$4.0 million contribution?**

The County cannot assess an additional ticket surcharge without statutory approval by the State of Wisconsin.

Cc: Finance and Audit Committee of the Milwaukee County Board  
Joseph Lamers, Director - Performance, Strategy, & Budget  
Steve Cady, Research and Policy Director  
Janelle Jensen, Administrative Secretary Chief Committee Clerk  
Shanin Brown, Committee Coordinator