

ACTIVITY 15.4

The House That Peyton Manning Built?

On August 24, 2008, the Indianapolis Colts cut the ribbon on their new home, Lucas Oil Stadium. Peyton Manning, an NFL Most Valuable Player, was the quarterback for the Colts at the time and Lucas Oil Stadium was referred to as “the house that Peyton built.” But that label, while charming, is inaccurate. Lucas Oil Stadium might be more accurately called “the house that Central Indiana citizens built.” The estimated cost to build the stadium in downtown Indianapolis was between \$699.2 million and \$719.6 million. Of this cost, the Indianapolis Colts (Peyton Manning’s employer until 2012) spent only \$100 million. The remainder was financed with funds raised jointly by the State of Indiana and the City of Indianapolis. In order to meet these obligations, the Indiana General Assembly authorized Marion County (where Indianapolis resides) to raise taxes on food and beverage sales (1 percent increase), auto excise taxes (2 percent increase), innkeeper’s taxes (3 percent increase) and admission (to the stadium) taxes (1 percent increase) for its share of the costs. The General Assembly also approved food and beverage tax increases (1 percent increase) in eight counties that surround Marion County (so-called donut counties). Finally, the State of Indiana contributed all proceeds from the sale of special Colts license plates. The stadium is now managed by the Capital Improvement Board.

For their part, the Colts financed two-thirds of their \$100 million share of the cost of the stadium through local-government-issued bonds and now pay only a very small fee—\$250,000 a year—to use the stadium.

1. Who benefits from the State of Indiana and the City of Indianapolis’s decision to use a variety of taxes to pay for almost all the construction costs of Lucas Oil Stadium?

2. Are the benefits concentrated among relatively few people?

Reading developed from http://www.lucasoilstadium.com/pdf/LOS_Guest_Info_Guide.pdf, <http://www.bloomberg.com/news/2012-02-02/super-bowl-lands-on-taxpayers-backs-as-stadium-deal-turns-sour.html>, and http://en.wikipedia.org/wiki/Lucas_Oil_Stadium.

