



Miami-Dade County Board of County Commissioners

Office of the Commission Auditor

Board of County Commissioners
Special Meeting

April 10, 2013
12:00 P.M.
Commission Chamber

Research Division

Charles Anderson, CPA
Commission Auditor
111 NW First Street, Suite 1030
Miami, Florida 33128
305-375-4354

**Board of County Commissioners
Special Meeting- April 10, 2013
Research Notes**

Item No.	Research Notes
Special Item No. 1 130682	<p>RESOLUTION CALLING A COUNTYWIDE SPECIAL ELECTION IN MIAMI-DADE COUNTY, FLORIDA, HELD ON TUESDAY, MAY 14, 2013, FOR THE PURPOSE OF SUBMITTING TO THE ELECTORS OF MIAMI-DADE COUNTY THE QUESTION OF WHETHER TO APPROVE THE PROPOSED USE OF ADDITIONAL TOURIST ROOM TAXES FOR MODERNIZATION OF SUN LIFE STADIUM</p>
Notes	<p>The proposed resolution approves a countywide special election on May 14, 2013, for the purpose of submitting to the qualified electors of Miami-Dade County the following ballot question:</p> <p style="text-align: center;">MODERNIZATION OF SUN LIFE STADIUM USED BY DOLPHINS AND HURRICANES</p> <p>RESOLUTION []-13 PROPOSES USING 7,500,000 DOLLARS A YEAR, ADJUSTED ANNUALLY FOR GROWTH, FROM ADDITIONAL TOURIST ROOM TAXES TO BE LEVIED TO MODERNIZE STADIUM CONDITIONED ON:</p> <ul style="list-style-type: none"> • DOLPHINS' REMAINING LONG-TERM IN COUNTY; • PRIVATE FUNDING FOR MAJORITY OF COSTS; • STADIUM OWNERS PAYING COUNTY AT LEAST 112,000,000 DOLLARS IN 30 YEARS; • STADIUM OWNERS PAYING PENALTIES UP TO 120,000,000 DOLLARS FOR NOT BRINGING PREMIER FOOTBALL AND SOCCER EVENTS TO STADIUM; AND • AWARD OF SUPER BOWL 50 OR 51. <p>FOR THE PROPOSED USE <input type="checkbox"/></p> <p>AGAINST THE PROPOSED USE <input type="checkbox"/></p> <p>Notice of the election will be published in accordance with Section 100.342, Florida Statutes. The polls at such election will be open from 7:00 a.m. until 7:00 p.m. on May 14, 2013.</p> <p>Early voting will be conducted in accordance with the requirements of general election laws. There will be twenty-one early voting sites whose locations and dates and times of operation will be at the discretion of the Supervisor of Elections.</p> <p>Absentee paper ballots may be used by qualified electors of Miami-Dade County for voting on this question.</p> <ul style="list-style-type: none"> • <i>When will early voting/ absentee voting begin?</i> <p>The County Mayor or his or her designee, the Finance Director, and the Clerk of the County Commission are authorized and directed to take all appropriate actions necessary to carry into effect and accomplish the provisions of this resolution.</p> <p>This Resolution will sunset and the special election called herein will be cancelled in the event that either: (1) South Florida Stadium LLC fails to deposit the funds required by Section 10; (2) the Florida legislature fails to pass SB 306, HB 135 or similar legislation authorizing the County to levy an additional tax development room tax and use the revenues generated to renovate Sun Life Stadium subject to a referendum approving the proposed use before the legislature adjourns sine die; or (3) the Governor vetoes such legislation on or before May 14, 2012*.</p> <p><i>*The item states 2012 but should be 2013.</i></p> <p><u>Fiscal Impact/Funding Source</u></p> <p>The County Mayor requested an advisory opinion from the Florida Department of State, Division of Elections, regarding the payment of the cost of a non-bond referendum election by a private party. Pursuant to the Mayor's request, on April 5, 2013, an opinion was received and states the following:</p> <ul style="list-style-type: none"> • Miami-Dade County may require a private party to pay the cost of conducting a non-bond referendum election to approve the use of tourist development tax dollars to fund the modernization of a sports stadium as a condition of holding the referendum election. <p>Consistent with the Florida Department of State's Advisory Opinion D.E. 13-06, issued pursuant to Section 106.23(2), Florida Statutes, South Florida Stadium LLC will deposit with the BCC, within two (2) business days of the effective date of this</p>

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	Resolution, \$4,784,337 in currency or by check certified by a bank licensed to do business in the state to pay the expenses of holding this election. Such payment represents the reasonable costs for conducting this election and will be non-refundable for any reason, including, but not limited to, the cancellation of the election pursuant to the provisions of Section 11. South Florida Stadium LLC shall not be responsible for any election costs in excess of the amounts set forth herein and may not recover any unspent election costs from the County.
Special Item No. 2 130686 & Supp. 130685	RESOLUTION APPROVING MODERNIZATION AGREEMENT FOR RENOVATION OF SUN LIFE STADIUM, PERSONAL GUARANTY FOR CERTAIN PAYMENT OBLIGATIONS, AND NON-RELOCATION AGREEMENT REGARDING DOLPHINS FRANCHISE; DELEGATING TO COUNTY MAYOR OR COUNTY MAYOR'S DESIGNEE AUTHORITY TO PERFORM CERTAIN ACTS AND EXERCISE CERTAIN CANCELLATION AND TERMINATION PROVISIONS, SUBJECT TO THE PARAMETERS SET FORTH IN THIS RESOLUTION AND STADIUM AGREEMENTS; DELEGATING TO COUNTY MAYOR OR MAYOR'S DESIGNEE AUTHORITY TO DETERMINE THE VALUE OF ALTERNATIVE FORM OF SECURITY IN LIEU OF PAYMENT AND PERFORMANCE BOND TO BE PROVIDED TO THE COUNTY BY STADIUM LLC SUBJECT TO CERTAIN PARAMETERS SET FORTH IN THIS RESOLUTION; AND AUTHORIZING COUNTY MAYOR OR COUNTY MAYOR'S DESIGNEE TO EXECUTE ALL SUCH AGREEMENTS UPON FULFILLMENT OF CERTAIN CONDITIONS SUPPLEMENTAL REPORT ON STADIUM MODIFICATION AGREEMENT WITH SOUTH FLORIDA STADIUM LLC AND STEPHEN M. ROSS; AND NON-RELOCATION AGREEMENT WITH MIAMI DOLPHINS, LTD.
Notes	<p>The proposed resolution approves the following:</p> <ul style="list-style-type: none"> • Stadium Modernization Agreement for the renovation of Sun Life Stadium between Miami-Dade County (County) and South Florida Stadium LLC; • Non-Relocation Agreement between the County and the Miami Dolphins, Ltd; and • Guaranty for certain Payment Obligations. <p><i>The supplemental report serves to recommend approval by the Board of County Commissioners (Board) of this resolution.</i></p> <p>The two agreements will be executed only upon:</p> <ol style="list-style-type: none"> a. Approval by the voters of Miami-Dade County on the May 14, 2013 countywide special election; b. The payment of election costs by the Dolphin organization; c. An award of Super Bowl 50 or 51 by the National Football League owners at their meeting of May 22, 2013; and d. The levy of an additional Tourist Development Tax ("TDT"). <p>The Dolphins supplied the County with a summary operational cash flow schedule covering several fiscal years. The County retained qualified consultants to review the audited financial statements underlying the summary information and to opine on whether they thought the Dolphins organization needed outside assistance to fund the costs of modernization project. Both consultants agreed that the Dolphins could not support the necessary financing by themselves.</p> <ul style="list-style-type: none"> • How will the organization increase attendance/revenue after renovations are complete? <p><u>Background</u></p> <p>On January 14, 2013, the Team unveiled plans for the modernization/renovation of Sun Life Stadium and made a presentation to the BCC on January 23, 2013.</p> <p>In 2010, the Dolphins pursued a plan to increase hotel taxes and use \$200 million to upgrade Sun Life Stadium, however they decided not to move forward and at the time tourism officials and Miami Beach leaders opposed the plan.</p> <p>In 2011, they targeted Broward hotel taxes however, Broward County Commissioners voted against the proposal.</p> <p>Tourist and Convention Development Taxes fall within three main categories:</p> <ul style="list-style-type: none"> • Three percent (3%) Convention Development Tax (CDT) collected throughout Miami-Dade County (County), with the exception of the cities of Surfside and Bal Harbour. Two-thirds (2/3) of the CDT

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- receipts are distributed to the County and one-third (1/3) is used to fund the Miami Arena (excess 1/3 receipts go back to the County).
- Two percent (2%) Tourist Development Tax (TDT) collected throughout the County, with the exception of the cities of Surfside, Bal Harbour and Miami Beach. Sixty percent (60%) of the TDT is distributed to the Greater Miami Convention and Visitors Bureau, twenty percent (20%) to the Department of Cultural Affairs and 20% to the City of Miami.
 - One percent (1%) Professional Sports Facilities Franchise Tax collected throughout the County with the exception of the cities of Surfside, Bal Harbour and Miami Beach. This 1% tax is used only for debt service payments on county debt for professional sports facilities.

Miami-Dade County Revenue from 2% Tourist Development Tax (TDT)					
	FY 2008-09	FY 2009-10	FY 2010-11	FY 2011-12	FY 2012-13 * (as of March)
2%	14,338,000	15,377,000	18,018,000	19,393,000	\$10,926,892

* Source: Miami-Dade Tax Collector

Recent Tourist Development Tax Legislation

On January 23, 2013, the Board of County Commissioners (BCC) adopted R-67-13, urging the Florida Legislature to enact legislation that enables the Miami-Dade County Commission to levy by a “super majority” vote the already statutorily authorized additional penny of professional sports bed tax on persons lodging (mostly visitors and tourists) in the County, with the exception of those persons lodging at Miami Beach, Surfside and Bal Harbour, that permits the State to grant a State sales tax rebate on goods and services sold at Sun Life Stadium, and that authorizes the use of such bed tax and State sales tax rebate to fund a portion of the as-new modernization and upgrade of Sun Life Stadium for the benefit of Miami-Dade County’s economy, provided that the cost to renovate the facility will be in excess of two hundred fifty million dollars (\$250,000,000), of which a majority will be funded by private sources.

On February 20, 2013, the BCC adopted R-136-13, urging the Florida Legislature to enact legislation to expand the authorized use of Tourist Development Tax revenues to include funding of tourist-oriented infrastructure improvement projects and that there be 100 percent maintenance of effort for infrastructure project funding. **However, on March 5, 2013, the BCC reconsidered R-136-13 and then the item was withdrawn.**

The Florida Legislature HB 165; SB 306

As of April 2, 2013 CAO e-mail updates:

The Senate Dolphins bill, SB 306, was heard in the Senate Rules Committee and was recommended favorably on a vote of 15-0, but only after it was substantially changed by amendment.

A 20-page late-file amendment was adopted that significantly changed the way the states’ professional sports incentive program would function. The state Department of Economic Opportunity would screen, evaluate and rank each applicant. There would be a total \$15 million cap on annual state incentives to all professional sports statewide under the program. State sales tax incentives would be subject to annual adjustment up or down depending on actual sales tax generated after an initial ramp-up period (this may present challenges for the bonding of revenue). An applicant for a “signature event” such as a Super Bowl could apply after May 1, 2013 and approval would not have to wait for the 2014 session of the Legislature, such approval can be provided by the Legislative Budget Commission in the interim. There also would be clawback provisions if state funds are not used for their intended purposes.

This amendment removed a substantial part of the underlying committee substitute (CS/SB 306), but did not revise the referendum language or the local bed tax provisions.

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	<p>Additionally, during committee deliberations of SB 306, there was an indication that SB 306 will be re-referred back to the Senate Appropriations Committee from which the bill was recommended favorably on March 14. This additional committee reference will add an additional step before SB 306 reaches the Senate floor. The additional committee re-reference was added to review the new states' professional sports incentive program for fiscal impact on the state budget.</p> <p>The House companion bill, HB 165 was amended and passed in the House Economic Affairs Committee.</p>
Additional Information provided by the Office of the Commission Auditor.	
Notes	<p>The Office of the Commission Auditor (OCA) reviewed studies concerning the economic impact of sports facilities on communities.</p> <p>Interest in the economic impact of these capital projects is widespread, and the academic research regarding this topic has yielded diverse results. OCA's review of this field has found that proponents and detractors of stadium projects can point to an equal amount of studies and articles supporting their position while casting doubt on any opposing views.</p> <p>No one stadium project is identical: each project is built under varying market conditions and faces the unique challenges of its respective local economic environment. Therefore, great difficulty ensues in answering the question of whether building a stadium will be good or bad for a local economy. Conclusions from prevailing academic studies are disparate and conflicting, and can be utilized to make the case for either position.</p> <p>The studies which find that building stadiums have a positive economic impact on a local market generally agree on a few points:</p> <ul style="list-style-type: none"> • Development dollars are pumped into the area surrounding the stadium which could lead to economic revival; • Sales tax revenues increase in the area around a newly constructed stadium or ballpark; • Retail job growth in the area around a stadium; • Wages at stadium-area hotels increase; and • A desirable neighborhood can increase ticket sales for the ballpark. <p>On the other hand, studies which find that stadium projects have a neutral or negative economic impact generally agree on the following:</p> <ul style="list-style-type: none"> • Rental rates in neighborhoods around a stadium increase once the stadium is built; • Retail and service jobs may be lost; • Bars and restaurants experience an average decrease in wages; • Per capita income falls slightly as a consequence of building a stadium; • Poor stadium planning leads to increased car and pedestrian traffic; • Most funds to build stadiums or ballparks come from public sources; • Government subsidies far exceed the financial benefit of a new stadium; and • Any economic development which occurs around a new stadium comes from local dollars which are shifted from other local areas. Economists see this as the multiplier effect or substitution effect where dollars are used for gas, food and recreation activities in one county and taken away from other counties. <p>The studies also point to practices which some communities have employed to maximize the expected economic impact of a new stadium. Those practices include:</p> <ul style="list-style-type: none"> • Creating a neighborhood association to offer input in the development of the stadium; • Beginning neighborhood revitalization efforts in the area around a proposed stadium before the

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	<p>stadium is built;</p> <ul style="list-style-type: none"> • Creating a stadium entertainment district in the area around the stadium which has little competition with other entertainment areas; and • Linking the stadium to transit hubs which will keep the stadium from being physically and functionally isolated. <p>Attachments: Economic Impact of Sports Stadiums on Cities (Review of Academic Studies)- Chart 1 Claimed Benefits by Pro-Stadium Impact Studies- Chart 2 Football Stadiums Historical Data (Review of 32 Stadiums Nationwide)- Chart 3</p>																																																																																																				
	<p>Miami-Dolphins 2012 Stats</p> <p>According to 2012 Forbes NFL Valuations List, the Miami Dolphins rank listing is No. 15 among the 32 NFL Teams. www.forbes.com/nfl-valuations/list</p> <table border="1" style="margin-left: auto; margin-right: auto;"> <thead> <tr> <th colspan="5" style="background-color: #d9ead3;">2012 Miami Dolphins Stats</th> </tr> <tr> <th colspan="5" style="background-color: #d9ead3;">Regular Season</th> </tr> <tr> <th style="background-color: #d9ead3;">Week</th> <th style="background-color: #d9ead3;">Date</th> <th style="background-color: #d9ead3;">Loss (L)/Win (W)</th> <th style="background-color: #d9ead3;">Score</th> <th style="background-color: #d9ead3;">Away Game (at) or Sun Life Stadium Game (vs)</th> </tr> </thead> <tbody> <tr><td>1</td><td>Sept. 9</td><td>L</td><td>30-10</td><td>at Houston Texans</td></tr> <tr><td>2</td><td>Sept. 16</td><td>W</td><td>35-13</td><td>vs Oakland Raiders</td></tr> <tr><td>3</td><td>Sept. 23</td><td>L</td><td>23-20</td><td>vs New York Jets (OT)</td></tr> <tr><td>4</td><td>Sept. 30</td><td>L</td><td>24-21</td><td>at Arizona Cardinals (OT)</td></tr> <tr><td>5</td><td>Oct. 7</td><td>W</td><td>17-13</td><td>at Cincinnati Bengals</td></tr> <tr><td>6</td><td>Oct. 14</td><td>W</td><td>17-14</td><td>vs St. Louis Rams</td></tr> <tr><td>7</td><td>Bye Week</td><td>N/A</td><td>N/A</td><td>N/A</td></tr> <tr><td>8</td><td>Oct. 28</td><td>W</td><td>30-9</td><td>at New York Jets</td></tr> <tr><td>9</td><td>Nov. 4</td><td>L</td><td>23-20</td><td>at Indianapolis Colts</td></tr> <tr><td>10</td><td>Nov. 11</td><td>L</td><td>27-3</td><td>vs Tennessee Titans</td></tr> <tr><td>11</td><td>Nov. 15</td><td>L</td><td>19-14</td><td>at Buffalo Bills</td></tr> <tr><td>12</td><td>Nov. 25</td><td>W</td><td>24-21</td><td>vs Seattle Seahawks</td></tr> <tr><td>13</td><td>Dec. 2</td><td>L</td><td>23-16</td><td>vs New England Patriots</td></tr> <tr><td>14</td><td>Dec. 9</td><td>L</td><td>27-13</td><td>at San Francisco 49ers</td></tr> <tr><td>15</td><td>Dec. 16</td><td>W</td><td>24-3</td><td>vs Jacksonville Jaguars</td></tr> <tr><td>16</td><td>Dec. 23</td><td>W</td><td>24-10</td><td>vs Buffalo Bills</td></tr> <tr><td>17</td><td>Dec. 30</td><td>L</td><td>28-0</td><td>at New England Patriots</td></tr> </tbody> </table>	2012 Miami Dolphins Stats					Regular Season					Week	Date	Loss (L)/Win (W)	Score	Away Game (at) or Sun Life Stadium Game (vs)	1	Sept. 9	L	30-10	at Houston Texans	2	Sept. 16	W	35-13	vs Oakland Raiders	3	Sept. 23	L	23-20	vs New York Jets (OT)	4	Sept. 30	L	24-21	at Arizona Cardinals (OT)	5	Oct. 7	W	17-13	at Cincinnati Bengals	6	Oct. 14	W	17-14	vs St. Louis Rams	7	Bye Week	N/A	N/A	N/A	8	Oct. 28	W	30-9	at New York Jets	9	Nov. 4	L	23-20	at Indianapolis Colts	10	Nov. 11	L	27-3	vs Tennessee Titans	11	Nov. 15	L	19-14	at Buffalo Bills	12	Nov. 25	W	24-21	vs Seattle Seahawks	13	Dec. 2	L	23-16	vs New England Patriots	14	Dec. 9	L	27-13	at San Francisco 49ers	15	Dec. 16	W	24-3	vs Jacksonville Jaguars	16	Dec. 23	W	24-10	vs Buffalo Bills	17	Dec. 30	L	28-0	at New England Patriots
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Chart 1

Economic Impact of Sports Stadiums on Cities
(Review of Academic Studies)

<i>Stadiums, Professional Sports, Economic Development: Assessing the Reality.</i> Baade, R.A., Heartland Policy Study, 1994.
Pros
N/A
Cons
A study of 32 metropolitan areas with a change in the number of franchises, 30 showed no significant change in per capita personal income growth, one showed a positive change and one a negative change. In the 30 metro areas where there was a change in the number of stadiums, 27 areas showed no change in per capita personal income growth and three showed a negative change.
Pro sports stadiums fail to provide a positive direct return on the money invested in them.
The use of public subsidies to sports teams, stadiums and arena construction are not supported by this study and this study suggests that the use of public funding is, "is not a sound economic investment." Professional sports do not appear to create a flow of public funds generated by new economic growth.

<i>Touchdowns and Fumbles: Urban Investments in NFL Franchises.</i> Ostrosky, T. and Turco, D., The Cyber Journal of Sport Marketing, 1997.
Pros
Supporters state that people will spend their money near the stadium or arena and this will boost the economy and this will shift dollars towards urban areas that have a stagnant economic base.
Stadium investment ventures/enterprises generate millions of dollars in development to areas where urban blight has been allowed to fester for years.
Cons
Opponents state that spending by local sports fans does not represent an increase in spending on leisure activities, but is merely a diversion of leisure dollars from other activities

<i>Sports, Jobs and Taxes: Are Stadiums Worth the Cost.</i> Zimbalist, A. and Noil, R.G., The Brookings Institution, 1997.
Pros
Building a stadium is good for the local economy only if a stadium is the most productive way to make capital investments and use its workers.
Cons
Sports teams and facilities are not a source of local economic growth and employment subsidies far exceed the financial benefit of a new stadium to a team. An imbalance of power exists in negotiations between professional sports and the host cities to subsidize the franchise or stadiums.
Industry experts estimate that \$7 billion will be spent on new facilities before 2006 and most of the \$7 billion will come from public sources from tax exempt bonds.
Annual federal tax loss exceeding \$1 million from ten facilities built in the 1970 and 1980's resulting from tax exempt bonds to help finance sports facilities.
The most successful new baseball stadium; Oriole Park at Camden Yards still costs Maryland residents \$14 million per year.
A stadium can spur economic growth if sports is a significant export industry – that is, if it attracts outsiders to buy the local project and if it results in the sale of certain rights (broadcasting, product licensing) to national firms. However, in reality, sports have little effect on regional net exports.
Most spending inside a stadium is a substitute for other local recreational spending, such as movies and restaurants. Similarly, most tax collections inside a stadium are substitutes: as other entertainment businesses decline, tax collections from them fall.

Chart 1

Most stadium employees work part time at very low wages and earn a small fraction of team revenues.

<i>Professional Sports Facilities, Franchises and Urban Economic Development</i>, 1999.
--

Pros

The study found an average increase in wages in the hotels and other lodgings sector (\$10 per worker year).
--

Cons

Examines 37 cities that had at least one big league football, baseball, or basketball franchise between 1969 and 1996 found that per capita income fell by \$10 and \$73 as a consequence of building a new stadium.
--

Statistically significant negative impact on retail and services of the local economy, including average net loss of 1,924 jobs

The study found an average reduction in wages in bars and restaurants (\$162 per worker years).

<i>The Economic Impact of Sports Stadiums: Recasting The Analysis In Context</i>. Santo, Charles. 2005.
--

Pros

The recast study concluded that the variables can have a more direct impact during times of recession or times of economic prosperity.
--

Cons

Recasting landmark reference for critics of stadium subsidies which used regression analysis and a combination of time-series and cross-section data to detect whether sports team or sports facilities impact statistics that represent the strength of the local economy (Baade and Dye 1990).
--

The recast study concludes that stadiums built during the recent construction boom have been built with a different context than stadiums of the past and that context matters. Results of controlling for population, time, trend, sport teams and stadiums are positively related to income in some metropolitan areas and negatively for others. Anaheim, Phoenix, Seattle, and Tampa are cities that experienced significant and positive impacts with the baseball stadium variable. Baltimore and Chicago are cities that experienced significant but negative economic impact with the baseball stadium variable. Results also show that new baseball stadiums have a significant positive impact on area income while the presence of a baseball team has a significant negative impact.
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<i>Stadium and Subsidies</i>. Moylan, A., 2007.
--

Pros

N/A

Cons

Stadiums completed from 1990 to 1992, the average costs was \$240.6 million. Stadiums built from 2002 to 2004, the average was \$383.64 million (60% increase within a ten year period).
--

Average taxpayer cost per stadium over time from 1996 to 2004 increased more than 41 percent.

<i>A Closer Look at Stadium Subsidies</i>. Coates, D., The American, April 29, 2008
--

Pros

N/A

Cons

Variations in the distribution of the consumption and public-good benefits. Not all citizens in a community benefit equally from the presence of professional sports franchises in their city. The tax revenues used for the subsidies are often generated from lotteries and sales taxes whose burden falls disproportionately on the poor, while the consumption benefits go mostly to relatively wealthy sports fans, the net benefits are distributed regressively.

Chart 1

Good policy means using the money where the net benefit is greatest, not simply where the net benefit is positive.
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The Impact of A Professional Sports Franchise On County Employment And Wages. John Jasina (Claflin University School of Business) and Kurt Rotthoff (Seton Hall University Stillman School of Business), May 2008.

Pros

This article focuses on the effect of professional sports stadiums on employment and wages within the immediate geographic region of a county instead of the larger Metropolitan Statistical Area. The authors find mixed results as to whether there is a negative versus positive impact on county employment and levels income.
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The authors do note that the impact of sports stadiums on the particular county in which they play will be different from their effect on the metropolitan area as a whole. Fans may come from the areas surrounding the county to spend time and money near the stadium, in the team's home jurisdiction. These expenditures reflect disposable income that will not be spent in other parts of the metropolitan area.

Cons

N/A

Research & Commentary: Subsidizing Sports Stadiums. John Nothdurft (Heartland Institute) February 2010

Pros

N/A

Cons

Since the 1990s, the building of new sports stadiums has increasingly relied on taxpayer funds, with subsidies growing from just a few million dollars in tax exemptions to unabashed corporate welfare in the hundreds of millions of dollars. Team owners now effectively hold cities and states under siege by threatening to move their teams, creating bidding wars to get as much government money as possible.

Claims that taxpayer-funded stadiums recoup their costs and more in the form of economic development are dismissed by respected economists. A July 2007 article from Reason Public Policy Institute researchers Samuel Staley and Leonard Gilroy notes, "More than 20 years of academic research has failed to find a significant relationship between an investment in a sports stadium and significant job or income growth."

<i>Tourism taxes have become the popular choice for elected officials hoping to raise revenue for stadiums. But hiking taxes on hotels, restaurants, airline flights, car rentals, and other hospitality-related businesses makes those businesses less competitive with those in other cities, suppressing economic growth and tax revenue. A new NFL stadium may bring additional visitors during the few home game weekends, but the rest of the year local businesses are burdened with higher tax rates without the increased consumer traffic.</i>
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<i>Far too many politicians see hospitality taxes as an easy way to tap additional revenues from nonvoting visitors while avoiding backlash from their own constituents. Such tax hikes, however, do in fact fall on local residents directly and in the form of lower wages and the burden of decreased economic activity in their communities during the off-season.</i>
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Study: Stadium Subsidies Score Harder Hits on Taxpayers. Pete Sepp (National Taxpayers Union Foundation) October 2007
--

Pros

N/A

Cons

"Publicly funded stadiums are, at best, an inefficient investment of taxpayer dollars for the meager benefits produced and, at worst, massive payments to rich team owners and players at the expense of ordinary taxpayers,"

Chart 1

said NTU Government Affairs Manager Andrew Moylan, who authored the study.

Average stadium construction costs have skyrocketed nearly 60 percent in inflation-adjusted terms from 1990 to 2004, according to the study, which analyzed 53 stadiums built during the 15-year period for use in one of the three most popular American leagues (Major League Baseball, the National Football League, and the National Basketball Association). The average stadium built from 1990 to 1992 cost \$240.6 million in 2006 dollars, compared to \$383.64 million for those built from 2002 to 2004.

Among the study's other key findings:

Moylan's study paints a bleak picture of stadium funding's future plans to prey upon taxpayers: more extravagant, multibillion-dollar "redevelopment plans" with a stadium project or two tucked among the details of the blueprints. Unless taxpayers stand up against wealthy team owners with special-interest politicians in their pockets, sports complexes around the country will be speeding after the San Antonio Spurs, the basketball team that is on the verge of its third multimillion-dollar taxpayer-funded stadium plan in just over a decade.

Chart 2

CLAIMED BENEFITS BY PRO-STADIUM IMPACT STUDIES								
Year of study	Metro Area	Team (League)	Annual Economic Impact (\$mil)	Annual Personal Earnings (\$mil)	Permanent Jobs Created	State/Local Taxes (\$mil)	Total Impact of Construction (\$mil)	Construction Jobs Created
1996	Seattle	Seahawks (NFL)*	69	41	1,264	3.3	-	-
1996	Cincinnati	Bengals (NFL)-current stadium*	77	24	1,785	1.4††	-	-
		Bengals (NFL)-new stadium*	92	28	2,134	1.8††	1,100††	18,461‡
1999	Wash/Balt	Ravens (NFL)	202	96	2,772	11.6	-	-
2000	Green Bay	Packers (NFL)	144	89	1,620	9.6	-	-
2001	Kansas City	Chiefs (NFL) & Royals (MLB)	328	218	4,418	19.8	-	-
* Impacts due only to spending from out-of-area residents †† Local tax revenues only ‡ Total for both Cincinnati stadiums								

Source: *What Are the Benefits of Housing a Major League Sports Franchise?* Rapport, J. and Wilkerson, C., Economic Review, First Quarter, 2001.

Chart 3

HISTORICAL DATA / FOOTBALL STADIUMS

Stadium	Year Open	Ownership	Original Cost of Construction (million)	Public / Private Financing of Original Cost (million)	Date of Major Renovations	Cost and Financing of Renovations (million)
Aloha Stadium <i>(Honolulu, HI)</i>	1975	Stadium Authority, State of Hawaii	\$37	Unknown	1985 - 2005	Cost of repairing steel that corroded sooner than expected alone cost more than \$50 million to repair in the first 25 years. As of August 2011, Hawaiian Airlines, along with renaming the field, will provide funding for future field upgrades. Other terms of the Aloha Stadium sponsorship agreement were not disclosed.
Arrowhead Stadium <i>(Kansas City, MO)</i>	1972	Jackson County Sports Complex Authority	\$150	Unknown	2010	\$375 <ul style="list-style-type: none"> About \$250 million of the funds for the renovations were approved by Jackson County voters in April 2006 through a new 3/8-cent sales tax. The Chiefs contributed \$125 million more.
Bank of America Stadium <i>(Charlotte, NC)</i>	1996	Carolinas Stadium Corp	\$248	<ul style="list-style-type: none"> Stadium was privately financed. Team Owner built the stadium himself, primarily from the sale of personal seat licenses. City provided \$40 million for land. County provided \$10 million for building relocation. 	N/A	As of November 2011, the Carolina Panthers have hired Populous architects to explore improvements to Bank of America Stadium, the Charlotte Observer reported. Team officials are not interested in increasing the capacity of the stadium, but provided few details of what the might renovation might entail.
Candlestick Park <i>(San Francisco, CA)</i>	1960	City of San Francisco	\$24.6	100% publicly financed	1972 (cost unknown)	New 49ers Stadium change of venue to Santa Clara, CA with proposed date of opening 2015 for cost of \$987 million. Financing: \$330 million subsidy, remainder by the Team.

Chart 3

HISTORICAL DATA / FOOTBALL STADIUMS

Stadium	Year Open	Ownership	Original Cost of Construction (million)	Public / Private Financing of Original Cost (million)	Date of Major Renovations	Cost and Financing of Renovations (million)
CenturyLink Field <i>(Seattle, WA)</i>	2002	Washington State Public Stadium Authority	\$360	<ul style="list-style-type: none"> • Extension of county issued bonds serviced by car rental and hotel tax to raise \$75 million; • 6 additional lottery games to raise \$91 million; • Owner provided \$100 million. 	N/A	N/A
Cleveland Browns Stadium <i>(Cleveland, OH)</i>	1999	City of Cleveland	\$283		2012	As of February 2012, Cleveland has agreed to give the Browns a \$5.8 million lump sum for stadium repairs. The City Council voted to let the team take the money from a city-administered tax on alcohol and tobacco sales. Cleveland, which leases the stadium to the football team, is required to provide only \$850,000 a year for major improvements. The Browns want to use the nearly \$6 million to refurbish seats and replace, repair and waterproof concrete inside and outside the 12-year-old building.
Cowboys Stadium <i>(Arlington, TX)</i>	2009	Arlington, Texas	\$1.15 billion	<ul style="list-style-type: none"> • City sales tax increased by one-half of a percent, • The hotel occupancy tax by 2 percent, and car rental tax by 5 percent. • The City of Arlington provided \$325 million in funding, and • Owner covered any cost overruns. • Also, the NFL provided the Cowboys with an additional \$150 million. 	N/A	Additional Notes on Original Construction Cost: <i>As of 2008, the total cost of the city's share of the stadium bond debt, including interest, is expected to be \$502.9 million. That's about \$44 million more than the city initially expected. The new projection is also \$26.5 million more than the city would have paid had it sold all the bonds at a true fixed rate in the beginning instead of selling some at a synthetic fixed rate. The total interest rate for all the bonds was now calculated at 5.33 percent, about a full percentage point more than initially projected. Arlington officials had been trying to refinance that debt since July. The rest of the city's stadium bonds were already set at a fixed rate. (Dallas Morning News)</i>

Chart 3

HISTORICAL DATA / FOOTBALL STADIUMS

Stadium	Year Open	Ownership	Original Cost of Construction (million)	Public / Private Financing of Original Cost (million)	Date of Major Renovations	Cost and Financing of Renovations (million)
Edward Jones Dome <i>(St. Louis, MO)</i>	1995	St. Louis Regional Sports Authority	\$280	<ul style="list-style-type: none"> Debt issued by City, State and County; annual debt service paid by City (\$6 million from tax revenue); State (\$12 million from tax revenue); County (\$6 million from hotel/motel tax). 	N/A	Additional Notes on Original Construction Cost: <i>The Dome was largely financed with \$256 million in revenue bonds, and the repayment of that 30-year debt will be \$720 million. Every year, Missouri spends \$12 million to pay off the debt, and St. Louis and St. Louis County each pay \$6 million annually. The county's portion is funded through a 3.5 percent hotel tax approved by voters in 1990.</i>
Everbank Field <i>(Jacksonville, FL)</i>	1946	City of Jacksonville	Unknown	<ul style="list-style-type: none"> Unknown 	1985 – 1995	\$121 Renovation completed in 1995 through: <ul style="list-style-type: none"> city bond issue; state rebate; lodging tax; ticket surcharge.
Fawcett Stadium <i>(Canton, OH)</i>	1924	Canton City Schools	\$500,000 (thou)	<ul style="list-style-type: none"> City financed 	1997	\$4.3 Backed by the Canton community, \$4.3 million worth of improvements were completed on the stadium in 1997.
FedEx Field <i>(Hyattsville, MD)</i>	1997	Daniel Snyder	\$250.5	Private (\$180 million) and state (\$70.5 million)	1999	\$15 The Washington Redskins financed upgrades.
Ford Field <i>(Detroit, MI)</i>	2002	Detroit/ Wayne County Stadium Authority	\$300	The Detroit Lions, Inc., City of Detroit/Detroit Downtown Development Authority, Wayne County, Ford Motor Company, Corporate Founding Investors.	N/A	N/A

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HISTORICAL DATA / FOOTBALL STADIUMS

Stadium	Year Open	Ownership	Original Cost of Construction (million)	Public / Private Financing of Original Cost (million)	Date of Major Renovations	Cost and Financing of Renovations (million)
Georgia Dome <i>(Atlanta, GA)</i>	1992	Georgia World Congress Center (GWCC) Authority	\$214	<ul style="list-style-type: none"> State donated land; Authority issued industrial revenue bonds. 	2017 Projected date	As of 2012, GWCC-commissioned study put the cost of a new retractable-roof stadium at \$947.7 million, up from the \$700 million estimated last year for an open-air stadium. Under either plan the public-sector contribution would be an estimated \$300 million from an extension of the hotel-motel occupancy tax, passed by the Georgia Legislature in 2010, according to the Executive Director of the GWCC Authority, the state agency that operates the Dome.
Gillette Stadium <i>(Foxboro, MA)</i>	2002	Robert Kraft	\$325	Owner.	N/A	N/A
Heinz Field <i>(Pittsburgh, PA)</i>	2001	City of Pittsburgh	\$281	\$76.5 million by Steelers.	N/A	N/A
Hubert H. Humphrey Metrodome <i>(Minneapolis, MN)</i>	1982	Metropolitan Sports Commission	\$68	City bond issue.	N/A	As of 2011, the Vikings have plans for a 1.6 million-square-foot new stadium on the site of the former ammunition plant in Arden Hills. Under the Arden Hills proposal, the Vikings would pay at least \$407 million of the project and the state would contribute \$300 million. Ramsey County would add another \$350 million, largely through a countywide sales tax that may or may not face a referendum.
Lambeau Field <i>(Green Bay, WI)</i>	1957	City of Green Bay	\$960,000 (thou)	Publicly financed	2000 - 2003	\$295 County voters approved a 1/2 percent sales tax dedicated to fund stadium improvements. The resulting plan was a total overhaul and facelift of Lambeau Field.

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HISTORICAL DATA / FOOTBALL STADIUMS

Stadium	Year Open	Ownership	Original Cost of Construction (million)	Public / Private Financing of Original Cost (million)	Date of Major Renovations	Cost and Financing of Renovations (million)
Lincoln Financial Field <i>(Philadelphia, PA)</i>	2003	City of Philadelphia	\$512	State, City, NFL and Team	N/A	N/A
LP Field <i>(Nashville, TN)</i>	1999	Jackson County Sports Complex Authority	\$290	<ul style="list-style-type: none"> City of Nashville financed \$149.5 million from excess hotel/motel taxes and surplus funds; State provided \$70 million, \$55 million in bonds repaid through sales taxes, \$12 million for infrastructure and \$2 million in the form of land donations. 	2012	\$28 Nashville's Metro Council has approved \$28 million in upgrades to LP Field. The Tennessean said the council also agreed to raise the LP Field ticket tax, which applies to most events there, from the current level of \$2 to \$3, starting Aug. 1, 2013. The Titans have said \$2 per ticket should be enough to cover the debt service on the planned projects, with additional dollar paying for future improvements, such as new seats, which would require an additional bond issue. Metro is pledging to use non-tax revenues such as permit fees, fines and money from the sale of surplus property if the ticket tax revenues don't cover the debt costs.

Chart 3

HISTORICAL DATA / FOOTBALL STADIUMS

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<p>Lucas Oil Stadium</p> <p><i>(Indianapolis, IN)</i></p>	2008	Indiana Stadium and Convention Building Authority	\$720	<ul style="list-style-type: none"> 1 percent tax on prepared food in nine of the 10 counties that surround Indianapolis. Marion County added an additional 1 percent tax to the original 1 percent it already pays for the RCA Dome. 	N/A	<p>2009 Plan to Cover Operating Costs:</p> <p>Cost of operating Lucas Oil Stadium are about \$20 million more per year than revenues it makes off the stadium, or twice what was projected.</p> <ul style="list-style-type: none"> Doubling the state's alcohol tax, boosting the tax on beer to 23 cents per gallon from the current 11.5 cents; to 94 cents per gallon from 47 cents on wine; and to \$5.36 from \$2.68 on liquor. An estimated \$8 million raised in Marion County through the higher tax would all go to the Capital Improvement Board (CIB). Authorizing the City-County Council to raise the food and beverage tax in Marion County to 2.25 percent from the current 2 percent; the admission tax on tickets to 10 percent from the current 6 percent; and the innkeepers tax on hotel rooms to 9 percent from the current 8 percent. Expanding the Professional Sports Development Area to include the new Marriott Hotel in Downtown Indianapolis, with the estimated \$6 million sales tax going to the CIB instead of the state. \$5 million payments annually from the Pacers and the Colts. \$2.5 million in cost cuts by the CIB, on top of \$7.5 million already made.

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<p>M&T Bank Stadium</p> <p><i>(Baltimore, MD)</i></p>	1998	Maryland Stadium Authority	\$220	Bonds issued by Maryland Stadium Authority, cash reserves of the Authority, sports lottery proceeds and a cash contribution from team owners.	2009	The Maryland Stadium Authority approved a plan to borrow \$24 million to pay for renovations and repairs to Oriole Park at Camden Yards, as well as upgrading the video scoreboard and video control room at M&T Bank Stadium. Of that money, \$10 million will go toward maintenance and safety upgrades at Oriole Park, \$10 million will go toward renovating and repairing the seating bowl, and \$4 million will go toward replacing the new scoreboards for the Ravens. The bonds will be repaid by setting aside the first \$1.3 million each year that the Maryland Stadium Authority receives from the state lottery. The Ravens are contributing \$6 million toward the video scoreboard and control room part of the project.
<p>Mercedes-Benz Superdome</p> <p><i>(New Orleans, LA)</i></p>	1975	Louisiana Stadium/ Expo District	\$134	Bond issue backed by hotel tax.	2011	<p>\$85</p> <p>The upgrades were financed by state surplus money from 2008. Governor signed a bill appropriating the money in July 2009.</p> <p>The upgrades are in addition to a three-phase \$219 million Superdome facelift after Hurricane Katrina. That work included a new roof, refurbished seating, upgraded sound systems and new club lounges.</p>

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MetLife Stadium <i>(E. Rutherford, NJ)</i>	2010	Giants Stadium LLC and Jets Development LLC	\$1.6 billion	<ul style="list-style-type: none"> The Jets and the Giants shared the cost of the construction through selling of personal seat licenses. Naming Rights for MetLife in the amount of \$17-\$18 million. Land owned by the New Jersey Sports and Exhibition Authority. 	N/A	<i>Additional Notes on Original Construction Cost:</i> <i>In 2012, Moody's downgraded the credit of East Rutherford, N.J. because of the New York Giants' dispute with the community over taxes. Bloomberg news said the ratings firm downgraded \$16 million in general obligation debt from the borough one level to A2 from A1, saying the lawsuit between the town, the team and the state entity that owns the land beneath the stadium has worsened financial operations. "The negative outlook reflects ongoing litigation related to the Timex Performance Center's tax status and the impact on the budget of non-payment of a material amount of property taxes for two years," Moody's said in a Jan. 13 ratings report, noting that the facility is the borough's second-largest taxpayer by assessed value.</i>
Overstock.com Coliseum <i>(Oakland, CA)</i>	1966	Oakland-Alameda County Coliseum Authority	\$25.5	\$197 million in bonds issued to cover costs of 1996 renovation and relocation costs.	1996	\$200 Financed from the Authority and the teams sale of personal seat licenses. The Authority spent nearly \$130 million in 1995 to renovate the stadium for the Raiders and hoped to fund the work from sales of personal seat licenses. The sales program collapsed, leaving the authority to pay for its loans from reserve funds.

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Paul Brown Stadium <i>(Cincinnati, OH)</i>	2000	Hamilton County	\$385	Half-Cent Sales Tax.	N/A	<i>Additional Notes on Original Construction Cost:</i> <i>The financial model for the stadium fund assumed sales tax would grow 3 percent a year - which was a conservative estimate during the 1990s. But revenue has averaged only 1.65 percent growth since 1996. It dropped into negative territory five of the last nine years.</i> <i>Voters were promised a tax rollback in 1996 when they approved a half-cent sales tax to build the stadiums. Money to fund the rollback comes out of the ailing stadium fund. Reducing the property tax rollback will preserve \$13 million in the fund that has a deficit of \$16 million in 2011, grows to \$32 million for each of the following three years and could eventually reach \$700 million if nothing is done.</i>
Qualcomm Stadium <i>(San Diego, CA)</i>	1968	City of San Diego	\$27 million	Voter Authorized.	1997	\$78 \$18 million from naming rights; \$60 million from sale of bonds.
Ralph Wilson Stadium <i>(Orchard Park, NY)</i>	1973	County of Erie	22 million	Publicly financed.	1999	\$63 The county is the landlord for the Buffalo Bills and Ralph Wilson Stadium (formerly Rich Stadium). County and team owner agreed to a two year, \$23 million renovation of the stadium. Funding will come from the Bills and parking and ticket surcharges on those going to games.

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Raymond James Stadium <i>(Tampa Bay, FL)</i>	1998	Tampa Sports Authority Tampa Sports Authority	\$168.5	Publicly financed through a one-half percent sales tax increase.	2013	As of 2011, much of the bill to revamp the Raymond James Stadium will be footed by visitors to Hillsborough County, the Tampa Tribune reported. The video board improvements, estimated to cost \$7.7 million, will present high-definition game replays to fans beginning with the 2013 football season. The scoreboard gadgetry is just one facet of an \$18.7 million overhaul planned for the stadium over the next two years.
Reliant Stadium <i>(Houston, TX)</i>	2002	Harris County	\$352	<ul style="list-style-type: none"> Reliant Energy paid \$300 million for 32 years for the entire Astrodome Complex (included naming rights). 	N/A	N/A
Soldier Field <i>(Chicago, IL)</i>	1924	Chicago Park District City of Chicago	\$10	<ul style="list-style-type: none"> 100% publicly financed 	2003	\$365 Redirecting hotel/motel tax revenue paid mostly by visitors, and the Chicago Bears themselves, who are putting up \$200 million, the largest single contribution ever made by an NFL team for a publicly owned stadium.
Sports Authority Field <i>(Denver, CO)</i>	2001	Denver Metropolitan Football Stadium District	\$364.2	<ul style="list-style-type: none"> Extended Sales Tax, 25% by Patrick Bowlen. 	N/A	N/A
University of Phoenix Stadium <i>(Glendale, AZ)</i>	2006	Arizona Sports & Tourism Authority	\$455	Public/Private - The Cardinals contributed \$147 million, the Arizona Sports and Tourism Authority contributed more than \$298 million, and Glendale, Ariz. contributed \$9.5 million.	N/A	N/A

Sources: ballparks.com by Munsey and Suppes.