



## Stadium Funding Issues

- Every academic analysis of public subsidies for stadiums says, as a University of Chicago economist put it *"If you want to inject money into the local economy, it would be better to drop it from a helicopter than invest it in a new ballpark."* Here's a piece of that research: [So Your City Wants to Build a Stadium.](#)
- The Hops can't fill their current 4500-seat stadium, built for them just 10 years ago. With only 2405 in average attendance at Hops games in 2023, the team wants the state to help pay for a 7000-seat stadium. Their economic analysis by ECONorthwest assumes dubious attendance growth at ballgames. It also assumes the location will attract a significant share of concerts and those concerts will be at 79% of capacity. This ignores increased concert competition from both Providence Park, which is rolling out concerts, and a proposed new Live Nation location on Portland's inner eastside for which the economic analysis assumes attendance at only 55% capacity in their forecast.
- The Hops and Emeralds are asking for very different deals than a proposed inner eastside venue in Portland for Live Nation. In Portland the facility owners will buy their land, build both the venue and a parking structure, pay property taxes, and seek no public subsidy. Both baseball teams want free land, no property taxes, public funding from cities, counties and the state, and to rely on publicly-owned parking facilities.
- Neither team seems to be considering bringing in additional owners to fill their funding gap.
- If the state is going to invest in new stadiums for the use of private businesses, it should get what other investors expect; an investment that is structured as either:
  - A loan repayable with interest upon sale of the team by the owners or
  - An equity investment in the team based on the fair market value at the time of the investment.
- Other public investments that encourage private investment go to companies that will bring high-paid local jobs and long-term economic development. But the minor league players and those in stadium services receive low pay, so income tax receipts will be small. And since baseball games simply move local entertainment dollars from one business to another, there will be little long-term economic development growth.
- The billionaire owners of Major League Baseball have dictated more impressive stadiums for their feeder teams but are not funding the new stadiums. They are asking legislators to increase the wealth divide by getting the public to help build the new facilities. Although there will be other possible public uses for the stadiums, the need for and design of these new baseball stadiums is based on requirements for the owners of the Hillsboro Hops and the Eugene Emeralds, not community users.

- Car dealerships get told by higher-ups that they must improve their facilities -- just as have Oregon's A-level baseball clubs. No one would think it is the city's, county's or legislature's job to help auto dealerships. Likewise, public funds don't help build movie theaters for Regal Theaters, or grocery stores for Safeway. The Hops and Ems teams have attendance similar to the Enchanted Forest, a very popular tourist attraction. Should the legislature give \$15 million to that business?
- We researched how other high-A teams are paying for the demanded upgrades to stadiums, looking at 14 of 28 teams outside Oregon – all are upgrading,
  - 12 making renovations
  - 2 new stadiums
 How are they funding upgrades?
  - 2 Teams no data, both recently purchased by a private equity firm
  - 3 Teams are self-funding 100% of cost
  - 9 Teams are getting some or all of funding from cities or county
  - 3 Teams are getting some state funding \$3, \$5 and \$7.
- In 2023 the legislature divided \$5.6M amongst 78 cultural venues that lost ticket sales through COVID. Funding for venues ranged from \$4,310 for hq, a creative venue in LaGrande to \$269,623 for the Aladdin Theater in Portland. That is hardly in the range of \$7.5 to \$15 million per business.
- We examined the last ten years of state funding for arts, culture, fairground and recreation facilities. State funding has grown dramatically over the last 10 years, from a bit over \$4 million for three projects in the 2013-15 biennium to nearly \$96 million for 78 projects in 2021-23. State funding of communities' recreation facilities and fairgrounds is a new practice, with the first funds for Eugene's World Athletics Championships in 2019 and for fairground improvements in the 21-23 biennium. Virtually all funding is to public bodies or non-profits and is mostly limited to public and non-profit uses by the public.
- Funding for children with disabilities 0-5 years old was miscalculated for the biennium by \$22 million. These children could be shortchanged if the legislature instead meets the stadium requests for \$22.5 million (\$7.5 million for the Ems and \$15 million for the Hops). Or \$22 million could increase the number of families eligible for the Kids' Credit. Employment Related Child Care was underestimated by \$123 million.
- Certainly, neither county seeking funding for baseball stadiums is a depressed community needing funds to keep the economy going. Washington County businesses are getting 90% of the \$240M in semiconductor funding and Lane County is getting the next 8% of [that funding](#). Should these same counties also get funding for local sports and entertainment venues?
- The projected \$100.5 million cost for the Emeralds' stadium includes \$10 million to replace a livestock building to be removed for the new stadium at the fairgrounds. The \$120 million cost for the Hops doesn't include the cost to replace the three community fields to be removed for the new stadium nor the \$6.5 million in remaining debt on the current stadium. Neither includes the value of the 9+ acres of land the local community will provide. For the stadium

structures alone the projected cost is \$90 million in Eugene and \$120 million in Hillsboro. Why is the cost estimate 30% higher for the Hops?

- [Lane County has committed \\$35M from the city's Transient Lodging Tax and Car Rental Tax revenue](#) while [Hillsboro has committed \\$18M from the city's Transient Lodging Tax revenue](#). That's committing 12 to 15 years of tourism promotion revenue, for teams that will bring few out-of-area tourists. These uses eliminate the ability of either community to fund other tourism opportunities for over a decade.