CENTER FOR SPORT & POLICY
UNIVERSITY OF MICHIGAN

THE ECONOMIC, FISCAL, & DEVELOPMENTAL IMPACTS OF A

BALLPARK AT SLATER MILL

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EXECUTIVE SUMMARY

After 75 years, McCoy Stadium remains an integral part of Pawtucket's history, but is no longer suited to best serve the community, and cannot offer the amenities needed to attract today's fans. A new ballpark in Pawtucket is necessary in order to ensure the team's sustainability. A public/private partnership has been negotiated by the Pawtucket Red Sox, the City of Pawtucket, and Rhode Island, to finance a new, publicly-owned ballpark that will generate benefits for all parties.

Although teams and venues have little to no effect on a regional economy's growth, these assets have an ability to influence where economic activity occurs *within* a region. The region served by the Pawtucket Red Sox encompasses Rhode Island, as well as portions of Massachusetts and Connecticut. A new ballpark will create an opportunity for **increased tax flows and anchored real estate development** where it is located within the region.

If the Pawtucket Red Sox relocate from Rhode Island, **the state will immediately lose the $1.5 million** in income taxes, and approximately **$681,000 in sales taxes** the team currently generates, each year. Our projections indicate Rhode Island's $23 million investment toward a new, publicly-owned ballpark will be **recouped in 12 years**. Once the committed development is complete, the state will receive at least $2.5 million in income and sales taxes, annually, for the balance of the 30-year lease.

The construction of Pawtucket's new ballpark will produce **$3.5 million in state income and sales taxes**, $1.9 million of which represents new revenue for Rhode Island. The publicly-owned ballpark and surrounding real estate development will produce an increment of approximately **$124,000 in *new* state tax dollars each year,** at full build-out.

The City has sought a private sector investor to redevelop the Apex and Division Street sites for more than a decade. The partnership between the Pawtucket Red Sox, the city, and the state includes a $**45 million private-sector investment** to redevelop the site, and a commitment to enhance the neighborhood's vibrancy for the next 30 years.

The city's $15 million investment in the publicly-owned ballpark will require an annual bond payment of $900,000. The first phase of private development, that is anticipated to open concurrently with the ballpark, will produce **$330,445 in new property taxes, annually**. Once second phase of development is completed - anticipated five years after the ballpark - a total of **$1.38 million in new, city property taxes will be generated each year** after build-out. Phase II's completion would ensure the city will recover its original investment.

The findings presented in this report, while conservative, predict **positive, fiscal returns to both Rhode Island and Pawtucket**, from their respective investments in a new, publicly-owned ballpark. It is the view of UMCSP that the partnership forged between the Pawtucket Red Sox, the City of Pawtucket, and the State of Rhode Island is judicious, and is in the best interest of taxpayers.

	Investment	Projected Benefits
Pawtucket	$15 million	▪ Transformation of Apex & Division Street sites ▪ $330,445 in new property taxes (annually) from Phase I ancillary development ▪ $1.38 million in new property taxes (annually) from Phase II development
Rhode Island	$23 million	▪ Retain $1.5 million in income taxes and $681,000 in sales taxes, annually ▪ $3.5 million in sales and income taxes ($1.9 million new) during construction ▪ At least $2.2 million in new sales and income taxes, annually
Pawtucket Red Sox	$45 million	▪ New ballpark to attract fans and maintain team's stability in Pawtucket and Rhode Island

I. Introduction

A public/private partnership to build a new, publicly-owned ballpark, and surrounding real estate on the site of the former Apex department store, has been proposed by the Pawtucket Red Sox, the City of Pawtucket, and the State of Rhode Island. While McCoy Stadium is an iconic part of the city's legacy of professional baseball, the existing venue does not offer the necessary amenities that contribute to a modern, game-day experience. The dated venue has proven inadequate in continuing to attract fans, and sustaining the team's financial stability. After serving Pawtucket and Minor League Baseball (MiLB) for more than 70 years, McCoy Stadium has become economically obsolete. Pawtucket needs a new ballpark that will serve the team, its fans, and the community for the next 30 years.

The Pawtucket Red Sox have pledged $45 million to build a new venue, which will anchor the city's downtown and riverfront redevelopment strategy. The proposal includes a $15 million investment from the City of Pawtucket, and a $23 million investment from the State of Rhode Island. In a public/private partnership to build a new venue, the central issue for taxpayers is whether there will be a fiscal return on their investment.

Using the models created to predict the economic outcomes of a new ballpark and the proposed ancillary development, this report will evaluate the financial benefits to each party, relative to their respective commitments. The report will discuss state and local tax revenues from real estate development at, and adjacent to, the Apex and Division Street sites. Based on these predictions, the report also projects repayment timelines for the city and state's investments.

Preceding the analysis of findings from the models, a review of existing research regarding the economic benefits of sport venues is briefly discussed. This research reinforces the projection of positive returns to Rhode Island and Pawtucket from a new MiLB ballpark. Following the financial models, the report includes brief case studies of successful MiLB ballparks that will serve as examples for Pawtucket (Columbus, OH; Fort Wayne, IN; Louisville, KY). The financial models produced, in conjunction with the academic theory and case study testimonies, offer a prudent assessment of probable outcomes for Pawtucket and Rhode Island.

II. Methodology

The data and information used in this report was independently collected and verified. This standalone report representing UMCSP's assessment of the Ballpark at Slater Mill is not derived from, nor intended to supplement any other consultants' work. Our conservative projection maximizes confidence in the amount, and value, of real estate development expected to occur. This reasonably ensures the increased economic activity will generate sufficient returns for both the city and state.

Tax information was collected from the City of Pawtucket and the State of Rhode Island's websites. Economic multipliers were sourced from the Bureau of Economic Analysis, U. S. Department of Commerce. The salary data used to project income taxes came from the Bureau of Labor Statistics, U. S. Department of Commerce. Fan spending indices for MiLB games was made available by Ballpark Digest; those spending levels were used to project sales. Personal and auto property taxes were collected using statewide averages of the value of items taxed. Real estate values and construction costs were established using the Craftsman 2017 National Building Cost Manual. It was assumed that the assessed value of completed development was equal to the cost of the buildings.

A portion of the model's conservatism was maintained by fixing projected fan spending in the new ballpark, at the current levels produced at McCoy Stadium. Attendance is likely to increase in a new ballpark, and with more amenities, and better in-stadium food and beverage options, fan spending is also likely to increase. While this effect would produce an increment in sales tax revenue for the state, our analysis did not include this calculation due to a lack of solid sources to project the increase.

UMCSP calculated an estimate of tax revenues from hotel stays without validated assumptions. As MiLB games' effect on hotel occupancy is uncertain, our conservative approach shifts the focus to more tangible economic benefits, such as anticipated development attributed to the team's presence.

The most difficult challenge in building economic and fiscal impact models is measuring the market demand for real estate. UMCSP did gather absorption data from the Greater Providence Board of Realtors, and studied multiple project-comps. However, assumptions for the total square footage, estimated buildout, number of units, and the overall usage mix reflected in our models were largely based upon advice from real estate development professionals of Rhode Island. While we ultimately defaulted to the testimonies of local industry experts, there is abundant evidence illustrating an increased demand for residential, retail, and commercial space near sport venues, as well as sport venues' ability to elevate nearby property values. In addition, other MiLB markets – Columbus, Fort Wayne, and Louisville, for example – have seen development levels that exceeded expectations and initial projections. There is substantial support that the new real estate in association with the Ballpark at Slater Mill will be developed, and demand for the products built will exist.[1]

It is important to note that the region served by the Pawtucket Red Sox includes the entirety of Rhode Island as well as areas of Connecticut and Massachusetts. This analysis maintains that if the team were to relocate stay within the region, but outside of Rhode Island, the State would lose all tax revenue produced by the team's presence. Some might argue that if fans do not spend money on games, they would consume other goods and services in the region, and tax levels would remain constant. However, our assumption that Pawtucket Red Sox fans would still attend games elsewhere (if the team relocates), would result in a loss of income and sales taxes for Rhode Island.

Loss of the team would be detrimental at the city-level as well. Not only would Pawtucket be left without a private sector developer for the Apex and Division Street properties, but would also forego the opportunity for additional tax revenue streams totaling more than $1.3 million, annually.

To produce a conservative estimate, the development activity that will occur as a result of spending by the state and city were not included in the economic impact figures produced. The $45 million commitment from the private sector represents a 54 percent share of the total $83 million investment, and the $38 million commitment from the public sector, represents the remaining 46 percent. Since public funds cannot be attributed to *new* economic growth, our estimate of total economic impact was scaled by 54 percent, accordingly.

Our conclusions use these conservative estimates to produce projections of the returns to the state and Pawtucket. We underscore that our work assumes a modest projection of the amount of real estate development, and an attainable build-out period. Nonetheless, robust returns have been projected for Rhode Island and Pawtucket, and will be underscored in the pages that follow.

III. The Economic and Fiscal Impact of Sport Venues

There is agreement among public policy analysts that teams and respective venues add little to regional economies. Because residents' discretionary spending remains fixed, a region's consumers will continue to spend money on leisure activities, even in the absence of a baseball game. Most analysts conclude that because spending levels remain relatively constant, sport fans' spending is merely a substitution for other forms of consumption.

However, these observations deal with economic activity *within* a region. The region served by the Pawtucket Red Sox extends beyond Rhode Island into Massachusetts, Connecticut, and elsewhere. If the team relocated from the state, to elsewhere in the region, regional economic and fiscal trends would remain unchanged, while Rhode Island and Pawtucket would lose income, property, and sales taxes produced by the team's presence.[2] The issue for the state and city is determining returns that could be secured by participating in a public/private partnership that ensures the team remains within Pawtucket, Rhode Island's taxing jurisdiction for 30 additional years.

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[1] That said, it is important to be aware that constructing new real estate in areas with slow growth raises the possibility that appreciation in one area will be offset by lower values elsewhere, negating increment in property or other taxes for the city.

[2] It should be noted that if consumers have a higher preference for baseball (for example) and there is no team in their city or region, they may well go to another city within the region or elsewhere to attend a game. If that occurs, there is a small shift of economic activity from one city to another within the region and between regions.

The crucial point is this: while sport does not determine *whether* spending occurs, it does impact *where* consumers will spend their money. Through public/private partnerships, cities and other levels of government can influence economic patterns by anchoring citywide development plans with sport facilities, and leveraging their partnership roles. In many cases, this process has allowed cities ensure fiscal stability by directing development, and the property taxes that follow, into the government's taxing boundaries.

This project is vital to Pawtucket, as the city's largest revenue source is from its property tax ($102.1 million, annually). This underscores the need for the City to focus on initiatives that will lead to new property taxes, thus, the importance of the revitalization of the Apex and Division Street site. Additionally, sport venues have been successful in elevating property values. Several studies have found that properties located closer to a venue grow faster in value relative to those further away (Feng & Humphreys, 2012a; 2012b; Rosentraub, 2014). Such trends create tangible, monetary benefits for a host city, and relocate regional economic activity.

Understanding what a sport venue can accomplish is vital in considering the Pawtucket Red Sox's need for a new ballpark, and the significance a private sector investment has to the city.

IV. The Need for a New Ballpark

The sport business is changing quickly, and dramatically, to respond to consumer preferences. Newer venues are needed in order to offer amenities that are more attractive to younger fans and families; older venues simply do not have the necessary infrastructure to respond to changes in the market. Any ballpark or sport venue that fails to address these changing dimensions will see a gradual decline in attendance and per capita spending. Successful teams at the major and minor league levels have committed to enhancing fan experiences.

In the International League, five new ballparks opened in the 1990s and there have been seven ballparks built in the 21st century (see Table 1). McCoy Stadium, built in 1942 is the oldest venue the league; the next oldest venue was built 1989 – 46 years later. The increasingly common practice of using ballparks to anchor development was underscored by use of four of the six venues built since 1999 as cornerstones of revitalization strategies. An assessment of a potential renovation of McCoy Stadium illustrated that it would not be practical or cost-effective. In addition, if the venue was renovated, there would be no opportunity to use the improved ballpark to anchor related real estate development. Pawtucket must consider the use of a ballpark to help enhance growth which cannot be reached at McCoy Stadium's current location.

Table 1. Ballparks of International League Teams[3]

City	Venue Opened	Revitalization Effort
Pawtucket	1942	No
Buffalo	1988	No
Scranton/WB	1989	No
Norfolk	1993	No
Durham	1995*	**Yes**
Indianapolis	1996	**Yes**
Rochester	1997	No
Syracuse	1997	No
Louisville	2000	**Yes**
Toledo	2002	**Yes**
Lehigh Valley	2008	No
Columbus	2009	**Yes**
Gwinnett	2009	No
Charlotte	2014	**Yes**

[3] MiLB

A new ballpark for Pawtucket is needed to anchor a revitalization strategy aimed to reverse current market trends. While the city's residential population is relatively stable, it remains constant at a level that is below the number of residents in 2000 (see Figure 1). More importantly, the rest of Providence County has grown in the aftermath of the Great Recession, while Pawtucket's population has remained stagnant (see Figure 2). These patterns suggest regional economic activity is shifting away from Pawtucket.

Figure 1. Population in Pawtucket (City), Rhode Island

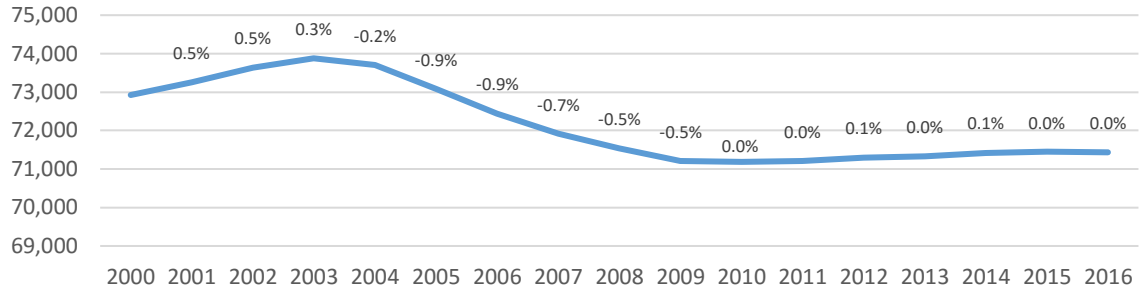
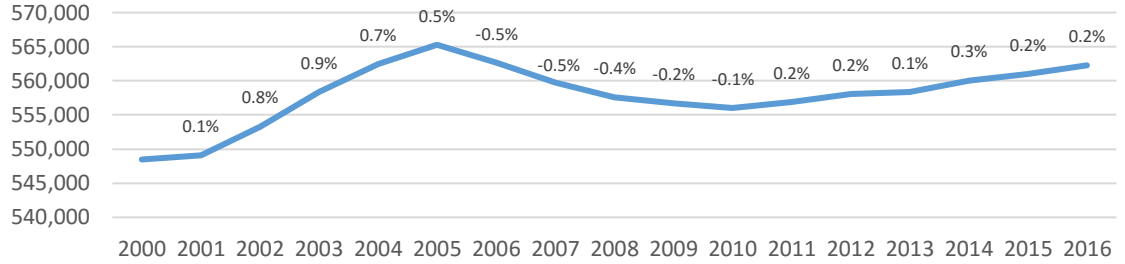


Figure 2. Population in Providence County, Rhode Island (Less Pawtucket City)



The number of jobs in Pawtucket has also declined steadily since the early 2000s (see Figure 3). There was a small increment in 2011, in the first year following the Great Recession, but in more recent years, employment growth has been modest. Job growth elsewhere in Providence County has been more favorable, again, indicating that economic activity is deviating from Pawtucket (see Figure 4).

Figure 3. Employment in Pawtucket (City), Rhode Island

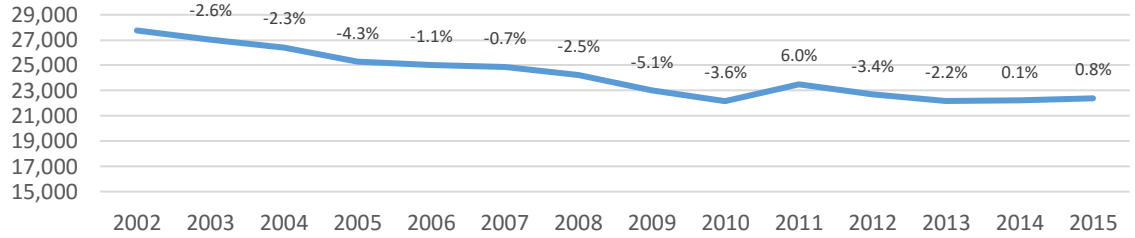
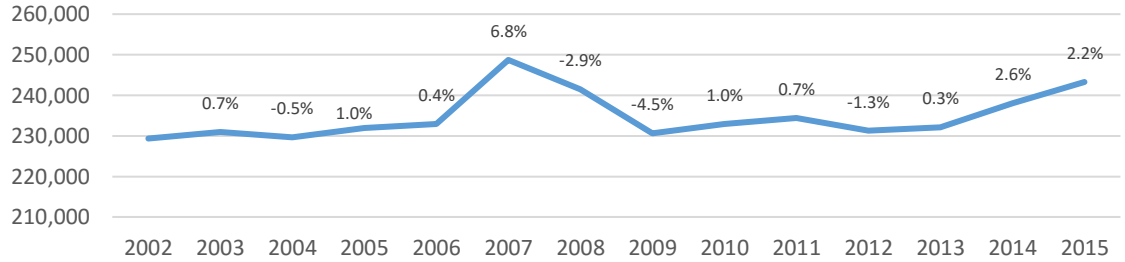


Figure 4. Employment in Providence County, Rhode Island (Less Pawtucket City)



V. A Partner for the Redevelopment of the Apex and Division Street Sites

For more than a decade, Pawtucket has sought bids for the redevelopment of the Apex and Division Street sites. Despite an appealing location, and the site's potential, no private developer has presented an acceptable plan. The proposal drafted by the Paw Sox, Pawtucket, and Rhode Island includes $45 million from the team and an initial commitment to develop 50,000 square feet of mixed-use space. An estimated ancillary development cost of $10 million would bring the total private sector commitment to $55 million, with a public-sector investment of $38 million, total. Our financial models also include anticipated real estate development in two additional phases. Those projects would substantially increase the private sector's share of total investment, reducing the state's financial liability for the project.

VI. Financial Modeling

This section summarizes the findings of the financial models produced, based on a new, publicly-owned ballpark surrounded by the proposed, and anticipated, ancillary real estate development[4].

If the Pawtucket Red Sox relocate out of state, Rhode Island would forfeit approximately $2.2million each year in income and sales taxes.[5] To retain the Paw Sox, the State of Rhode Island must invest $23 million. The investment in the ballpark protects this revenue stream for at least 30 years (the length of the anticipated lease). A present value analysis indicates repaying the $23 million bond would take approximately 12 years, relying only on the income and sales taxes produced by the team's current operations. With a 30-year lease guaranteeing the team's presence in Rhode Island, the state would receive at least $2.2 million each year for the remaining 17 years of the agreement. Rhode Island's investment in the venue will be reimbursed by current income and sales taxes paid by the players and employees of the Pawtucket Red Sox and visitors to the ballpark, alone.

Pawtucket's new ballpark's construction will produce $3.5 million in state income and sales taxes, $1.9 million of which represents new economic impact for Rhode Island.[6] Planned and anticipated real estate development at, or near, the Apex and Division Street sites will produce $124,000 in new state income and sales taxes each year after buildout (5 years after the ballpark opens).

To repay the bond sold to finance the City's investment of $15 million, a tax increment of $900,000 a year is needed. The commitment to build 50,000 square feet of mixed-use development would only produce approximately $330,445 in new property taxes. Plans for the second phase of real estate development include 250,000 square feet of residential, commercial, and retail space; the additional development planned for Phase II is necessary to generate sufficient property tax dollars for the city to reach its property tax increment of $900,000. If Phase II can be completed within five years of the ballpark's opening, by 2026, the city would receive $1.38 million in new property taxes, annually.

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[4] UMCSP relied on data and financial documents from the State of Rhode Island and the City of Pawtucket to produce this report. UMCSP also analyzed market trends in the Greater Providence and Boston metropolitan markets based on data secured from various sources including the U.S. Department of Commerce, the U.S. Census Bureau, the U.S. Bureau of Labor Statistics, the U.S. Bureau of Economic Analysis, and the 2017 National Building Cost Manual (41st edition). UMCSP also benefitted from several interviews and conference calls with local real estate industry professionals, staff from the City of Pawtucket, and the leadership of the Pawtucket Red Sox.

[5] This estimate includes income taxes paid by Pawtucket Red Sox players and employees, as well as those collected from visiting players. The figure excludes Paw Sox player income taxes paid to other states where road-games are played.

[6] Only new, private spending contributes to the assessment of the economic impact of the project. The proportion of the ballpark that the Pawtucket Red Sox are funding, 55 percent, was applied to the projections to estimate new tax revenues for Rhode Island.

The following figures itemize retruns from the proposed development by both city and state tax revenues. The construction of the ballpark and Phase I (50,000 SF committed commercial space) occur simultaneously, with an expected completion date in 2021; Phase II consists of a 200,000 SF mixed-use development, including 150 units of rental and for-sale housing, office, and retail space. Phase II has an expected buildout of approximately five years, with an expected completion date in 2026. These calculation assumes the occupancy of the 150 residential units to be achieved during their first year on the market (20 percent completed in each year of construction).[7]

Figure 5: Ballpark & Phase I - 50,000 SF Commercial Development

		City Taxes					State Taxes			
Year	Details	Residential Real Estate	Commercial Real Estate	Personal Property	Motor Vehicle	Transient Occupancy	Sales Tax	Business Corporate	Personal Income	Transient Occupancy
		2.27%	3.49%	5.33%	5.20%	1.0%	7.0%	7.0%	3.75% - 5.75%	5.0%
2019	BP + 50K Construction	-	-	-	-	-	$2,011,423	-	$2,395,569	-
2020	BP + 50K Construction	-	-	-	-	-	$1,979,230	-	$2,307,522	-
2021	1	-	$330,445	-	-	$2,206	$737,055	$467,962	$1,817,400	$11,028
2022	2	-	$330,445	-	-	$2,206	$737,055	$467,962	$1,817,400	$11,028
2023	3	-	$330,445	-	-	$2,206	$737,055	$467,962	$1,817,400	$11,028
2024	4	-	$330,445	-	-	$2,206	$737,055	$467,962	$1,817,400	$11,028
2025	5	-	$330,445	-	-	$2,206	$737,055	$467,962	$1,817,400	$11,028
2026	6	-	$330,445	-	-	$2,206	$737,055	$1,422,872	$1,817,400	$11,028
2027	7	-	$330,445	-	-	$2,206	$737,055	$1,422,872	$1,817,400	$11,028
2028→	8	" "	" "	" "	" "	" "	" "	" "	" "	" "

	Total	Annually
City Taxes Paid	$9,979,527	$332,651
State Taxes Paid	$99,697,083	$3,323,236

**Please note that Phase I tax revenues remain consistent post construction years (2- 30)*

Figure 6: Ballpark & Phase I + Phase II - 200,000 SF Mixed-Use Development

		City Taxes					State Taxes			
Year	Details	Residential Real Estate	Commercial Real Estate	Personal Property	Motor Vehicle	Transient Occupancy	Sales Tax	Business Corporate	Personal Income	Transient Occupancy
		2.27%	3.49%	5.33%	5.20%	1.0%	7.0%	7.0%	3.75% - 5.75%	5.0%
2019	BP + 50K Construction	-	-	-	-	-	$2,011,423	-	$2,395,569	-
2020	BP + 50K Construction	-	-	-	-	-	$1,979,230	-	$2,177,326	-
2021	1 - 200K Construction	-	$330,445	-	-	$2,206	$965,735	$467,962	$2,024,081	$11,028
2022	2 - 200K Construction	$114,315	$330,445	$40,822	$23,250	$2,206	$965,735	$467,962	$1,977,117	$11,028
2023	3 - 200K Construction	$228,630	$330,445	$81,644	$46,500	$2,206	$965,735	$467,962	$1,910,206	$11,028
2024	4 - 200K Construction	$342,944	$330,445	$84,038	$47,863	$2,206	$965,735	$467,962	$1,910,206	$11,028
2025	5 - 200K Construction	$457,259	$330,445	$86,431	$49,226	$2,206	$965,735	$467,962	$1,910,206	$11,028
2026	6	$571,574	$670,143	$88,825	$50,589	$2,206	$1,107,258	$1,422,872	$2,076,516	$11,028
2027	7	$571,574	$670,143	$88,825	$50,589	$2,206	$1,107,258	$1,422,872	$2,076,516	$11,028
2028→	8	" "	" "	" "	" "	" "	" "	" "	" "	" "

	Total	Annually
City Taxes Paid	$37,849,597	$1,261,653
State Taxes Paid	$140,960,826	$4,405,026

**Please note that Phase II tax revenues remain consistent post construction years (7- 30)*

[7] It is important to note that in Pawtucket, residential developments containing more than six units are taxed at the commercial rate (3.49 percent). Because construction plans have not yet been made, to maintain conservatism, our calculations used the residential tax rate of 2.27 percent.

VII. Case Studies: Development Anchored by MiLB Ballparks

Huntington Park, Columbus, Ohio

Source: MiLB.com

Columbus' Huntington Park, home of the Columbus Clippers' (AAA MiLB), opened in 2009. The ballpark was financed with a public/private partnership in which Franklin County issued $42.5 million in debt for the stadium ($15 million borrowed through short term notes and $27.5 million in long-term debt). Franklin County Stadium Inc., which operates the ballpark, paid off the last $1 million in short term debt in May 2017, and the **remaining long-term bonds ($22.7 million) are on schedule to be repaid by 2032.** These bonds will be repaid by the Franklin County Stadium Inc. with revenue from tickets, as well as a share of in-stadium revenue, sponsorship, and advertising. The team pays $1 rent, annually. The public sector paid $15 million to acquire the land for the ballpark.[8]

Huntington Park is located in the heart of downtown Columbus' Arena District, a planned mixed-use development which includes some of the country's premier office, sports, dining, and entertainment destinations. **To allow for absorption, construction of the Arena District was spread over two Phases.** From 1999 through January 2008, during Phase I of the real estate development plan, there was a total of $507.7 million ($2017) of private sector development in the Arena District (see Table 1). Subsequent projects within the Arena district (Phase II) are displayed in Table 2.

Table 1. Development in the Arena District Through January 2008 (Phase I)

Arena District Project	Initiated	Construction Budget	$2017
Ohio Moline Plow Office Building	1999	$7,000,000	$10,255,294
McFerson Commons Apartments	1999	$5,000,000	$7,325,210
401 North Front Office Boulevard	1999	$9,000,000	$13,185,378
191 West Nationwide Boulevard	1999	$15,000,000	$21,975,630
URS Office Building	2000	$13,300,000	$18,851,398
Arena Grand Theatre Complex	2000	$125,000,000	$177,174,797
PromoWest Pavilion	2000	$5,500,000	$7,795,691
Lanman Building	2000	$800,000	$1,133,919
Schottenstein, Zox, Dunn Office Building	2001	$15,000,000	$20,672,727
Arena Crossing Apartments	2002	$35,000,000	$47,485,603
Jones Day Office Building	2003	$25,000,000	$33,162,500
Eye Center	2003	$17,000,000	$22,550,500
Burnham Square Condo	2004	$25,000,000	$32,302,276
Marconi Boulevard Office Building	2005	$16,500,000	$20,620,860
Condominiums at North Bank	2006	$50,000,000	$60,534,722
West Street Office Building	2006	$10,500,000	$12,712,292
Total		$374,600,000	$507,738,798

[8] http://www.dispatch.com/news/20170530/huntington-park-debt-being-paid-off-without-taxpayer-help

Table 2. Development in the Arena District Through September 2013 (Phase II)

Arena District Project	Size	Description
Commercial		
125 W. Nationwide Boulevard	75,000 sq. ft.	4 floors, 1st floor retail
155 W. Nationwide Boulevard	105,000 sq. ft.	5 floors, 1st floor retail
191 W. Nationwide Boulevard	134,000 sq. ft.	6 floors, 1st floor retail
277 W. Nationwide Boulevard	95,000 sq. ft.	5 floors, 1st floor retail
230 West Street	130,837 sq. ft.	1 floor, office and retail
250 West Street	127,000 sq. ft.	7 floors, office, 1st floor retail
325 John H. McConnell Boulevard	165,000 sq. ft.	6 floors, office and retail
375 N. Front Street	67,000 sq. ft.	4 floors, 1st floor retail
401 N. Front Street	129,000 sq. ft.	4 floors, 1st floor retail
Moline Plow Building	70,000 sq. ft.	4 floors, 1st floor retail
Entertainment and Hospitality		
Arena District Athletic Club	11,000 sq. ft.	
Crowne Plaza Hotel		377 guestrooms
Huntington Park	10,100 seats	MiLB Ballpark
The Hyatt Regency		20 floors, 631 rooms
Lifestyles Communities Pavilion	3,000 seats	Indoor/outdoor concert venue
The Lofts Hotel	44 rooms	Boutique hotel
Nationwide Arena	18,500 seats	NHL Arena
Residential		
Arena Crossing Apartments	419,325 sq. ft.	252 units
Burnham Square Condominiums	338,643 sq. ft.	98 condominium flats
The Condominiums at North Bank Park	375,340 sq. ft.	109 units
Flats II	610-1,050 sq. ft. per unit	120 units
Flats on Vine	500-1,200 sq. ft. per unit	232 units
Buggy Works	750-2,500 sq. ft. per unit	68 condominium lofts
415 N. Front Street		252 luxury apartments, retail
Projects Under Construction or Proposed (September 2013)		
Goodale Apartments		180 units
Neighborhood Launch – Long Street		260 units
463 N. High St. Apartments		12 units
34-38 and 51-53 Gay St.		
HighPoint at Columbus Commons		302 units
Columbus State – Union Hall	17,600 sq. ft.	Renovation
Old Police HQ		Renovation
Columbia Gas Building	286,000 sq. ft.	
LeVeque Tower		Renovation
Alder Building		
Hawthorne Grove Apartments		40 units
LC South High Apartments		100 units
Neighborhood Launch – 6th and Gay St.		28 units
Neighborhood Launch – Future Phases		199 units
Atlas Building		Renovation
Discovery District Commons		100 units
Museum of Art	50,000 sq. ft.	Addition
Scioto Dam Removal / Park Development		33 acres
North Bank Public Art		
101 S. High St.		
112 E. Main St.		
Capital Square Streetscape		Improvements
Creative Campus Streetscape		Improvements
Pearl and Lynn Alley		Improvements

Only a decade ago, the 75-acre area along the Scioto River was an abandoned industrial site. The development of the Arena District became a catalyst for the development of the Scioto Mile. Today the development includes 1.5 million square feet of Class A office space, 300,000 square feet of retail, restaurant, and entertainment space, and 800 residential units.

At full-build out, **the Arena District attracts 2.75 million visitors annually** and includes Nationwide Arena, Huntington Park, EXPRESS LIVE! (an indoor/outdoor concert venue), the recently renovated Greater Columbus Convention Center, several hotels, an athletic club, and many bars and restaurants. Several of Columbus' most important businesses are located within the Arena District or the Scioto Mile.[9]

Huntington Park and the Arena District have continued to encourage nearby development; for example, the Schottenstein Real Estate Group announced plans in 2017 for a 23-acre project northwest of Huntington Park in an undeveloped area adjacent to the Arena District. The project will include three hotels, a grocery store, conference center, extended stay hotel, restaurant row, boutique retail, parking, a 10-12 story condo tower, and a 12-15 story apartment tower.[10]

Between 2000 to 2010, more than 65,000 new residents moved to Columbus - a growth rate of more than 10 percent (see Table 3). Although the city's population increased, the number of people living and working in the downtown area continued to decline. Consequently, The Arena District was conceptualized as a downtown revitalization plan to reverse the current trend. **The Arena District has continued to enhance the city's population growth, relative to surrounding cities in Franklin County, while also encouraging downtown employment.**

In 2002, prior to the development of the Arena District, there were 2,998 full-time jobs in the area; this figure increased by over 131.7 percent in the 13 years that followed (see Table 4). Over the same period, employment in Columbus, outside the Arena District, was continuing to decline; this suggests the Arena District's development and job creation assisted in reversing this trend. In addition, **the Arena District ensured job *retention* in downtown Columbus.** From a fiscal perspective, downtown jobs contribute to Columbus' 2.5 percent earnings tax, which is collected based on job location, versus employee's place of residence. The presence of high paying downtown jobs generates substantial revenue for the city.

Table 3. Population Changes in Columbus vs. Franklin County[11]

Year	Columbus (City)	Percent Change	Franklin County (Less City)	Percent Change
2000	714,905	-	357,113	-
2001	723,364	1.2%	359,574	0.7%
2002	728,476	0.7%	360,217	0.2%
2003	734,215	0.8%	361,035	0.2%
2004	738,386	0.6%	361,217	0.1%
2005	743,511	0.7%	361,986	0.2%
2006	751,685	1.1%	364,239	0.6%
2007	760,224	1.1%	366,950	0.7%
2008	770,530	1.4%	370,653	1.0%
2009	780,950	1.4%	374,458	1.0%
2010	790,864	1.3%	375,507	0.3%
2011	799,917	1.1%	380,104	1.2%
2012	811,640	1.5%	386,000	1.6%
2013	824,904	1.6%	389,870	1.0%
2014	838,200	1.6%	395,188	1.4%
2015	850,044	1.4%	400,225	1.3%
2016	860,090	1.2%	404,428	1.1%
Change (2000-16)	+145,185	20.3%	+47,315	13.2%

[9] http://arenadistrict.com/office-listings/
[10] https://www.bizjournals.com/columbus/news/2017/08/08/exclusive-23-acre-arena-district-resort-style.html
[11] U.S. Census Bureau

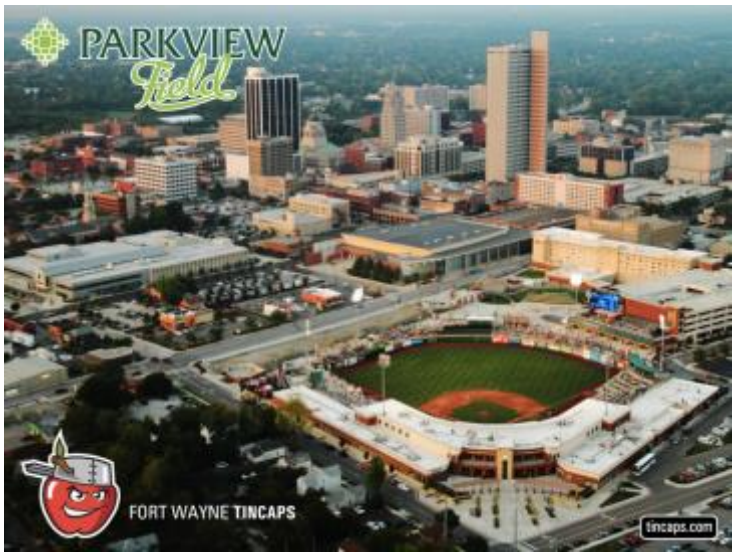
Table 4. Employment Changes in Columbus, Downtown Columbus, and the Arena District[12]

Year	Arena District	Percent Change	Downtown Columbus (Less Arena District)	Percent Change
2002	2,998	-	77,404	-
2003	3,234	7.9%	74,802	-3.4%
2004	3,632	12.3%	72,469	-3.1%
2005	3,665	0.9%	73,779	1.8%
2006	4,746	29.5%	74,316	0.7%
2007	5,095	7.4%	68,792	-7.4%
2008	5,491	7.8%	74,420	8.2%
2009	5,113	-6.9%	65,502	-12.0%
2010	5,745	12.4%	74,448	13.7%
2011	6,018	4.8%	73,752	-0.9%
2012	5,837	-3.0%	74,119	0.5%
2013	6,556	12.3%	74,088	0.0%
2014	6,339	-3.3%	75,093	1.4%
2015	6,947	9.6%	76,082	1.3%
Change (2002-15)	+3,949	131.7%	-1,322	-1.7%

Parkview Field, Fort Wayne, Indiana

In 2006, Hardball Capital purchased the Fort Wayne TinCaps and formed the BaseballPLUS committee to study the feasibility of building a new MiLB ballpark. Parkview Field was built with a public/private partnership between the Fort Wayne TinCaps and the City of Fort Wayne. Since opening in 2009, the ballpark has served as a community asset hosting festivals, concerts, and other private events.[13]

Harrison Square, a $110 million redevelopment effort, was built adjacent to Parkview Field. By 2011, "The Harrison," a four-story mixed residential/commercial building with 42 residential units, a brand-new Marriott Courtyard hotel, a 900-space parking garage, and connecting skywalks, were built.[14].



Source: MiLB.com

In the seven years leading up to the ballpark's construction, Fort Wayne's population was stagnant (see Table 5). However, **in the seven years after its opening, and following several development projects in the downtown area, resident population has increased by 10,700 (4.2 percent growth).** Prior to the ballpark's construction, the vast majority of Allen County's growth took place outside of Fort Wayne (19.8 percent growth); from 2009 to 2016, much of that growth relocated to the city (6 percent growth in Allen County excluding Fort Wayne).

Since 2002, downtown Fort Wayne has experienced employment growth of 18.2 percent (see Table 6). While there has not been a significant change in downtown employment since the opening of Parkview Field, the ballpark's development has contributed to the downtown neighborhood's employment stability. The team has expanded employment from 35 game-day employees to more than 400.[15]

[12] Bureau of Labor Statistics
[13] http://www.parkviewfield.com/ballpark/history/)/
[14] http://www.nytimes.com/2011/06/29/realestate/commercial/an-indiana-town-lures-renters-with-ballpark-views.html
[15] http://www.parkviewfield.com/ballpark/history/

It is also important to note that, excluding the downtown neighborhood, Fort Wayne's employment declined from 2002 to 2015 (-0.9%), with much of the growth occurring in years after the ballpark was built. **With the majority of Fort Wayne's employment growth occurring in the downtown area, it is reasonable to assume Parkview Field, and related downtown development, improved employment status.**

Table 5. Population Changes in Fort Wayne City and Allen County[16]

Year	Fort Wayne (City)	Percent Change	Allen County (Less City)	Percent Change
2000	253,964	-	78,822	-
2001	253,835	-0.1%	81,121	2.9%
2002	253,703	-0.1%	83,421	2.8%
2003	253,777	0.0%	85,792	2.8%
2004	253,005	-0.3%	87,911	2.5%
2005	252,981	0.0%	90,257	2.7%
2006	253,539	0.2%	92,775	2.8%
2007	254,174	0.3%	95,360	2.8%
2008	253,720	-0.2%	97,544	2.3%
2009	253,780	0.0%	99,913	2.4%
2010	254,109	0.1%	101,779	1.9%
2011	256,166	0.8%	102,593	0.8%
2012	257,599	0.6%	103,154	0.5%
2013	259,392	0.7%	103,873	0.7%
2014	260,893	0.6%	104,468	0.6%
2015	262,806	0.7%	105,234	0.7%
2016	264,488	0.6%	105,916	0.6%
Change (2000-16)	+ 10,524	4.1%	+ 27,094	34.4%
Change (2002-09)	+77	0.0%	+16,492	19.8%
Change (2009-16)	+10,708	4.2%	+6,003	6.0%

Table 6. Employment Changes in Allen County, Fort Wayne, and Downtown Fort Wayne[17]

Year	Downtown Fort Wayne	Percent Change	Fort Wayne City (Less Downtown)	Percent Change	Allen County (Less City)	Percent Change
2002	14,829	-	123,516	-	30,006	-
2003	14,736	-0.6%	118,082	-4.4%	29,258	-2.5%
2004	14,668	-0.5%	117,226	-0.7%	29,156	-0.3%
2005	16,594	13.1%	118,853	1.4%	31,203	7.0%
2006	15,941	-3.9%	122,631	3.2%	30,966	-0.8%
2007	16,313	2.3%	121,465	-1.0%	31,320	1.1%
2008	16,803	3.0%	117,211	-3.5%	29,304	-6.4%
2009	16,191	-3.6%	111,844	-4.6%	27,105	-7.5%
2010	15,907	-1.8%	116,470	4.1%	29,665	9.4%
2011	16,206	1.9%	116,979	0.4%	32,722	10.3%
2012	16,123	-0.5%	120,572	3.1%	31,483	-3.8%
2013	13,904	-13.8%	121,570	0.8%	31,843	1.1%
2014	16,927	21.7%	119,505	-1.7%	32,692	2.7%
2015	17,532	3.6%	122,428	2.4%	33,289	1.8%
Change (2002-15)	+2,703	18.2%	-1,088	-0.9%	3,283	10.9%
Change (2003-09)	+1,362	9.2%	-11,672	-9.4%	-2,901	-7.4%
Change (2009-15)	+1,341	8.3%	+10,584	9.5%	6,184	22.8%

[16] U.S. Census Bureau

[17] Bureau of Labor Statistics

Slugger Field, Louisville, Kentucky

The revitalization of downtown Louisville included the construction of both a new MiLB ballpark and the University of Louisville's basketball arena. Louisville's Slugger Field, which opened in 2000 and cost $39 million,[18] was financed through a public/private partnership between the City of Louisville, the Louisville Bats AAA Baseball Club, local businesses, and civic organizations. The team pays an annual rental fee of $802,000 to play at Slugger Field.[19]

Source: Louisville Bats

In September 2017, a 35-acre economic development plan (one mile west of Slugger Field), valued at approximately $200 million, was announced. The proposed development will be anchored by a 10,000-seat MLS stadium ($50 million), built by, and home to the Louisville City FC. **The goal is to complete a "stadium district," encompassing the soccer stadium, Louisville Slugger Field, and the Yum! Center.** [20]

Despite decentralizing trends, downtown Louisville has been sustained by utilizing sport-anchored development. **Louisville's population has continued to grow at a faster rate than in surrounding suburban areas** (see Table 7). **The revitalization strategy has also allowed downtown Louisville to become a job center for the region**. Downtown Louisville saw employment growth of nearly 13 percent from 2002 to 2015; this growth exceeds that of the surrounding city (6.7 percent) (see Table 8).

Table 7. Population Changes in Jefferson County and Louisville[21]

Year	Louisville (City)	Percent Change	Jefferson County (Less City)	Percent Change
2000	554,619	-	139,780	-
2001	557,380	0.5%	139,779	0.0%
2002	560,031	0.5%	139,779	0.0%
2003	563,908	0.7%	140,062	0.2%
2004	566,731	0.5%	140,097	0.0%
2005	569,819	0.5%	140,199	0.1%
2006	574,514	0.8%	140,635	0.3%
2007	581,388	1.2%	141,652	0.7%
2008	587,675	1.1%	142,519	0.6%
2009	593,419	1.0%	143,286	0.5%
2010	597,269	0.6%	145,008	1.2%
2011	600,425	0.5%	145,815	0.6%
2012	604,609	0.7%	146,733	0.6%
2013	609,863	0.9%	147,852	0.8%
2014	612,367	0.4%	148,336	0.3%
2015	614,748	0.4%	148,761	0.3%
2016	616,261	0.2%	149,091	0.2%
Change (2000-16)	+ 61,642	11.1%	+ 9,311	6.7%

[18] http://www.milb.com/content/page.jsp?ymd=20051215&content_id=47157186&fext=.jsp&vkey=news_t416&sid=t416
[19] http://www.milb.com/content/page.jsp?sid=t416&ymd=20051215&content_id=36315&vkey=team1
[20] http://www.louisvillecityfc.com/news_article/show/836313
[21] U.S. Census Bureau

Table 8. Employment Changes in Jefferson County, Louisville, and Downtown Louisville[22]

Year	Downtown Louisville	Percent Change	Louisville City (Less Downtown)	Percent Change	Jefferson County (Less City)	Percent Change
2002	54,684	-	110,949	-	230,177	
2003	52,466	-4.1%	109,855	-1.0%	225,296	-2.1%
2004	54,672	4.2%	110,058	0.2%	232,150	3.0%
2005	54,045	-1.1%	109,310	-0.7%	234,691	1.1%
2006	57,360	6.1%	106,873	-2.2%	245,349	4.5%
2007	56,598	-1.3%	115,731	8.3%	241,453	-1.6%
2008	59,021	4.3%	111,219	-3.9%	239,965	-0.6%
2009	59,483	0.8%	108,914	-2.1%	231,983	-3.3%
2010	56,498	-5.0%	111,329	2.2%	235,295	1.4%
2011	53,622	-5.1%	120,198	8.0%	232,539	-1.2%
2012	57,009	6.3%	121,305	0.9%	239,903	3.2%
2013	62,344	9.4%	119,037	-1.9%	247,803	3.3%
2014	62,144	-0.3%	119,887	0.7%	252,936	2.1%
2015	61,733	-0.7%	118,355	-1.3%	262,381	3.7%
Change (2002-15)	7,049	12.9%	7,406	6.7%	32,204	14.0%

Case Study Takeaways

There are valuable lessons to be learned from the case studies examined above. The cases demonstrate that venues can be utilized as anchors to encourage development, attract visitors, increase population or employment growth, and ensure both the city's fiscal stability and the downtown area's vibrancy. Each of sport-anchored development projects studied were successful in achieving public policy goals, while generating benefits to involved partners.

The public/private partnership proposed by Rhode Island, the City of Pawtucket, and the Pawtucket Red Sox provides an opportunity for similar outcomes – the accrual of fiscal benefits to the public-sector, while ensuring the team's long-lasting viability in Pawtucket. The financial models presented earlier suggest the development of the Ballpark at Slater Mill will be a success. Table 9 summarizes key takeaways from the Columbus, Fort Wayne, and Louisville case studies, and suggests how these lessons might be applied in Pawtucket.

[22] Bureau of Labor Statistics

Table 9. Key Lessons from Case Studies and Application

Takeaways from Columbus		Application to Pawtucket
Even in a larger city, within a growing region, redevelopment takes several years; Columbus' Phase I lasted for eight years while Phase II was not completed until five years later	→	The full potential of a real estate development effort, anchored by a ballpark will likely unfold over multiple phases, spanning several years
The Arena District TIF is on schedule to repay its remaining long-term bonds	→	Sport-anchored TIF districts can be prudent investments for the public sector
The Arena District's in establishing both an NHL arena and MiLB ballpark as anchors for real estate is underscored by the number of projects that followed (refer to Tables 1 & 2)	→	Sport-anchored TIF districts can encourage ancillary development
The Arena District attracts more than 2.75 million visitors annually	→	Sport-anchored TIF districts attract new visitors
After the Arena District was developed, the city's population grew at a rate nearly 10 percent faster than the MSA; employment in Columbus grew more than 133 percent faster than the MSA	→	Sport-anchored TIF districts can enhance population and employment growth
Columbus' 2.5 percent earnings tax is applied based on where residents are employed; downtown employment growth therefore enhanced the city's fiscal stability	→	Sport-anchored TIF districts can sustain cities' fiscal stability
Takeaways from Fort Wayne		**Application to Pawtucket**
The development of Parkview Field anchored other local real estate projects, such as the $110 million Harrison Square	→	Sport-anchored TIF districts can encourage ancillary development
Downtown population growth was stagnant before Parkview Field was built, but grew steadily in the years after the ballpark opened	→	Sport-anchored TIF districts can enhance population growth in the downtown area
Prior to Parkview Field's construction, much of region's population growth took place outside of Fort Wayne; after the ballpark was built, growth was more concentrated within the city	→	Sport-anchored TIF districts can regional concentrate population growth
The majority of Fort Wayne's employment growth took place in the downtown area, near Parkview Field	→	Sport-anchored TIF districts can enhance employment growth in the downtown area
Takeaways from Louisville		**Application to Pawtucket**
The development of Slugger Field and KFC Yum! Center has encouraged ancillary development including plans for a $200 million MLS stadium and the creation of a "stadium district" encompassing all three venues	→	Sport-anchored TIF districts can encourage ancillary development
The city's population has continued to grow at a rate faster than surrounding areas in the region	→	Sport-anchored TIF districts can enhance a city's population growth
Downtown employment, near Slugger Field and KFC Yum! Center, grew faster than other areas of the city	→	Sport-anchored TIF districts can enhance employment growth in the downtown area

VIII. Conclusion

The decision to invest in a sport venue is a long-term commitment for taxpayers, team owners, and city officials. Each must have confidence in the market and the plan. Public officials must be assured their use of tax dollars represents an **investment, rather than a subsidy.**

Regardless of the report's conservative projections, both Rhode Island and Pawtucket are expected to enjoy positive returns on their investments. Sustaining the team's presence in Rhode Island **ensures the retention of $2.2 million in tax revenues for the state.** Our models predict the state's investment will be repaid in the 8th year of the 30-year lease for use of the new, public ballpark. After the bond is repaid, the state will receive at least $35 million in *additional* income and sales tax revenues over the remaining 17 years. In addition, the state will receive sales and income taxes from construction of the ballpark and surrounding real estate development.

Our projections indicate **Pawtucket will generate enough new property taxes to repay its investment** five years after the opening of the Ballpark at Slater Mill, despite a conservative model and real estate plan. If our expectation of only 150 new residential units is surpassed, Pawtucket may well recoup its costs far sooner than anticipated. We are confident in our projection that the City will secure far more new property taxes than needed to repay its annual bond payment of $900,000 in short order.

The case studies included in this report demonstrate the success that can be achieved by anchoring redevelopment strategies with MiLB ballparks. Each successful partnership implemented a unique revitalization plan, with a level of private sector development guaranteed, to attract and retain residents and businesses in its downtown area. Pawtucket has followed these cities' **blueprint for success** by securing a commitment to build 50,000 square feet of new real estate in addition to the ballpark.

Our professional opinion is that the partnership between Rhode Island, Pawtucket, and the Pawtucket Red Sox will **protect the financial interests of taxpayers, city officials, and the team's owners**, with **minimal risk** to the parties involved. If the partnership's anticipated 30-year lease by the team and city is signed, fans can rest assured that the team will continue its long-standing tradition in Pawtucket. Likewise, investors can have confidence in the opportunities presented by the Ballpark at Slater Mill project. The Pawtucket Red Sox' resolve demonstrates the team's confidence in the market's stability, and illustrates a commitment to framing downtown Pawtucket, and the riverfront properties, for the next several decades.