Bond Case Briefs

Municipal Finance Law Since 1971

Taxpayers Urged to Demand Elected Officials Resist Investing Public Money in Rays' New Stadium.

It will be a baseball palace – a 28,000-seat stadium on 14 acres north of Ybor Channel in Tampa's nightlife district with paneled windows to let the breeze blow in off the bay and a translucent roof to see lightning lace the summer sky.

It will be the new home of the Tampa Bay Rays, scheduled to open by first pitch of the 2023 season, and it will cost $892 million.

The Rays have no funding plan for their proposed new stadium, but one thing is sure: They aren't going to pay for much of it.

Americans for Prosperity – Florida (AFP-FL) is among groups raising alarm about the Rays' new stadium proposal as a Dec. 31 deadline nears for the franchise to opt out of its Tropicana Field lease with St. Petersburg or remain there through 2027.

"We absolutely oppose using taxpayers money for the stadium," AFP-FL Director of Coalitions Demetrius Minor told Watchdog News. "We are not saying don't build it, we're saying you shouldn't build it with public money."

When the Rays formally announced the proposal in July, it prompted an immediate response from most members of the Tampa City Council and Hillsborough County Commission that little to no public money would be funneled into the stadium.

Mayor Bob Buckhorn, while acknowledging the ballpark would be a great addition, noted there was little momentum to ask taxpayers to pay for a ballpark, suggesting the Rays and local business leaders could find "creative ways" to fund it.

But Minor said the AFP-FL and others fear the Rays will essentially coerce local taxpayers into kicking in direct and indirect subsidies to build the stadium by threatening to move elsewhere.

The Rays are proposing to contribute anywhere from $150 million to $400 million – how much depends on securing "naming rights" – and a local advocacy group, Rays 2020, is working to generate private financing for the stadium.

But hidden in the proposal are federal, state and local subsidies pivotal to the project.

The city, for instance, could be asked to contribute some or all of the $83 million in infrastructure improvements for the project, including water, sewer and utility lines, a pedestrian walkway over Adamo Drive and a 1,000-space parking garage.

The county, for instance, could be asked to contribute a share of hotel taxes it collects to upgrade and maintain tourism-related infrastructure.

The proposed Ybor City stadium site is within one of 32 federally designated “economic opportunity zones’ in Hillsborough County. It is among the 427 tracts in Florida granted that designation by the U.S. Treasury Department in June under provisions of the Tax Cut and Jobs Act of 2017 signed into law by President Donald Trump in December.

The designation allows developers to delay paying taxes on certain investments or real estate sales if they build in that zone, something supporters say will draw investors but critics argue is a “sweetheart deal” that diverts capital away from projects that offer a better return on investment for taxpayers.

“They’re saying, ‘We’re going to rob Peter to pay Paul,” Minor said. “The return-on-investment is not going to be what they say it is.”

Minor pointed to a 2018 study by the Florida Office of Economic and Demographic Research that found public subsidies and incentives for pro sports stadiums through the Florida’s Professional Sports Facilities Incentive Program returns only 32 cents per tax dollar spent.

He called any attempt to infuse public money into the proposal “corporate welfare,” cautioning that end-arounds to side-step taxpayers’ input is “nothing new.”

Minor said Georgia’s Cobb County taxpayers are paying $300 million – more than $400 million over time – for Sun Trust Stadium, where the Atlanta Braves now play.

“Cobb County is now closing down public libraries because they can’t afford it,” he said.

There are plenty of examples in Florida illustrating how taxpayers eventually pay more for sports stadiums then they get back in jobs, tax revenues and economic development.

In July, AFP-FL called upon Miami-Dade County residents to speak out against the “whale of a deal” the Miami Dolphins are seeking in a request for $750,000 a year in property tax exemptions in addition to a $5 million “bonus” taxpayers give the team to host other events at its stadium. The deal could be worth nearly $58 million, the group says.

“The Dolphins went fishing for taxpayer subsidies and Miami-Dade and Miami Gardens elected officials swallowed hook, line and sinker,” AFP-FL State Director Chris Hudson said in a statement. “But it’s wrong that local taxpayers are being asked to pad the privately owned Dolphins’ bottom line. The only ones benefiting from this deal are the teams’ shareholders.”

In 2009, Miami-Dade County borrowed $400 million to finance the Miami Marlins’ new ballpark. Projections forecast the subsidy could ultimately cost county taxpayers $2.4 billion.

During the 2018 legislative session, Rep. Manny Diaz, Jr., R-Hialeah Gardens, sponsored House Bill 13 “to curtail abuses that have gone on, where cities are being held hostage” by prohibiting public money or land from being used to build stadiums for sports teams.

HB 13 passed the House on Jan. 12 in a 75-27 vote, but died in the Senate Appropriations and Commerce & Tourism committees.

Minor said local and state taxpayers must “put the pressure on elected officials” to resist sports stadium promoters that promise big returns in exchange for public subsidies.

Ultimately, he said, there is only so much money available to address so many needs. Money spent on stadiums is money not spent elsewhere.

“Government should not be in the business of picking winners and losers,” Minor said.

By John Haughey | Watchdog.org