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Score NFL Raiders' Departure to Vegas a Touchdown for Oakland.

- Football team exit means less expenses for regional agency
- Cost of new arena to keep Raiders may have outweighed benefit

The Oakland Raiders' slogan is "Just Win, Baby." For the San Francisco area community that hosts the National Football League team, it may as well be "Just Leave, Baby."

The team's departure will help narrow the annual losses for the municipal agency running the stadium by eliminating its game-day expenses and the risk the city of Oakland and surrounding Alameda County could incur more debt and bills to keep the franchise.

"It's never better to lose an NFL team," said Scott McKibben, executive director of the Oakland-Alameda County Coliseum Authority, which owns the sports complex. "But in terms of pure dollars and cents, operationally, it's to our benefit."

The Raiders, a franchise famed for its dedicated fans, have decamped from Oakland before, playing in Los Angeles from 1982 until returning in 1995. This time the team is headed to Las Vegas, lured by a new arena financed with the largest public subsidy in pro-football history.

Across the country, the cost of hosting professional sports has strained municipal finances, from spring-training facilities in Glendale, Arizona, to the NFL stadium in Indianapolis. While some governments such as Nevada continue to woo teams through public resources for new venues, others have curbed their enthusiasm.

San Diego has seen its credit improve after its professional football team announced its departure for Los Angeles following voters' rejection of increased taxes to fund a replacement arena.

Indeed, a municipal bond issued by the Oakland coliseum authority is priced at the same spread over benchmark debt as seen on Jan. 19, the day the team officially filed to move to Las Vegas. The agency sold $198 million of debt in 1995 to lure the Raiders back to Oakland with a renovated complex. The securities were refinanced in 2012.

The Raiders were never obligated to pay any of the debt service, which totaled about $13 million in the last fiscal year. Adding to the strain on the authority's finances, the team doesn't pay for game-day expenses, such as security officers, said McKibben.

He expects the gap between the cost of hosting Raiders games and the revenue from rent, beer sales and parking fees to saddle the authority with at least a $1 million loss for the coming season. The shortfall may grow as the Raiders, which may leave after 2018 when the new venue in Las Vegas is complete, lose fans and fewer attend games, he said.

The city and county each commit to paying half of the authority's costs and debt service. Last fiscal year, their contributions totaled $22 million. The $83 million in outstanding bonds for the Raiders' stadium, which mature in 2025, remains their obligation no matter the team’s location.

Local officials did vie to keep the Raiders, with Oakland Mayor Libby Schaaf pledging land and $200 million in municipal bonds backed by tax revenue generated by a new arena. The fact the team spurned it in favor of a more expensive and bigger facility in Las Vegas takes away a risk to the city, said Jenny Poree, senior director at S&P Global Ratings.

“We think the economic impact to the city is pretty minimal relative to what the additional debt and potential additional costs would have been,” she said.

Las Vegas and its surrounding Clark County won’t see a significant financial hit based on how that deal is structured, she said. An increase in hotel taxes provides the public subsidy, and although Clark County is pledging its general-obligation credit as a backstop, its strong financial characteristics would leave its rating unaffected.

Oakland’s loss of the Raiders may not translate to a windfall for Las Vegas and Clark County either, said Eric Hoffmann, senior vice president at Moody’s Investors Service.

“There’s really very little evidence that professional sports teams have a material economic effect on either a local economy or municipal government,” he said.

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