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Raiders' \$2B Stadium Signals Strong Demand for Sports Venues.

Dive Brief:

- The Oakland Raiders' new \$1.8 billion Las Vegas stadium and the [\\$750 million tax-exempt bond financing deal](#) being used to pay for almost half of it could continue to motivate other professional sports teams to pursue similar big deals of their own, according to [Bloomberg](#).
- In its 2017 Sports Outlook, professional services firm PricewaterhouseCoopers (PwC) found that \$32 billion will have been spent on 83 sports venues, representing all five major professional sports leagues, from 1996 to 2019. A Wells Fargo analyst told Bloomberg that Major League Soccer could be a source of future stadium construction growth. In addition to the Raiders' bond program, some of the biggest municipal bond sports deals have been the \$943 million sale in 2006 for the new Yankees Stadium and one for \$547 million for the Mets' Citi Field that same year.
- Bloomberg reported that despite the apparent ease with which these tax-exempt bond deals can be done, publicly backed financing schemes can take away from local governments' ability to meet other needs. In addition, the economic benefits from big stadium, arena and ballpark projects aren't always the same as what officials project. Nevertheless, the state-of-the-art features planned for the Raiders' new Las Vegas venue could propel teams to demand more modern facilities with a big financial boost from taxpayers.

Dive Insight:

The sports venue construction sector almost met a crippling blow last year when it looked like Congress might eliminate the ability for teams to finance projects using tax-exempt bonds. The final spending bill passed this year retained that option to the relief of cities and teams alike.

The financing mechanism is a critical tool that helps state and local governments draw and retain major sports franchises by being able to help them pay for their construction projects. In fact, the massive local contribution to the Raiders' new stadium was a non-negotiable condition of the team's relocation to Las Vegas.

[Axios reported](#) in November that public agencies have taken advantage of \$13 billion in tax-exempt bond financing for sports venues since 2000. But the benefits don't seem to have made their way to the federal government, which is certainly one of the reasons the House tried to do away with that option last year. According to the [Brookings Institution](#), the federal government lost \$3.2 billion in tax revenue from 2000 to 2014 on 36 sports-related projects using tax-exempt funding.

Construction Dive

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