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The Great Salt Lake City Tax Tradeoff.

In a few weeks, the city council will be voting on a 0.5% sales tax to support economic development downtown. But it's not the money that is drawing all the attention, it's what the city is giving up.

On June 11, the Salt Lake City Council held the latest in a series of public hearings about a proposed 0.5% sales tax increase within the boundaries of the city. The proceeds are intended to raise about $54 million a year to subsidize the financing of a major reconfiguring of the Delta Center. Currently home to the NBA's Utah Jazz, the center needs substantive updates to accommodate a new hockey team next year. The NHL approved the sale of the Arizona Coyotes to the owner of the Jazz and tech billionaire Ryan Smith in early April. The money will also be used to help build housing, restaurants and other amenities in the area. A final vote will take place this summer.

Despite decades of research that show pro sports franchises often don't boost local economies as much as promised, proponents of the deal still argue it will be a boon to downtown Salt Lake City, particularly in revitalizing several distressed neighborhoods.

But what makes this deal different from all the other stadium financing deals passed this year and in years past is that about 75% of the new revenues would go directly into the hands of a private sector entity, the Smith Entertainment Group.

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Route Fifty

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