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## **Stadiums Don't Have to Be a Drain on Taxpayer Dollars.**

**St. Louis voters rejected a \$60 million proposal for a new soccer stadium, but the city got one anyway. Here's how it did that with minimal public funding.**

The world of professional sports is flush with cash, thanks to multibillion-dollar TV deals, sponsorships and ticket sales. Yet some of the biggest investments in major franchises come from taxpayers. Between 1970 and 2020, state and local governments spent \$33 billion in public funds on sports arenas, including nearly \$20 billion since 2000, at an average cost of \$330 million per project.

Lawmakers often justify those subsidies by saying they'll create jobs, boost local businesses and attract tourists. But economists are skeptical. A 2017 survey found that 80 percent of economists think the costs of stadium subsidies outweigh their benefits. One analysis even compared the local economic impact of a sports franchise with that of a midsize department store.

As professors who study stadium financing, we wanted to dig deeper into the impact of ownership strategy in sports and economic development goals. So, in partnership with former MBA student and now graduate Jessica Timerman, we recently wrote a case study focused on our hometown's foray into Major League Soccer. Starting in 2022, St. Louis welcomed a new team, City SC, and a new stadium, CityPark, both of which received significant family funding.

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OPINION | Dec. 12, 2024 • Peter Boumgarden and Nathan Jensen

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