



Erica York: Redskins Camp is a Bad Deal for RVA Taxpayers

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As the Washington Redskins “broke training camp” at their state-of-the art facility, the city of Richmond is going broke paying for it all.

This year marks the fifth season the football team trained in Richmond. In 2012, city officials lured the Redskins — the fifth-most valuable NFL franchise worth \$2.95 billion — to move their training facility. The deal has not paid off for the taxpayers of Richmond. What should have been a privately funded project is costing millions of tax dollars from the hardworking residents of Richmond.

Here’s what happens when a municipality negotiates with an organization that knows how to negotiate.

Richmond agreed to an eight-year, \$10 million contract to build the training center along with \$500,000 a year for team travel costs and other unnamed expenses. To cover the deal, Richmond officials deferred millions of dollars earmarked for much-needed school improvements and prison construction.

To offset some of the costs, the city secured a long-term lease with Bon Secours Richmond Health System worth \$6.5 million that included naming rights. However, the lease only covered two-thirds of the deal’s actual construction expenditures, and city officials committed tax dollars to cover the shortfall.

Five years into the eight-year contract, the taxpayers of Richmond are realizing their public officials are paying off a bad bet on a professional sports team instead of investing tax dollars in core government services. Unfortunately, this is no fantasy.

Several stats reveal underperformance, including attendance that has come up a few yards short — drastically dropping from a daily average of 10,384 people in 2013 to 5,819 people in 2015. As attendance dropped, the Redskins stopped releasing attendance figures, making it difficult for

the public to scrutinize the deal. Food vendors who were once willing to pay the steep \$2,500 licensing fee for the three-week camp stayed home this year.

The Redskins' accounting book tells a different story. They claim the city has gained \$294,518 from the deal. But, the Redskins conveniently included direct tax revenue, revenue from related activities, and donations from their very own charitable foundation in their calculations.

These rosy adjusted figures failed to factor in the city's \$10 million expenditure to build the training camp facility in the first place. Perhaps more important, their calculations ignore the "invisible" opportunity costs of failing to put these taxpayer dollars to more productive uses, such as reducing property taxes or providing core government services.

Also unmentioned are the expenses — many unexpected — covered by the city of Richmond, such as \$4,353 to install new, taller goalposts when the NFL changed league standards or the strain on police and fire department budgets working overtime to ensure event safety. Once again, it's taxpayers who bear these costs.

Overwhelming academic research shows no return to the municipalities for this transfer of hundreds of millions worth of taxpayer funds paid out to billionaire team owners. The promises of economic development and increased economic activity are either overstated, or never materialize.

ALEC isn't alone in calling for an end to taxpayer funded sports facilities. The left-leaning Brookings Institute puts it this way:

“Indeed, there is little evidence that stadiums provide even local economic benefits. Decades of academic studies consistently find no discernible positive relationship between sports facilities and local economic development, income growth, or job creation.”

The Cato Institute echoes, noting that stadium advocates take from the poor, give to the rich, and typically rearrange local economic activity and tax collection rather than provide a return on investment. To put it simply, subsidizing sports teams is bad public policy.

This convergence across left- and right-leaning groups indicates just how condemning the evidence against sports subsidies is.

One study published in The Journal of Economic Perspectives notes: “Few fields of empirical economic research offer virtual unanimity of findings. Yet, independent work on the economic impact of stadiums and arenas has uniformly found that there is no statistically significant positive correlation between sports facility construction and economic development.” The authors go on to cite more than seven studies confirming this finding and conclude that there is “virtually no evidence of any perceptible economic development benefits from sports teams or stadiums.”

With the 2017 season underway, Mayor Levar Stoney is considering a renegotiation of the deal.

Last year, the city had to write a check worth more than \$360,000; this year, the team agreed to defer \$92,000 of the city's payment. As Richmond officials hold their breath for a "future draft pick to be named later," taxpayers should remind them of the age-old saying, "buyer beware."