



Oregon Women's Rights Coalition

SB 110-1 Baseball Stadium Financing-Oppose

Chair Meek, Vice-Chair McLane and members of the committee.

In 2003, the Oregon Women's Rights Coalition opposed SB 5 which proposed at that time bonding for \$150 million dollars. We opposed the proposal then, and we oppose the updated proposal now.

Over the last thirty years there have been many economic studies done on the economic effects of a major league stadium complex on a locale. Most are for renewed or new stadiums for an existing team.

As economists John Charles Bradbury, Dennis Coates, and Brad R. Humphrey concluded in [their 2023 study of stadium subsidies](#):

The extensive body of research on the economic impact of stadiums demonstrates that professional sports venues generate limited economic and social benefits, which fall far short of the large public subsidies they typically receive. Stadium subsidies transfer wealth from the general tax base to billionaire team owners, millionaire players, and the wealthy cohort of fans who regularly attend stadium events. Despite the widespread consensus among economists that stadium subsidies represent poor public policy, state and local governments continue to subsidize venue construction with funding that now routinely exceeds \$1 billion per new facility.¹

For the Portland Diamond Project, the fan base will need to be built. The area minor league team, the Hillsboro Hops, averaged a 2024 attendance of 2345, down slightly from 2022 and 2023. So activating a much larger fan base will be necessary.

Many economic studies point out that the attendance base comes largely from the area, so economic activity is not necessarily added to the area, it mainly relocates the activity.

A recent [Bloomberg piece](#) explains this phenomenon well:

Team owners and their backers think of stadium and arena developments as a kind of perpetual-motion machine, driving so much economic activity that they sustain themselves. **The problem with this model is that most venue sales come from people who live locally, so that economic activity is simply reallocating commerce from somewhere within the jurisdiction.** Instead of going out for a drink at a pub, the boys might meet up for a hockey game. Instead of buying groceries and making dinner, a family might grab hot dogs at the ballpark. That's a problem for an arena to be financed by bonds and repaid by tax revenue...since an arena mostly shifts that tax revenue away from other local sources.²

And a 2020 Brookings Institute paper highlights this local emphasis, "only a tiny fraction of the hotel rooms or rental cars used in a city over the course of a year are purchased by sports tourists."²

But the devil is in the details. So let's ask a few questions about the details.

In September of 2024 the press reported that the PDP stadium cost was between \$1.2-1,5 billion dollars. Six months later the cost is estimated at \$1.8-2 billion. **What accounts for that change?**

In testimony the proponents in passing mentioned that there might be a public entity set up. Yet in their most recent posting of material it seems to be a given.

A common workaround is to create an agency that serves as a municipal corporation, specifically for the purpose of stadium construction and ultimately, operation, to issue these bonds. Sports authorities or public facilities districts can qualify for tax exempt status if the stadium is also used for public events exceeding a minimum threshold of use. PDP

So who creates this agency? The City of Portland, the state legislature, or possibly Metro.

Should not this be decided before making a decision to change current law and back \$800,000,000?

Also mentioned during testimony was the fact there would need to be some work done during 2025-36 on the site.

What kind of work and who will pay?

It would be helpful to know that the investors have the deep pockets needed to fund a major league baseball team before making a decision to commit future payroll taxes to the payback.

During the presentation there was a discussion of the completion of Bond Street. **Who will be responsible for the cost of that improvement?** The stadium owners, the municipal corporation, or the city of Portland who already has a strained budget.

The project is very ambitious. We would contend the legislature should not rush to make decisions ing what we would consider major information points. This is not Portland's first attempt.

Portland didn't obtain the Expos, but the efforts did lead to a bill being passed [promising up to \\$150 million in public financing toward a stadium once a team was acquired](#). In the past year various Oregon Democrats, including (former)Senate Majority Leader Ginny Burdick, [have stated their intent to repeal the bill as public financing of stadiums has grown less popular with voters over the past decade-plus](#). If and how PDP would finance its billion-dollar riverside park -- complete with boardwalk, garden, gondolas, and a retractable, translucent roof -- in the event the \$150 million is dashed remains unclear. 3.

Please realize the information you have now would not make for a complete bond prospectus and many details sre missing. Please get the details before making a decision.

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<https://www.cato.org/blog/itinerant-baseball-team-may-need-more-taxpayer-funds> (1)

<https://www.cato.org/commentary/sports-are-great-stadium-subsidies-stink#> (2)

<https://www.cbssports.com/mlb/news/the-business-behind-mlb-expansion-portland-montreal-and-raleigh-taking-different-approaches-to-landing-a-team/> (3)