Analysis says Browns' projections for new stadium are 'too optimistic'

ву Jessie Balmert Akron Beacon Journal

The <u>Cleveland Browns</u> and many Republican lawmakers are pitching the team's new, domed stadium as an economic boon for the state, <u>worthy of a \$600 million bond investment.</u>

But <u>a new, independent legislative analysis</u> found the Browns' projections are likely too rosy on everything from the number of construction workers employed to how many people would attend events at the proposed Brook Park stadium.

"The academic literature on publicly funded sports stadiums is vast, covering many decades, sports, states and municipalities," according to the Ohio Legislative Service Commission analysis, prepared in response to questions from the Ohio Senate's top Democrat. "The overwhelming conclusion from this body of research is that there are little to no tangible impacts of sports teams and facilities on local economic activity."

Senate Minority Leader Nickie Antonio, D-Lakewood, who requested the analysis, said the proposed funding plan raised "serious legal and financial concerns."

Among the concerns:

- It's not clear whether the Ohio Constitution allows the state to issue bonds for a sports stadium. A 1993 court decision allowed Ohio to issue bonds for the Cincinnati Performing Arts Center. Using that logic, a new Browns stadium might be allowed, and Ohio Treasurer Robert Sprague recently said the Browns proposal was constitutional. However, the analysis wrote: "Ultimately, only a court can determine whether or not it is permissible."
- The Browns' owners' economic impact analysis found the Brook Park project would lead to 6,000 temporary construction jobs, 5,370 permanent positions at the stadium and 2,540 jobs in Cuyahoga County. But research suggests that there are "very

<u>limited economic impacts of professional sports teams and stadiums."</u> Some of those jobs might not be new, but rather moved from Cleveland to Brook Park, according to the LSC analysis.

- The owners projected that a new domed stadium would bring 1.5 million new visitors to the area. But the LSC analysis said this "may be overly optimistic." To hit those numbers, the stadium would have to host 21 sold-out events (in addition to Browns games), LSC estimated. But none of the three closest domes had more than 12 major events in 2023.
- Hosting a big event in the Cleveland area could pull economic activity from other parts of the state. For example, the Haslam family, which owns the Browns and Columbus Crew, <u>held a game</u> <u>between the Crew and Inter Miami in Cleveland</u> to capitalize on the increased demand for Miami star Lionel Messi.
- Ohio couldn't issue general obligation bonds, backed by the full faith and credit, revenue and taxing power of the state, for the Browns stadium, according to the analysis. That means Ohio lawmakers couldn't levy a tax to pay for the debt service.

Those who crafted the legislative analysis, <u>first reported by Ohio Public Media Statehouse News Bureau</u>, didn't have access to the full economic report commissioned by the Browns' owners, so they couldn't dig into the math behind the projections.

Antonio said the new analysis should give lawmakers pause. "We should not move forward until we know the courts, the numbers, and the public are on board."

Republicans in the Ohio House of Representatives approved the \$600 million bond project for the Cleveland Browns. When the proposal passed, Rep. Mike Dovilla, R-Berea, described the Browns' proposal as "Cleveland's ship finally coming in" and called it a transformative, world-class entertainment district.

But, Rep. Ron Ferguson, R-Wintersville, said any economic benefit to Brook Park is coming at Cleveland's expense. "If you look at the state holistically, there isn't going to be any new economic spend, which is what this study says over and over again."

Ferguson, who opposes the Browns project, said state lawmakers shouldn't be putting their thumbs on the scale and choosing one part of Ohio over another. "All you're doing is moving the money around within the borders of Ohio."

Now, the Ohio Senate is reviewing the Browns' proposal, and <u>more teams, including the Cincinnati Bengals, are asking for money</u>. Gov. Mike DeWine initially pitched paying for new stadiums by doubling taxes on sports betting. He has the power to veto any plan that he decides isn't in Ohio's best interest.

"Sports are very important in Ohio," DeWine told the statehouse bureau. "It's a good thing for our state in many, many ways, but we can't fund it anymore out of general fund money. We can't do it."