



# City of Austin

## Leslie Pool, Council Member District 7

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### Cost/Benefit Analysis for McKalla Place

#### Is there an analysis of the costs and community benefits expected for the proposed soccer stadium?

District 7 staff has produced an extensive analysis of the potential costs and community benefits over the initial 20-year term and worked with staff experts to ensure that the methodology and estimates contained here are reasonable and defensible. Additionally, District 7 staff have made available the full and complete calculations as well as a 'user manual' explaining in detail how these calculations were reached, in order to provide full transparency:

- **Cost Estimates:** <https://tinyurl.com/McKallaCostWorksheet>
- **Community Benefits Estimates:** <https://tinyurl.com/McKallaBenefitsWorksheet>
- **Worksheet 'User Manual':** <https://tinyurl.com/McKallaUserManual>

#### What was District 7 staff's approach to this analysis?

District 7 staff used the following principles to guide their work on this analysis:

- **Providing Conservative Estimates.** District 7 staff used historic data to estimate future patterns, erred on the side of caution when making decisions on how to build their models, and confirmed with City staff and relevant experts that modeling decisions and assumptions were reasonable.
- **Providing a Range of Scenarios.** In order to account for the uncertainty of future conditions, District 7 staff have provided a range of conservative scenarios.
- **Making All Assumptions and Calculations Available for Review** in order to maintain full transparency.

The cost/benefit analysis cannot determine *whether* Council should approve or reject the soccer stadium agreement; it is a policymaking tool that can help Council and the community evaluate certain aspects of the proposed stadium deal. As has been noted, there can also be certain 'intangible' benefits to having a local professional sports team.

#### What are the results of this cost/benefit analysis?

There are many different ways of looking at this data. One is to compare the *most conservative* estimate available for total known costs (ie. the lowest cost estimate available, assuming no growth in tax burden or event costs) against the *most generous* estimate for community benefits (ie. the highest benefit estimate available). That comparison is provided below.

The \$91 million difference in this comparison between the known local costs (\$163 million) and community benefits (\$72 million) can be considered the 'cost' to local government of the 'intangibles' (ie. of having a local professional soccer team).

**Table 1. Comparison: Most Conservative Cost Scenario to Most Generous Community Benefits Package**

Total Costs to All Local Governments		No-Growth Scenario	
Known Costs (Over Initial 20-Year Term)		\$163 million	
Forgone Property Taxes (No Growth in Taxes)		\$102 million	
Forgone Market Rent		\$38 million	
CapMetro Facilities (Bus & Train)		\$14 million	
Event Services (No Growth in Event Costs)		\$4 million	
Insurance		\$3 million	
Capital Repairs		\$3 million	
Forgone Revenue Sharing		Not Included	
Unknown Costs (Over Initial 20-Year Term)		Unknown	
Training Complex		Unknown	
Infrastructure		Unknown	
Community Benefits		Generous Scenario	
Benefits (Over Initial 20-Year Term)		\$72 million	
Non-Profit Donations		\$16 million	
Parks Maintenance		\$4 million	
Use of City Property Benefits		\$10 million	
MLS-Required & Other Soccer Programs		\$43 million	