

SODO Arena EIS Economic Analysis and Site Comparison Review

September 24, 2013

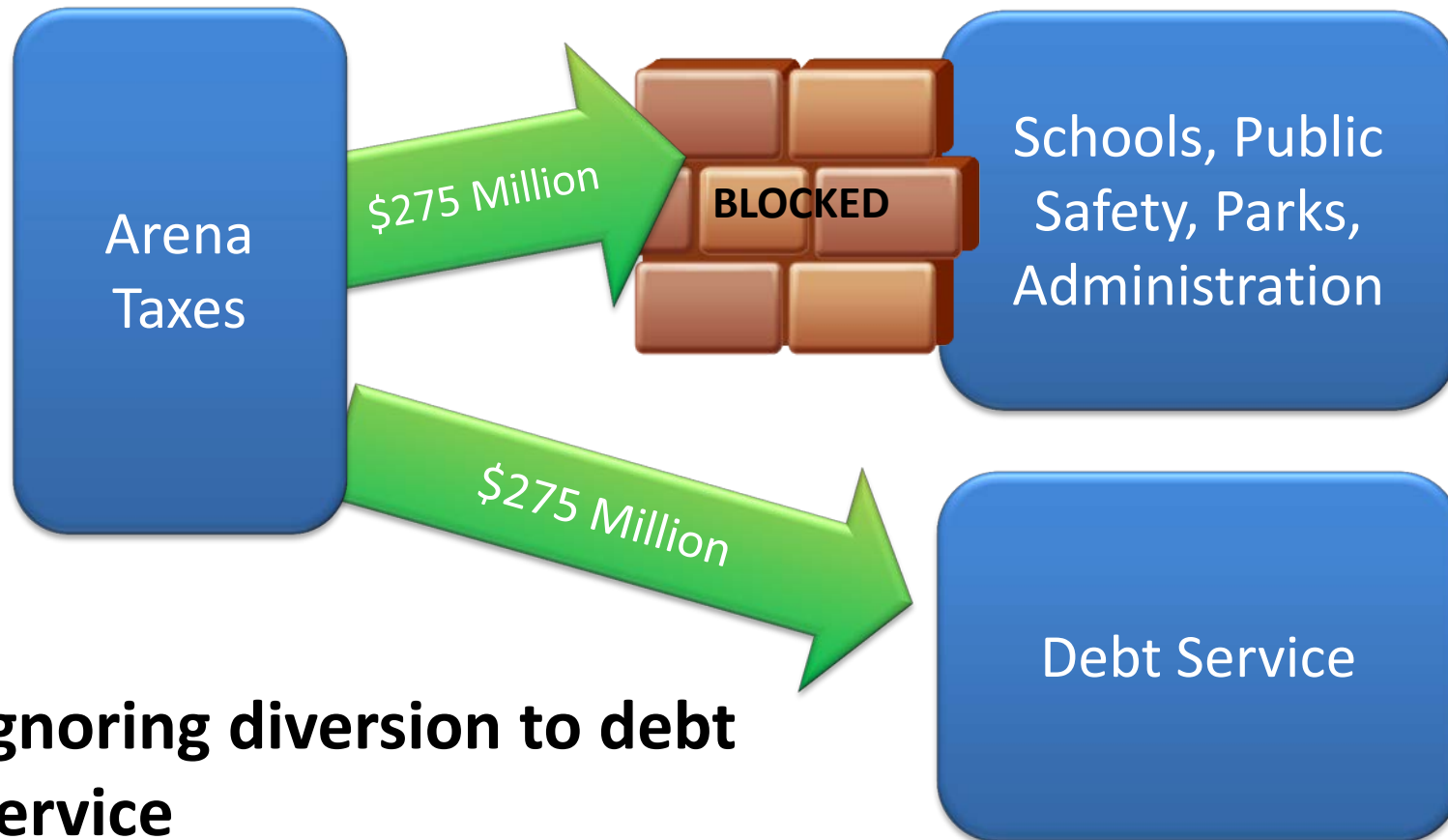
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Economic Analysis & Site Comparisons are unambiguously flawed

- Fails to provide any meaningful data to compare site impacts
- Reaches absurd conclusions that contradict the economic research
- Clear and incontrovertible bias
 - ***Dozens of errors*** understating costs and exaggerating benefits of SODO Arena
 - **Zero errors** the other way

EIS Claims Arena Taxes as City Benefit



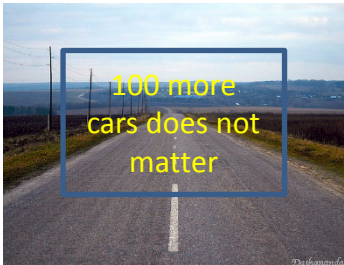
Ignoring diversion to debt service

Several other tax and city cost issues ignored as well

Five critical factors that differentiate SODO site not assessed in EIS

1. Will Arena lead to a loss of business and/or jobs at Port or SODO or Ballard or lower Queen Anne?
2. What mitigation investment would be required to offset traffic impact? Would infrastructure timetable be accelerated displacing other City spending?

Assess amplified marginal effects.
Don't just say, "it is already a mess so don't look at us."



In EIS, Extra time spent in traffic by a few truckers is called, "the upper limit of the potential impact on the Port"

3. Would economic viability of Key Arena be threatened?
4. Weigh number and nature of jobs that are created vs. lost? (Other than partial and incorrect analysis under substitution)
5. Does Arena traffic discourage others from patronizing Pioneer Square or Downtown?

Research Consensus Ignored or Disparaged

“Few fields of empirical economic research offer virtual unanimity of findings.

(Research has) uniformly found that there is no statistically significant positive correlation between sports facility construction and economic development”

(Baade and Dye, 1990; Baim, 1992; Rosentraub, 1994; Baade, 1996; Noll and Zimbalist, 1997; Waldon, 1997; Coates and Humphreys, 1999)

[Journal of Economic Perspectives—Volume 14, Number 3—Summer 2000—Pages 95–114](#)

“There are also an overwhelming number of academic studies that show little or no economic benefits of sport facility subsidization.”

[“The Economic Impact of Sports Facilities”](#)

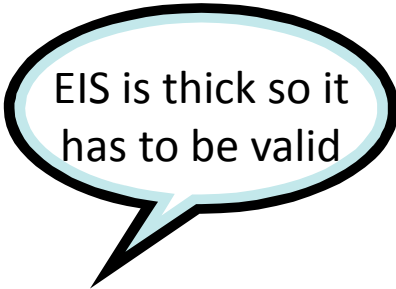
Why do sports arenas generally fail to boost the regional economies?

- About 60% of NBA franchise revenue goes to about 16 people.
- Very little of that money is spent in Seattle
- Except for \$\$\$ spent by out-of-towners visiting for sports, most revenue displaces spending at other businesses
- Displaced revenue recirculates more effectively than Arena/Franchise revenue. Substitution therefore has an amplified negative impact

Instead EIS concludes \$230-\$260 million of incremental annual economic activity earning an incredible \$103 million for Seattle alone!

- ***The most profitable collection of businesses in US History!***

No independent study of alternatives EIS is flawed



EIS is thick so it
has to be valid



**The only intelligent
comment on EIS:**

Begin again.

Give the Port and the public a
reasonable starting point to
comment on.

**The Port has the responsibility
to demand clean analysis. Until
the City provides it:**

- Ignore EIS conclusions
- Seek out alternative data