



The District's Dime

Going Beyond the Budget Book

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DCFPI's Take On The DC United Stadium Poll Question

By Wes Rivers

A majority of District residents oppose the current plan to build a new soccer stadium for DC United, according to a recent Washington Post [poll](#). Nearly six in ten residents answered “no” to this question: “Generally speaking, do you favor or oppose using city funds to help finance a new soccer stadium for the District’s Major League Soccer team, DC United?”

DC’s City Administrator Allen Lew quibbled with the wording of the poll in a letter to the editor. He argued that taxpayer funds are not financing a stadium because the city is not directly paying for the stadium’s construction. That comment is an amazing example of hair-splitting obfuscation. While DC United would be responsible for building the stadium, the stadium needs to be built on land—and all of that expense would be footed by the District under the mayor’s plan. Even more, the mayor’s plan would offer substantial tax subsidies that would help DC United with construction costs. So, even on the narrow question of whether taxpayer funds would finance building the stadium itself, the City Administrator was not straightforward.

According to the initial [term sheet](#), DC United would pay for constructing the stadium—the point Lew makes—which could cost \$150 million. But the stadium needs to go somewhere, and that’s where the District comes in with public resources. The city would acquire land estimated to be worth \$100 million dollars for the stadium site, and then pay for \$40 to \$50 million in infrastructure improvements. Costs could be much higher since the proposal involves moving a substation for the District’s electric utility, Pepco. Beyond moving all the infrastructure and equipment, there may be significant environmental costs.

The District would trade government-owned properties, including the valuable Reeves Center, in return for privately-owned parcels at Buzzard Point – a land swap. The City Administrator’s office and fans of DC United [countered](#) that under the land swap proposal, the District would not have to put up any “city funds” toward the stadium.

But any money that the District receives from the sale of the Reeves Center and other public land that goes toward the purchase of stadium site is money that could otherwise be spent on priorities such as hospitals, libraries, roads and bridges.

Also, the mayor’s plan would reduce property taxes for the site and eliminate sales taxes that the team and other businesses would pay at the stadium site. The team would pay a reduced amount of property tax for 20 years, and for the entirety of the lease, sales taxes collected from ticket and concession sales, and from restaurants, bars, and hotels that locate on the stadium site, would be

kept by the team. By relieving tax obligations, the District is giving up revenues it would otherwise receive and deterring its ability to realize the appreciating value of the stadium in the future.

With these costs in mind, the Washington Post poll, in our estimation, accurately gauged the issue before the city – and therefore accurately gauged support for the current stadium proposal. Given the community response, the DC Council and the mayor should work together to address the public's concerns of costs and community priorities before moving forward with a stadium deal.