

## Soccer in Boston

*Guidance for city funding found in precedents of two prior projects*

Major League Soccer (MLS) has expressed interest in having teams build smaller “soccer-only” stadiums in cities throughout the United States as a strategy to improve fan experience and grow its base nationally. The City of Boston has been asked by MLS officials to consider submitting a proposal for a stadium. The New England Revolution, the local MLS team, is owned by the Kraft family and plays its home games at Gillette Stadium in Foxboro, Massachusetts.

Mayor Menino indicated that he will appoint a task force to review the stadium proposal. Finding a suitable location in Boston for a stadium will be one challenge as noted by the two parties who separately are exploring the possibility of locating a minor league baseball team in Boston.

To what extent the City of Boston would utilize public funds to support a new stadium is a bigger issue. On that point, it is worth noting the precedents set in 1998 and 2000 regarding the City’s financial involvement in a major project requiring use of the City’s bonding authority. In both the Boston Convention and Exhibition Center project in 1998 and the legislation to build a new Red Sox stadium in 2000, Boston’s capital costs were funded by new revenue sources authorized in the enabling legislation. The City did not have to rely on using existing operational revenues to fund its share of either project.

For the \$650 million convention center in South Boston, the City’s responsibility was purchase and preparation of the land. Boston’s capital expenses were funded from the following new revenue sources:

- 4% room occupancy excise from new hotels opened after July 1, 1997
- Proceeds from the sale of 260 new taxi licenses
- \$1.00 from car and truck rentals in Boston

For the \$627 million proposed new Red Sox stadium, Boston’s responsibility was land acquisition, site preparation and soil mitigation. The City’s annual debt service expenses were limited to \$12 million which was to have been funded from the following new sources:

- 5% facility betterment fee on each ticket sold
- 15% facility betterment fee on each private suite’s license fee
- Parking fee of \$5.00 for no less than 9,000 parking spaces within a radius of the ballpark starting two hours before each game
- No more than \$1.5 million from sales tax on meals, beverages and other services within the footprint of the ballpark over receipts collected in FY00

Any proposal for a new soccer stadium in Boston expecting financial support from the City should heed these prior examples.