

Fiscal Impact of SunTrust Park and The Battery Atlanta on Cobb County



Prepared on behalf of:



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Introduction

Historically, professional sports stadiums were privately owned by the sports teams that played within them. Early exceptions to this were the Los Angeles Coliseum, Chicago's Soldier Field, and Cleveland's Municipal Stadium. However, all three of these facilities were built with the intention of attracting the Olympic Games.¹

And then, in 1953, the Braves changed the paradigm when they re-located from Boston to Milwaukee to play in Milwaukee County Stadium which was built entirely with public funds.² That move began the new modern era of publicly funded stadiums. Since 1953, hundreds of new sports facilities have been built across the country using billions of dollars of taxpayer money. Strategies used to justify these expenditures tend to fall into two categories – tangible economic benefits to the community and/or intangible social benefits including publicity, community self-esteem or improved “quality of life.”³ In fact, when employed by a local government, the author of this report – as many others have done before and since – used similar justifications around a new sports stadium in Gwinnett County.⁴

However, years of academic research into the subject suggests that the economic impact that accrues to a community solely from a new stadium – measured in terms of jobs and income – are usually inadequate to justify the public investment.⁵ Further, public financial benefits including new revenues from taxes and/or other fees rarely offset the public cost of the facility. A 1992 study of twenty-five publicly funded stadiums showed that in none of the cases did the host city receive a positive net financial benefit from the stadium.⁶ In short, public stadiums have not historically paid for themselves.

Mindful of this, just as the franchise did more than 60 years ago in its move to Milwaukee, the Braves once again have changed the paradigm for building and financing sports stadiums. While the local government publicly contributed 45 percent for the new stadium (\$300 million)⁷, the Braves contributed the remaining 55 percent (\$372 million) including \$280 million in up-front costs, as well

¹ John Siegfried and Andrew Zimbalist, “The Economics of Sports Facilities and Their Communities” *Journal of Economic Perspectives*, Volume 14, Number 3 (2000), 95.

² *Ibid.*, 97.

³ Kevin Delaney and Rick Eckstein, *Public Dollars, Private Stadiums* (Rutgers University Press, 2003), 22.

⁴ Camie Young, “Stadium’s First Permit Issued; Construction to Start Immediately,” *Gwinnett Daily Post*. April 4, 2008. http://www.gwinnettdaily.com/archive/stadium-s-first-permit-issued-construction-to-start-immediately/article_7e6c47b5-8b26-5888-afaf-4d60dee5a5af.html

⁵ Dennis Zimmerman, “Subsidizing Stadiums: Who Benefits, Who Pays?” in *Sports, Jobs, & Taxes: The Economic Impact of Sports Teams and Stadiums*, eds. Roger G. Noll and Andrew Zimbalist (Washington DC: The Brookings Institution, 1997.)

⁶ James Quirk and Rodney Fort, *Pay Dirt: The Business of Professional Team Sports* (Princeton University Press, 1992) 170-171.

⁷ <https://cobbcounty.org/images/documents/boc/Braves-infographic-final.pdf>

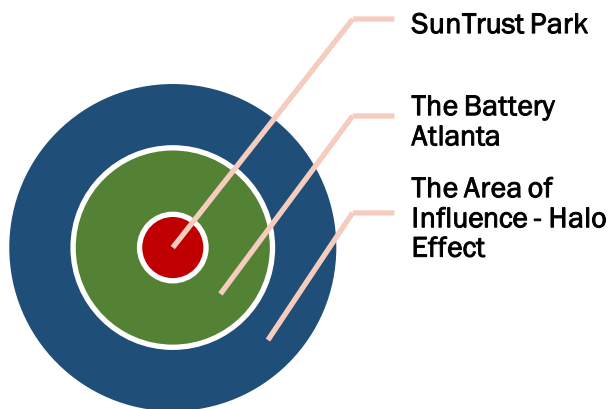
as taking on the burden of delays and cost overruns. In addition, the Braves brought more than \$700 million in private investment through the immediate development of a mixed-use development adjacent to the property.

This is drastically different than the previously mentioned study of the Gwinnett County sports stadium. In that instance, reasonable assumptions were made regarding fan behavior and spending, as well as third-party investments around the stadium, based on existing economic conditions. The “Great Recession” and its lingering effects had profound impact on spending, investments, and third-party real estate development in the surrounding area, which negatively altered the economic environment – though it is worth noting that, today, the anticipated third-party investments are starting to be realized.

This new paradigm also is dramatically different than the earlier model relying solely on public investment in a stadium as the Braves directly injected an additional layer of private investment through a mixed-use development that could create jobs, generate income and deliver new revenues through taxes, fees, etc. The two projects – stadium and mixed-used development – are inherently intertwined as one would not exist without the other and any objective economic and/or fiscal assessment must view them in tandem.

The question here is, “does this level of guaranteed private investment change the calculus for the public financing of the stadium?” This report attempts to answer that question.⁸ This fiscal impact analysis will evaluate the three main components of the project independently (Figure 1). The first

**Figure 1:
Three Areas of Fiscal Impact**



component is the stadium itself. This part of the analysis will include only those revenues and expenses directly associated with the construction and operation of the new stadium – SunTrust Park. The second component is the surrounding development – The Battery Atlanta. This will include the new revenues and county expenses that arise from this major private investment that is diametrically linked to the stadium. The third and final component is the Halo Effect. That is, the fiscal impact to Cobb County because of

⁸ It is worth noting that the Braves boast the largest territorial footprint in Major League Baseball, covering six states. Because of that, the impact of SunTrust Park and The Battery Atlanta will have a significant impact on both the state and the region, though we are narrowing our scope to focus only on the local impact in this analysis.

the change in property value around SunTrust Park and The Battery Atlanta. For this component, care will be taken to isolate only the change in taxable property value within a predefined area of influence that can be directly attributed to SunTrust Park and the Battery.

Combined these three components represent the true fiscal impact⁹ that the relocation of the Atlanta Braves has had, and will have, on Cobb County.

⁹ Fiscal impact analysis compares changes in governmental costs and revenues that result from a particular project or policy change. The focus is on the finances of an individual county or city government, or a local school system. Economic impact analysis estimates the changes in employment, income, and levels of business activity that will result from a proposed project. The focus is on the overall economy and how these macro measures respond to new economic activity. For example, in the case of a new manufacturing facility, economic impact analysis will tell you how many new jobs will be created in the local economy through indirect and induced effects. However, fiscal impact analysis will tell you how much those jobs will result in new taxable spending, property taxes, and other revenues as well as additional government costs such as the added expense of public safety or education. Typically, economic impact analysis is always positive, while fiscal impact can be either positive or negative.

SunTrust Park

Overview

SunTrust Park became the home of the Atlanta Braves in 2017. The 41,149 seat stadium cost \$672 million to build – \$300 million (or 45 percent) of which was publically funded. The Cobb Marietta Coliseum and Exhibit Hall Authority holds the title to the stadium, which means that the stadium’s real property is exempt from all property tax.

Fiscal Impact Method

The fiscal impact estimates presented here for SunTrust Park are generated using the LOCI™ fiscal impact model.¹⁰ LOCI™ was developed in the early 1990s by economists at Georgia Tech to help local governments understand the true fiscal impact (both revenues and expenses) of economic development projects. This model has been used to evaluate hundreds of projects and is now used by dozens of communities across the country. For this analysis, revenue and expenditure data specific to the Cobb County Board of Commissioners was used in the model and were taken from the most recent financial documents publicly available from the Georgia Department of Community Affairs, the Georgia Department of Revenue, and the Georgia Department of Education. In addition, the model uses the Cobb County tax digest, retail sales, effective buying income, commuting patterns, and other demographic and employment data specific to Cobb County to calculate the overall fiscal impact.

Although the stadium debt has a 30-year term, LOCI™ only allows analysis for up to 20 years. While the total impacts would be greater (positive or negative) over a 30-year period, a 20-year analysis is enough to demonstrate the fiscal impact of a development as either positive or negative. LOCI™ calculates/forecasts the stream of new revenues and expenditures for this 20-year period. The resulting net benefits (i.e., revenues less expenses) are put into current dollars using a Net Present Value (NPV) calculation using a discount rate of 3 percent.¹¹

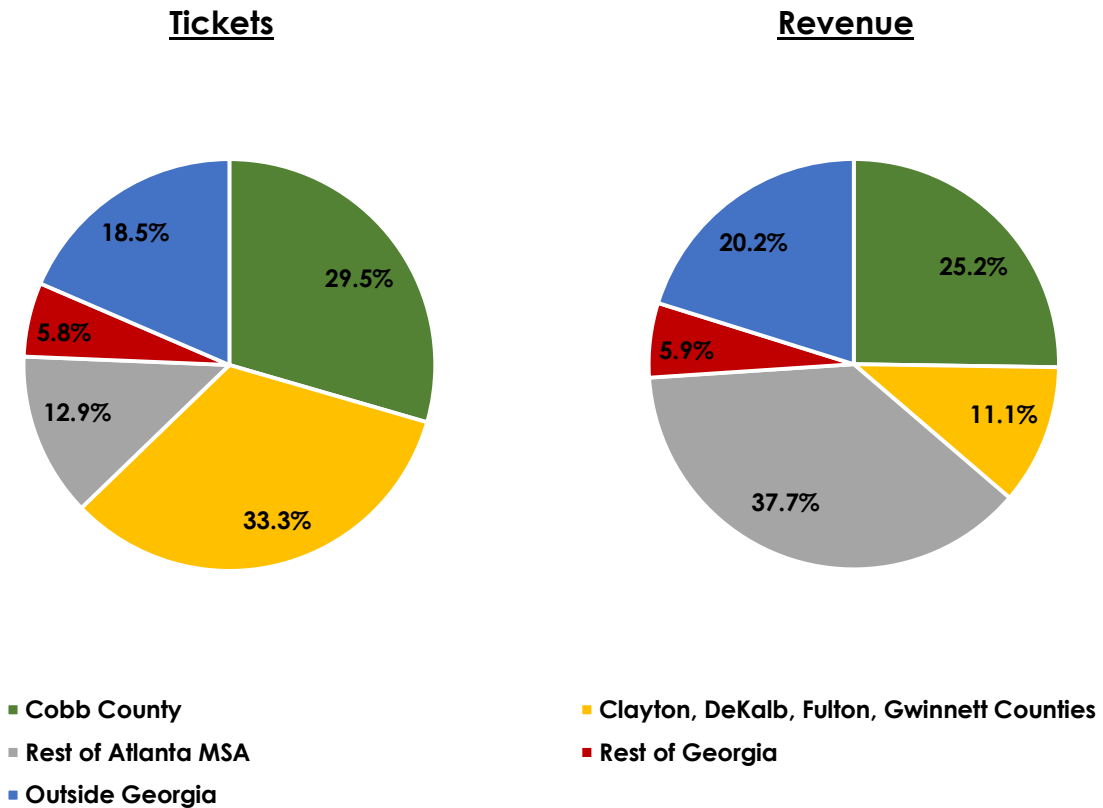
For purposes of examining the fiscal impact of SunTrust Park on Cobb County, both new revenues and new expenses that accrue to Cobb County need to be identified. In their inaugural season at SunTrust Park (2017) the Atlanta Braves sold more than 2.5 million tickets which generated \$87.5 million in ticket revenue. Figure 2 presents the geography associated with those ticket sales – both in terms of the number of tickets and ticket revenue. However, not all of the spending by these patrons represents new money to Cobb County. For example, any Cobb County resident that chose to attend a Braves

¹⁰ LOCI™ can be found at <http://www.lociapp.com>.

¹¹ The discount rate represents the opportunity cost of capital, that is, it is the interest lost by receiving funds in the future rather than in the present. A true opportunity cost of capital for a government would be bracketed by the interest that must be paid on current debt and the interest that could be earned in the appropriate investment funds market. Because inflation is not included in the analysis, we should subtract the inflation rate from the discount rate calculated as described above. Given the current interest rate environment, however, that would result in a discount rate of nearly zero. In order to be conservative in the analysis, a discount rate slightly higher than the inflation rate was chosen.

game could have just as easily chosen to spend their entertainment dollar at another Cobb-based entertainment venue. Therefore, their spending at SunTrust Park does not represent new spending to Cobb County. So, for purposes of this analysis, only spending from non-Cobb County residents will be considered new money to Cobb County – 70.5 percent of the 2017 game attendees and 74.8 percent of ticket revenue.

Figure 2
2017 Braves Ticket Sales by Geography



Source: Atlanta Braves

County Revenues

New revenues to Cobb County associated with SunTrust Park fall into two major categories – property taxes and sales/hotel taxes.

Property Taxes

As previously mentioned, the Cobb Marietta Coliseum and Exhibit Hall Authority owns SunTrust Park, and therefore, the \$676.2 million real property value is completely exempt from property tax. However,

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according to the Cobb County Tax Assessor, there is \$107.5 million of personal property located in the stadium that is completely taxable. Table 1 provides a detail breakdown of the value of the personal property by type.

Table 1
SunTrust Park Personal Property
(Millions)

| | |
|--------|--|
| \$15.6 | Class 1: Economic life of 7-10 years. Examples include copiers, electronic manufacturing equipment, vending equipment, and broadcasting equipment. |
| \$65.4 | Class 2: Economic life of 8-12 years. Examples include office furniture, fixtures and equipment, restaurant and bar equipment, and most manufacturing equipment. |
| \$6.1 | Class 3: Economic life of 13 years or more. Examples include tanks and storage, billboards and signs, cold storage and ice making equipment. |
| \$20.4 | Class 4: Economic life of 1-4 years. Examples include computers and computer equipment, special tools and gauges, jigs, dies, molds, and patterns. |

\$107.5 Total Taxable Personal Property

Source: Cobb County Tax Assessor

Each year, the depreciated value of this personal property is taxed. For this analysis, all of this personal property was depreciated annually (using the appropriate depreciation schedules based on property class) and the Cobb County tax rate was applied to calculate the annual tax revenue¹². Since this fiscal analysis is for 20 years, it was assumed that at the end of the economic life of the property it was replaced at current values and again depreciated annually for tax purposes. Because of the different depreciation rates, the annual amount of property tax to Cobb County varies significantly from year to year. However, on average, this property will generate \$270,000 annually to Cobb County.

Sales/Hotel Taxes

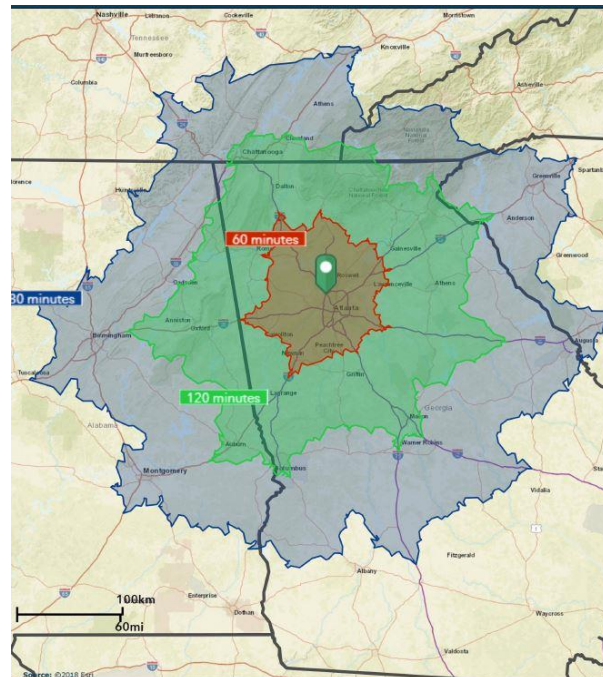
As pointed out in the beginning of this section, the Atlanta Braves sold 2.5 million tickets in 2017, generating \$87.5 million. In addition, there were nearly \$30 million of taxable retail and concessions sales at the stadium. However, Cobb County residents accounted for 25 percent of the ticket revenue and an estimated 30 percent of the concession sales. Since there is no analogous venue/attraction in Cobb County, it could certainly be argued that many of those sales would have been lost to Cobb

¹² The property tax millage rates used in this analysis are those that were in place prior to July 25, 2018. Specifically, the rates used were 6.76 for the general fund; 2.96 for the fire fund; and 2.45 for the Cumberland Special Services District II.

had the Braves not relocated. However, to keep this analysis conservative, all Cobb County sales were excluded from this analysis. The remaining sales generated \$817K in sales tax collections to Cobb County in 2017 through the 1 percent Special Purpose Local Option Sales Tax (SPLOST). The SPLOST is a capital-only fund and cannot be used for operating costs. However, the analysis presented here considers ALL county funds from both a revenue and expense perspective. As such, it is appropriate to include these new revenues to the county.

Using data on the 2.5 million tickets purchased in 2017, roughly 18.4 percent of the tickets represented people who came from more than 2 hours away to see a game. As can be seen in Figure 3, most of the state from Macon north falls within a 2-hour drive distance from SunTrust Park, as does Chattanooga, TN, Oxford, AL, and even Murphy, NC. However, visitors from Birmingham, AL, Anderson, SC, and Augusta, GA fall outside this 2-hour drive distance. For this study, given the time that the average game ends, we assume that attendees from beyond the 2-hour drive distance stayed overnight.¹³ There is no way to know how long these people stayed, where they stayed, or how much they spent outside the stadium. However, clearly, part of their trip was influenced by attending an Atlanta Braves baseball game. According to data from the Georgia Department of Economic Development (GDEcD), a leisure, overnight traveler in Georgia spends \$105 per day on transportation, food, lodging, retail, and entertainment (Figure 4). Using this data, and assuming 1 day of their trip revolved around visiting SunTrust Park, and adjusting for their spending on tickets and in-stadium retail and concessions, these out-of-state visitors represent another \$905K annually in local sales and hotel tax in Cobb County.

Figure 3
Drive Time from SunTrust Park



Source: Leisure Visitor Profile – State of Georgia; D.K. Shifflet & Associates Ltd.

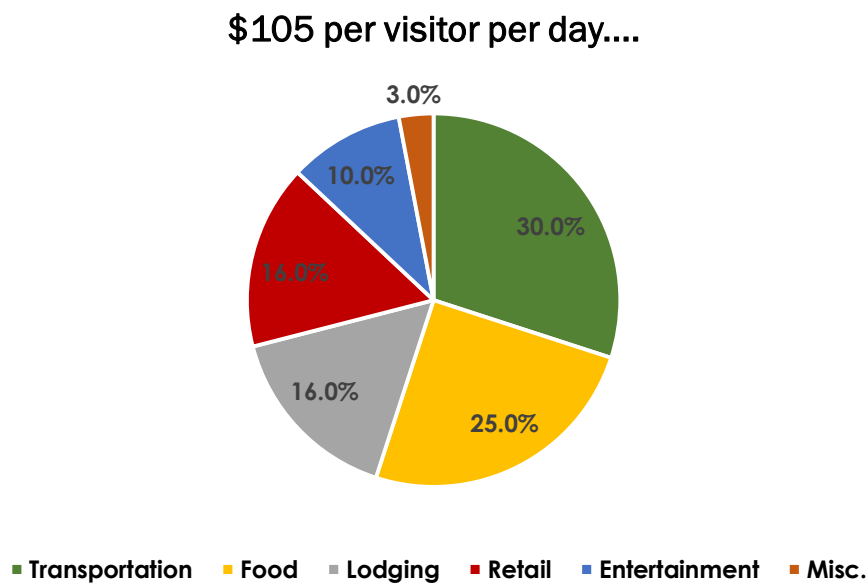
The final piece of the increase in sales tax has to do with the operating supply budget of the Atlanta Braves, and the local spending of the more than 3,100 seasonal employees that work the games. The operating supply budget of the Braves is \$3.6 million per year which has a local 1 percent sales tax

¹³ As part of the move, the Braves returned their weekday start time back to 7:30pm, compared to 7:00pm at Turner Field. Anecdotal evidence from surrounding hotels suggests the occupancy rate has been at record highs for those weekday games, but we conservatively suggest that people living less than 2 hours away drove home following the conclusion of weekday games.

impact of \$36,000. The LOCI™ model estimates that employee spending will generate another \$89,000 per year in local sales tax.

In total, new revenue from sales and hotel taxes generated by activity related to the SunTrust Park is nearly \$1.9 million per year. Combined with the property taxes, **total county revenues are estimated to average \$2.1 million annually from SunTrust Park alone.** The annual details can be found in Appendix A.

Figure 4
Out-of-State Leisure Traveler Daily Spending by Category



Source: Leisure Visitor Profile – State of Georgia; D.K. Shifflet & Associates Ltd.

County Expenses

New expenses to Cobb County associated with SunTrust Park fall into four main categories – 1) contributions to debt service from various funds; 2) contributions to stadium capital maintenance fund (CMF); 3) initial infrastructure costs; and 4) annual operational costs.

Contributions to Debt Service

The annual debt service for SunTrust Park will be \$22.5 million per year. Of that, several county funds – General Fund; Hotel/Motel Tax Special Revenue Fund; Car Rental Tax Fund; Cumberland Special Service District 1 Special Revenue Fund (SSD #1); and the Cumberland Special Service District 2 Special Revenue Fund (SSD #2) – contribute \$16.4 million per year (72.9 percent). The balance of the debt service is paid for via a \$6.1 million annual contribution from the Atlanta Braves.

In 2015, it was projected that the two special service district funds, the Hotel/Motel Tax, and the Rental Car Tax would generate \$10 million to be used for debt service¹⁴. After the Braves' \$6.1 million annual contribution, the balance of \$6.4 million would come from existing General Fund revenue. As can be seen below in Table 2, those four funds actually generated \$12.78 million, providing \$2.78 million more than was originally projected. Presumably, the excess generated from these stadium-related revenues would off-set the required contribution from the General Fund, which would bring it down to only \$3.62 million. It is important to note that the fiscal analysis presented here only considers the new revenues and new expenses that result from SunTrust Park and The Battery Atlanta. Any decisions by Cobb County to re-allocate these new revenues to other initiatives rather than provide relief to the General Fund is completely external to the true fiscal impact of the stadium.

Table 2
Debt Service Revenue: Projection vs. Actual
(Millions)

| <u>Revenue Source</u> | <u>2015 Projection</u> | <u>2018 Revenue</u> | <u>Difference</u> |
|----------------------------|------------------------|---------------------|-------------------|
| Cumberland SSD #1: | \$2.74 | \$3.70 | \$0.96 |
| Cumberland SSD #2: | \$5.15 | \$6.30 | \$1.15 |
| Hotel/Motel Tax: | \$1.51 | \$2.20 | \$0.69 |
| Rental Car Tax: | \$0.60 | \$0.58 | (\$0.02) |
| Sub-Total: | \$10.00 | \$12.78 | \$2.78 |
| Atlanta Braves: | \$6.10 | \$6.10 | \$ -- |
| General Fund: | \$6.40 | \$3.62 * | (\$2.78) |
| Debt Service Total: | \$22.50 | \$22.50 | |

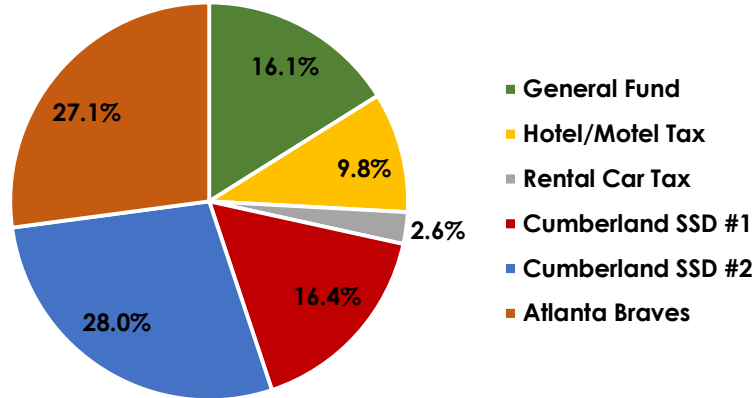
* General Fund contribution if new revenues across other funds are allocated to debt service.
Source: Cobb County Finance Department; Georgia Tech Center for Economic Development Research

Both the SSD #1 and SSD #2 contributions come from businesses within the Cumberland CID who tax themselves in order to contribute to the stadium project. This money does flow through the county, but it is not an expense

against county taxpayers (other than the commercial property owners who self-tax and the hotel visitors who pay a \$3 per night fee who are likely not Cobb County residents). Simply put, without the stadium, these revenues would not be available to the county to fund other initiatives. Because these revenues would not be available to fund other county initiatives, the true annual debt service expense to the county government is only that amount that comes from the General Fund, the Hotel/Motel Tax, and the Rental Car Tax. Given the excess revenues shown above, that amount is \$6.4 million annually, or 28.4 percent of total debt service (Figure 5). If these other funds continue to grow, this number will continue to decrease. However, for this analysis, it was held constant for the entire 20-year period.

¹⁴ <https://cobbcounty.org/images/documents/boc/Braves-infographic-final.pdf>

Figure 5
Annual Revenue Available for Debt Service: \$22.5 Million



Source: Cobb County Finance Department, Georgia Tech Center for Economic Development Research

Contribution to Stadium Capital Maintenance Fund

In addition, the county has agreed to contribute annually to a capital maintenance fund (CMF) that will fund future necessary maintenance on the stadium. The initial contribution was \$1.2 million, and that amount will increase annually by \$30,000 through 2030. After 2030, the annual contribution will begin to decrease with the final contribution of \$250,000 in 2046. In total, the county will contribute \$35 million to this fund over 30 years (Table 3). The county contribution represents 50 percent of the fund as the Braves will make the same contributions over the 30-year period.

Table 3
County Contribution to Stadium Maintenance Fund
(Millions)

| | | | | | | | | | |
|------|--------|------|--------|------|--------|------|--------|------|--------|
| 2017 | \$1.20 | 2023 | \$1.38 | 2029 | \$1.56 | 2035 | \$1.44 | 2041 | \$0.60 |
| 2018 | \$1.23 | 2024 | \$1.41 | 2030 | \$1.59 | 2036 | \$1.41 | 2042 | \$0.50 |
| 2019 | \$1.26 | 2025 | \$1.44 | 2031 | \$1.56 | 2037 | \$1.38 | 2043 | \$0.30 |
| 2020 | \$1.29 | 2026 | \$1.47 | 2032 | \$1.53 | 2038 | \$1.18 | 2044 | \$0.30 |
| 2021 | \$1.32 | 2027 | \$1.50 | 2033 | \$1.50 | 2039 | \$1.00 | 2045 | \$0.25 |
| 2022 | \$1.35 | 2028 | \$1.53 | 2034 | \$1.47 | 2040 | \$0.80 | 2046 | \$0.25 |

Source: Cobb County Finance Department

Initial Infrastructure Costs

There were significant capital costs associated with the development of SunTrust Park. Part of these included \$14 million of capital projects “to facilitate access to and operation of the stadium.”¹⁵ However, of the \$14 million, \$2.2 million included costs for work already performed and paid for by Cobb County, and as such, do not represent new costs to the county. Of the remaining \$11.8 million, \$11.3 million were projects paid for from the Water Renewal & Extension Fund, and that expense was fully realized in 2017. The remaining \$490K for two transportation projects – a bus connector road to the stadium and a stadium truck staging lane – is to be paid from the General Fund in three equal installments beginning in fiscal year 2018. In addition, the county is recognizing the \$170K depreciation value of the pedestrian bridge over Interstate 285 as an annual cost of the project for 30 years.¹⁶

Operational Costs

The county has experienced increased operational costs because of SunTrust Park. First, in 2017, the county had roughly \$840,000 in new public safety expenditures related to police assistance with traffic management on the public roads around the stadium. While steps are being taken to try to reduce that number, so far in 2018, the operational cost for traffic management is still about the same – roughly \$10,000 per event. For purposes of the fiscal analysis presented here, an annual operating cost of \$840,000 was included for the entire 20 years of the analysis.

Second, the county will realize an additional \$130,000 annual insurance cost as a result of SunTrust Park. Again, this analysis assumes this annual cost remains through the life of the stadium.

In total, Cobb County will experience additional operational costs of \$970K annually. Combined with debt service, contributions to the CMF, and infrastructure cost, **the average annual cost to the county over the next 20 years is \$9.5 million.** The annual details can be found in Appendix A.

County Fiscal Impact

As pointed out in the beginning of this report, publicly funded stadiums do not pay for themselves. SunTrust Park – on its own – is no exception. As Table 4 shows, on an annual basis, **when considering the stadium alone, new county expenses exceed new county revenues by an average of approximately**

¹⁵ Cobb County Memorandum from Chairman Michael H. Boyce to County Manager Robert Hosack to authorize the funding of the approved list of projects as it relates to SunTrust Park and the surrounding development construction items; June 13, 2017.

¹⁶ The bridge is an asset of the county, and was paid for via multiple funding sources. https://www.mdjonline.com/news/i--bridge-cost-goes-down/article_253f67c0-6e98-11e8-bbbf-cf3c627e3a39.html

\$7.4 million per year.¹⁷ The 20-year net present value of SunTrust Park alone is negative \$113 million to Cobb County.

School Fiscal Impact

However, the fiscal impact to the Cobb County Board of Education (BOE) is considerably better. With respect to revenue, the Cobb BOE collects property tax on the same personal property located within the stadium. Similarly, the school system gets sales tax revenue from all the same sources as the county. However, the school system collects slightly less since they receive only 92.75 percent of the 1 percent sales tax allocated to schools. The remaining 7.25 percent goes to Marietta City Schools. While the annual amount fluctuates due to the depreciation of the personal property, on average, the Cobb BOE is estimated to receive \$1.6 million in new revenue annually due to the development of SunTrust Park.

On the cost side, there is no projected increase in expense to the school system because of the stadium. While there are more than 3,100 seasonal employees who work in the stadium, it is unlikely that any of them moved to Cobb County for those jobs. In this circumstance, there would be no new households created in Cobb County, and no new students in the school system as a direct result of the stadium. Further, the school system is not making any contributions to the debt service or infrastructure. Given that there are no new educational costs, **the annual fiscal impact of SunTrust Park alone on the BOE is \$1.6 million per year.** Using a discount rate of 3 percent, the 20-year net present value of SunTrust Park alone is \$23.5 million to the Cobb County Board of Education (Table 5).

¹⁷ This includes the large \$11.8 initial infrastructure cost in year 1. Excluding this, the annual average deficit is closer to \$6.8 million.

Table 4
SunTrust Park Fiscal Impact:
Cobb County
(Millions)

| <u>Year</u> | <u>Revenue</u> | <u>Expense</u> | <u>Net</u> |
|--------------------------------------|----------------|----------------|------------------|
| 2017 | \$2.3 | \$21.3 | (\$19.0) |
| 2018 | \$2.3 | \$10.2 | (\$7.9) |
| 2019 | \$2.2 | \$8.5 | (\$6.3) |
| 2020 | \$2.1 | \$8.7 | (\$6.5) |
| 2021 | \$2.2 | \$8.7 | (\$6.5) |
| 2022 | \$2.1 | \$8.7 | (\$6.6) |
| 2023 | \$2.1 | \$8.8 | (\$6.7) |
| 2024 | \$2.0 | \$8.8 | (\$6.8) |
| 2025 | \$2.1 | \$8.8 | (\$6.7) |
| 2026 | \$2.1 | \$8.8 | (\$6.8) |
| 2027 | \$2.3 | \$8.9 | (\$6.5) |
| 2028 | \$2.2 | \$8.9 | (\$6.7) |
| 2029 | \$2.2 | \$8.9 | (\$6.7) |
| 2030 | \$2.2 | \$9.0 | (\$6.8) |
| 2031 | \$2.1 | \$8.9 | (\$6.8) |
| 2032 | \$2.0 | \$8.9 | (\$6.9) |
| 2033 | \$2.0 | \$8.9 | (\$6.9) |
| 2034 | \$2.0 | \$8.8 | (\$6.9) |
| 2035 | \$2.0 | \$8.8 | (\$6.9) |
| 2036 | \$1.9 | \$8.8 | (\$6.8) |
| Total: | \$42.4 | \$190.0 | (\$147.7) |
| 20-year Net Present Value 3%: | | | (\$113.0) |

Totals may not add due to rounding.

Table 5
SunTrust Park Fiscal Impact:
Cobb County Schools
(Millions)

| <u>Year</u> | <u>Revenue</u> | <u>Expense</u> | <u>Net</u> |
|--------------------------------------|----------------|----------------|---------------|
| 2017 | \$1.8 | \$0.0 | \$1.8 |
| 2018 | \$1.8 | \$0.0 | \$1.8 |
| 2019 | \$1.7 | \$0.0 | \$1.7 |
| 2020 | \$1.6 | \$0.0 | \$1.6 |
| 2021 | \$1.6 | \$0.0 | \$1.6 |
| 2022 | \$1.6 | \$0.0 | \$1.6 |
| 2023 | \$1.5 | \$0.0 | \$1.5 |
| 2024 | \$1.4 | \$0.0 | \$1.4 |
| 2025 | \$1.5 | \$0.0 | \$1.5 |
| 2026 | \$1.5 | \$0.0 | \$1.5 |
| 2027 | \$1.9 | \$0.0 | \$1.9 |
| 2028 | \$1.7 | \$0.0 | \$1.7 |
| 2029 | \$1.7 | \$0.0 | \$1.7 |
| 2030 | \$1.6 | \$0.0 | \$1.6 |
| 2031 | \$1.6 | \$0.0 | \$1.6 |
| 2032 | \$1.4 | \$0.0 | \$1.4 |
| 2033 | \$1.4 | \$0.0 | \$1.4 |
| 2034 | \$1.3 | \$0.0 | \$1.3 |
| 2035 | \$1.3 | \$0.0 | \$1.3 |
| 2036 | \$1.3 | \$0.0 | \$1.3 |
| Total: | \$31.2 | \$0.0 | \$31.2 |
| 20-year Net Present Value 3%: | | | \$23.5 |

Totals may not add due to rounding.

The Battery Atlanta

Overview

As mentioned in the introduction to this report, The Battery Atlanta is what makes this public-private stadium different from all that have come before and it is integral to the fiscal impact of the entire project. Located next to the ballpark, the Battery is a mixed-use development that was master-planned and developed by the Braves, and it represents more than \$700 million in private investment. With retail, restaurants, office space and a music venue, it changes the area into a year-round, all-day destination rather than a traditional ballpark 81-night destination. In addition to the thousands of people that work there, with 531 residential units on-site, many people will also live at the Battery generating constant economic activity that has significant impact on Cobb County.

Fiscal Impact Method

While the LOCI™ model was the appropriate tool for an analysis of SunTrust Park, it is not designed for fiscal analysis of mixed-use projects. For this type of analysis, researchers at Georgia Tech have developed a mixed-use fiscal model. Extensive research into the cost of servicing residential and non-residential properties has clearly shown that, on average, households generate less revenue (property and sales taxes, fees, etc.) than they require in government services. On the other hand, commercial and industrial properties do just the opposite. However, these studies have only looked at aggregate residential, commercial, and industrial land uses, and are based on a judgmental method of assigning local government revenue and expenditure categories to one or all of these land uses. The mixed-use model approach used here is based on statistical analyses of the influence of changes in residential, commercial, and industrial property values on specific revenue and expenditure categories. This is achieved through regression equations using pooled time series and cross-sectional data for all counties and cities in Georgia.

As with LOCI™, the model uses financial data specific to the Cobb County Board of Commissioners as well as the Cobb County tax digest, retail sales, effective buying income, commuting patterns, and other demographic and employment data specific to Cobb County. The mixed-use model also requires new investment in residential, commercial, and industrial property to forecast the fiscal impact on local government revenues and expenditures. In addition, it requires estimates of new jobs and payroll for commercial and industrial firms to estimate the impact on local housing demand which also has a fiscal impact on local governments. All this information was provided by both the Atlanta Braves and Cobb County. Using these inputs, the mixed-use fiscal model returned a 20-year forecast for both revenues and expenses based on the current and planned investments and associated employment.

County Revenues

With respect to The Battery Atlanta, new revenues to Cobb County associated with the development fall into three major categories – 1) property taxes; 2) sales/hotel taxes; and 3) other government revenues.

Property Taxes

With the recent announcement of the thyssenkrupp Elevator headquarters, by 2020, total new real property investment in the Battery will be over \$700 million. In addition, total employment in the Battery is expected to exceed 4,700 by 2020 – a large portion of which are expected to be office jobs with six-figure salaries. Based on the current commuting patterns in Cobb, these jobs are expected to create several hundred new households in the county. Between the new investment at the Battery (both real and personal property), and the new household creation, the operational property tax revenue from this development, including both general fund and the county fire district, will be just over \$4.2 million annually once all investments are in place.¹⁸ Over the first 20 years, the property taxes will average \$3.6 million per year.

Sales/Hotel Taxes

Currently, annual retail sales at the Battery are nearly \$60 million. It is impossible to know how much of this represents actual *new* sales in Cobb County versus the reallocation of existing sales from other Cobb retail establishments. In order to keep the analysis conservative, this level of retail sales was held constant over the 20-year horizon. This is a tremendously conservative assumption as there is significantly more retail space to open in the coming months. As that new retail and restaurant space opens, the level of retail sales is sure to increase, but none of that increase is considered here. Further, the new population and additional households that result from the corporate locations in the Battery will also generate additional sales taxes to the county. In total, given the current level of retail sales, the model estimates an additional \$1.2 million annually in new sales tax revenue to the county.

Currently, there is one 264-room Omni hotel in the Battery that experiences an 80 percent occupancy rate. Another Aloft Hotel by Marriott is anticipated to come online in 2020. This stylish, boutique hotel was included in the model and it was assumed that it would also experience an 80 percent occupancy rate. Between the hotel tax, and the \$3 per room per night charge for the special district, the model estimates new hotel-related revenue will average \$1.9 million annually¹⁹. Combined, new sales/hotel tax revenue to the county is estimated to be \$3.1 million annually.

Other Government Revenue

According to conversations with the Cobb County Finance Director, the county has already seen an increase of \$118,000 annually in liquor-by-the-drink taxes and \$258,000 in business licenses from the Battery. In addition, nearly \$5 million in permits have been collected since construction on the Battery began. Given the level of investment, employment, and payroll in the Battery, the mixed-use model anticipates additional county government revenue of \$2.4 million annually. These revenues

¹⁸ For both Cobb County and the Cobb County Schools, the fiscal impact analysis presented here includes all the tax incentives offered to both thyssenkrupp and the Atlanta Braves. It is important to note that phase 1 of The Battery Atlanta had zero tax abatements.

¹⁹ The hotel spending for overnight game attendees was previously included in the stadium analysis. However, it isn't being double-counted here since hotel occupancy in the area jumps to 100 percent on game days and we are limiting the Battery analysis to an 80 percent occupancy rate.

include fines, permits, insurance premium taxes, and other miscellaneous government revenue. In total, **average annual new county revenue related to The Battery Atlanta is \$9.1 million per year over the next 20 years.** The details of these revenue categories can be found in Appendix B.

County Expenses

Of course, there are also new expenses to Cobb County associated with The Battery Atlanta. These include general government, public safety, public works, courts, recreation, etc. As mentioned above, the mixed-use fiscal model estimates these costs based on statistical analyses of the influence of changes in residential, commercial, and industrial property values. Specifically, each of these costs is estimated through regression equations using pooled time series and cross-sectional data for counties and cities in Georgia. The model estimates that the level of investment at the Battery will generate **an additional \$1.7 million in annual average service cost to Cobb County over 20 years.** The details of these expense categories can be found in Appendix B.

County Fiscal Impact

As before, the resulting net benefits (i.e., revenues less expenses) are put into current dollars using a Net Present Value (NPV) calculation using a discount rate of 3 percent. As Table 6 shows, **on an annual basis, new county revenues exceed new county expenses by approximately \$7.3 million on average over 20 years.** The 20-year net present value of The Battery Atlanta is \$108.4 million to Cobb County.

School Fiscal Impact

Unlike SunTrust Park, the Battery does generate additional cost to the Cobb County school system. These expenses come from two sources – the new households located at the Battery itself and the new households created in Cobb County from the more than 4,700 new jobs located at the Battery. Of course, not all these 4,700 employees will live in Cobb County. The fiscal model uses existing commuting patterns for Cobb to allocate the jobs between those who live outside Cobb, within unincorporated areas in Cobb, and within cities in Cobb. Given that the Battery is located at the very edge of the county, the model is probably overstating the extent to which the jobs will locate within Cobb County. However, that only serves to increase the cost to the school system, which makes the results more conservative. In addition, the lease-only apartments at the Battery aren't likely to attract families with children. However, there is no way to know that for sure. The model uses national multifamily estimates for 1-bedroom, 2-bedroom, and 3-bedroom units to estimate the number of school-age children that will result from the 531 new residential units at the Battery.

In total, the model estimates **average new revenue of \$7.2 million per year for the school system.** That comes primarily from new property tax (\$6.1 million) and new sales taxes (\$1.1M). This level of sales tax is slightly lower than reported for the county since the county school system only receives 92.75 percent of the 1 percent school tax in the county.

Total new local expenses are estimated to be \$2.5 million per year for the school system. Therefore, **on an average annual basis, school revenues exceed expenses by \$4.7 million.** The 20-year net present value of The Battery Atlanta is \$67.5 million to Cobb County schools (Table 7).

Table 6
The Battery Atlanta Fiscal Impact:
Cobb County
(Millions)

| <u>Year</u> | <u>Revenue</u> | <u>Expense</u> | <u>Net</u> |
|--------------------------------------|----------------|----------------|----------------|
| 2017 | \$9.5 | \$0.5 | \$9.1 |
| 2018 | \$6.7 | \$0.8 | \$5.9 |
| 2019 | \$7.0 | \$1.1 | \$5.9 |
| 2020 | \$8.2 | \$1.8 | \$6.5 |
| 2021 | \$8.6 | \$1.8 | \$6.8 |
| 2022 | \$8.8 | \$1.9 | \$6.9 |
| 2023 | \$8.9 | \$1.9 | \$7.0 |
| 2024 | \$9.0 | \$1.9 | \$7.1 |
| 2025 | \$9.1 | \$1.9 | \$7.3 |
| 2026 | \$9.2 | \$1.9 | \$7.4 |
| 2027 | \$9.3 | \$1.9 | \$7.5 |
| 2028 | \$9.4 | \$1.9 | \$7.5 |
| 2029 | \$9.5 | \$1.9 | \$7.6 |
| 2030 | \$9.6 | \$1.9 | \$7.7 |
| 2031 | \$9.7 | \$1.9 | \$7.7 |
| 2032 | \$9.7 | \$1.9 | \$7.8 |
| 2033 | \$9.7 | \$1.9 | \$7.8 |
| 2034 | \$9.7 | \$1.9 | \$7.8 |
| 2035 | \$9.7 | \$1.9 | \$7.8 |
| 2036 | \$9.7 | \$1.9 | \$7.8 |
| Total: | \$181.2 | \$34.2 | \$146.9 |
| 20-year Net Present Value 3%: | | | \$108.4 |

Totals may not add due to rounding.

Table 7
The Battery Atlanta Fiscal Impact:
Cobb County Schools
(Millions)

| <u>Year</u> | <u>Revenue</u> | <u>Expense</u> | <u>Net</u> |
|--------------------------------------|----------------|----------------|---------------|
| 2017 | \$1.8 | \$0.2 | \$1.6 |
| 2018 | \$4.6 | \$1.0 | \$3.7 |
| 2019 | \$5.1 | \$1.6 | \$3.5 |
| 2020 | \$6.2 | \$2.2 | \$4.0 |
| 2021 | \$6.4 | \$2.5 | \$3.9 |
| 2022 | \$6.8 | \$2.8 | \$4.0 |
| 2023 | \$7.0 | \$2.8 | \$4.2 |
| 2024 | \$7.2 | \$2.8 | \$4.4 |
| 2025 | \$7.4 | \$2.8 | \$4.6 |
| 2026 | \$7.6 | \$2.8 | \$4.8 |
| 2027 | \$7.8 | \$2.8 | \$5.0 |
| 2028 | \$8.0 | \$2.8 | \$5.2 |
| 2029 | \$8.2 | \$2.8 | \$5.4 |
| 2030 | \$8.3 | \$2.8 | \$5.5 |
| 2031 | \$8.5 | \$2.8 | \$5.7 |
| 2032 | \$8.5 | \$2.8 | \$5.7 |
| 2033 | \$8.5 | \$2.8 | \$5.7 |
| 2034 | \$8.5 | \$2.8 | \$5.7 |
| 2035 | \$8.5 | \$2.8 | \$5.7 |
| 2036 | \$8.5 | \$2.8 | \$5.7 |
| Total: | \$143.4 | \$49.4 | \$94.0 |
| 20-year Net Present Value 3%: | | | \$67.5 |

Totals may not add due to rounding.

The Halo Effect

Overview

The final piece of the fiscal impact of SunTrust Park and The Battery Atlanta relates to the impact the development has on property in the area surrounding the development – the Halo Effect. The extent to which new development occurs in the surrounding area because of SunTrust Park and/or the Battery should be included when talking about the fiscal impact of the development. Further, the extent to which the general level of property values in this area of influence (AOI) change because of SunTrust Park and the Battery has additional fiscal impact on the county.

Figure 6
SunTrust Park and The Battery Atlanta
Area of Influence

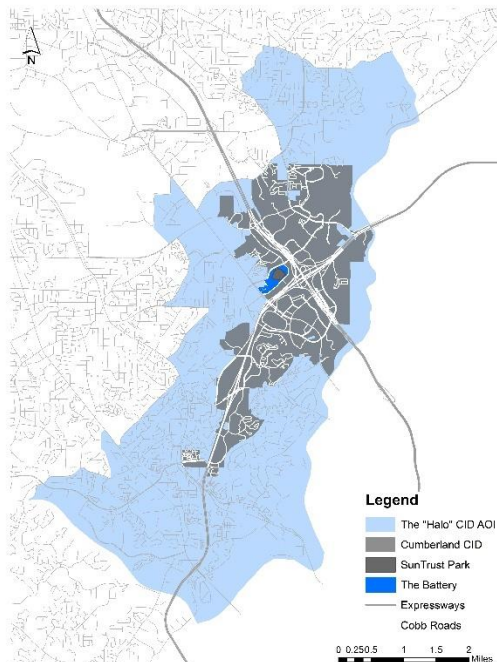


Figure 6 shows the area of influence used for this analysis. The Cumberland Community Improvement District (CID) boundary is approximately 3,762 acres, or about 5.9 square miles. SunTrust Park and the Battery are located near the center of the CID, but right along its western edge, bordering along Cobb Parkway. Previous work conducted by Georgia Tech and the CID staff identified an area larger than the CID boundary as an appropriate area of influence to use for determining the economic impact of the CID.²⁰ For this analysis, it seemed appropriate to use this same area for the Halo Effect of SunTrust Park and The Battery Atlanta. The AOI contains 14 census tracts based on the 2010 U.S. Census.²¹

The parcel analysis on the CID's AOI was done using ESRI's ArcGIS program. Georgia Tech worked with the Cobb County Board of Tax Assessor's office to obtain tax parcel data for the most recent year (2017) and the comparison year of the stadium's announcement (2013). The tax parcel values in the AOI (land and building values)

were summarized across parcel class to give the total value for all property classes in the AOI (Table 8 and Figure 7).

²⁰ *Market Research Services for the Cumberland Community Improvement District*, Georgia Tech Enterprise Innovation Institute, December 2012.

²¹ The 14 census tracts (2010) are as follows: 304.08, 303.20, 303.44, 303.45, 303.39, 311.13, 311.14, 312.05, 312.06, 312.07, 312.08, 312.09, 312.11, 312.12

Table 8
Area of Influence Digest Values
(Fair Market Value in Millions)

| Class | 2013 FMV | 2017 FMV | FMV Change | % Change | |
|---------------|------------------|-------------------|------------------|--------------|--------------------------------------|
| R3 | \$3,919.8 | \$5,899.2 | \$1,979.4 | 50.5% | R = Residential |
| R4 | \$62.2 | \$81.8 | \$19.6 | 31.4% | |
| R5 | \$6.7 | \$42.2 | \$35.5 | 527.6% | |
| C3 | \$310.1 | \$375.5 | \$65.4 | 21.1% | C = Commercial |
| C4 | \$1,947.1 | \$2,668.2 | \$721.2 | 37.0% | |
| C5 | \$3,337.9 | \$4,931.9 | \$1,594.0 | 47.8% | |
| C9 | \$0.0 | \$15.7 | \$15.7 | N/A | |
| I3 | \$2.6 | \$3.8 | \$1.2 | 45.4% | I = Industrial |
| I4 | \$25.7 | \$28.4 | \$2.7 | 10.6% | |
| I5 | \$40.0 | \$49.4 | \$9.4 | 23.5% | |
| U2 | \$23.2 | \$23.1 | -\$0.1 | -0.2% | U = Utility |
| U3 | \$0.0 | \$0.0 | \$0.0 | 0.0% | |
| V3 | \$0.0 | \$0.1 | \$0.0 | 38.3% | |
| V4 | \$1.4 | \$1.6 | \$0.2 | 15.7% | |
| V5 | \$10.7 | \$16.4 | \$5.7 | 53.7% | |
| W5 | \$1.4 | \$1.4 | \$0.0 | 0.0% | W = Environmentally Sensitive |
| Total: | \$9,688.7 | \$14,138.7 | \$4,450.0 | 45.9% | |
| E0 | \$14.5 | \$12.0 | -\$2.5 | -16.9% | |
| E1 | \$99.5 | \$774.3 | \$674.8 | 677.8% | |
| E2 | \$17.2 | \$18.3 | \$1.1 | 6.4% | |
| E3 | \$8.1 | \$8.1 | \$0.0 | 0.0% | |
| E4 | \$3.2 | \$3.2 | \$0.0 | 0.0% | |
| E5 | \$44.4 | \$44.4 | \$0.0 | 0.0% | |
| E6 | \$0.0 | \$1.1 | \$1.1 | N/A | |
| E9 | \$0.0 | \$88.5 | \$88.5 | N/A | |

Totals may not add due to rounding.

Source: Cobb County Tax Assessor

As Table 8 shows, in total, the Fair Market Value (FMV) of the area of influence grew an astonishing 45.9 percent between 2013 (the year the Atlanta Braves announced they were moving) to 2017 (the most recent data available) – from \$9.7 billion to \$14.1 billion. Using an assessment ratio of 40 percent, that represents taxable value of \$3.9 billion in 2013 and \$5.7 billion in 2017. How much of that growth is in response to SunTrust Park and The Battery Atlanta?

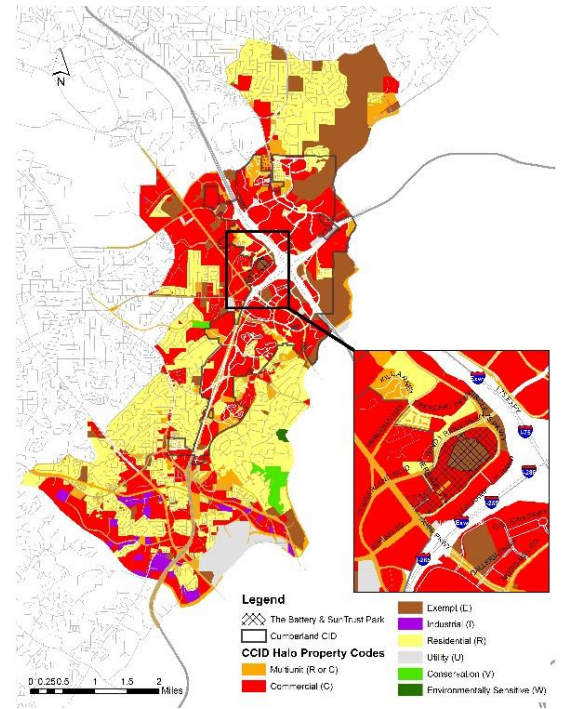
The entire Cobb County tax digest grew 18 percent over the same period, but that includes the AOI. If you remove the AOI, the balance of the county grew 12.9 percent over the 4-year period. Therefore, 12.9 percentage points of the growth of the AOI digest is attributed to the county's underlying growth.

Even without SunTrust Park and The Battery Atlanta, the Cumberland CID would be expected to grow faster than the rest of the county. In fact, between 2013 and 2017, the CID tax digest grew 20.1 percent. However, that growth included the Battery. The best analogous CID example would be the nearby Perimeter CID which had a very similar tax digest value as the Cumberland CID in 2013. Over the period 2013 to 2016, the Perimeter CID grew 18.3 percent. Because the 2017 Perimeter CID digest is not yet available, for purposes of this analysis, that rate of growth was continued through 2017 resulting in a 4-year growth rate of 25.1 percent. Therefore, it is assumed that the Cumberland CID would also have grown 25.1 percent without SunTrust Park and The Battery Atlanta – or 12.2 percentage points above the underlying growth rate of the county.

Then, of course, there is the Battery itself, which had a real property taxable value of \$181.5 million in 2017 and has already been accounted for in other parts of this analysis. That alone accounts for another 4.7 percent of the growth in the entire AOI digest.

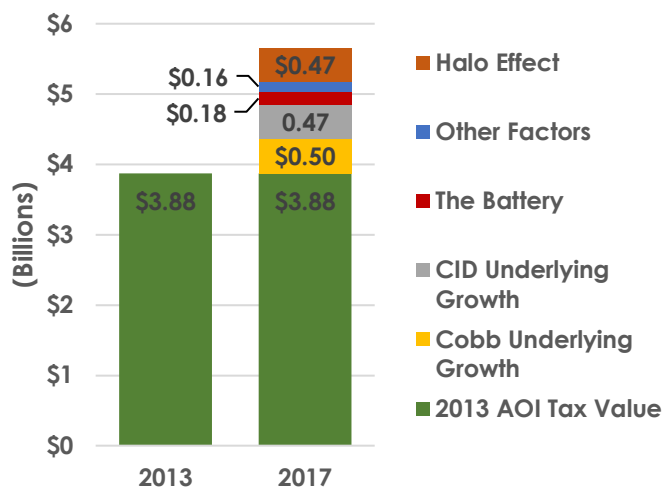
That still leaves 16.2 percent of the original 45.9 percent growth unexplained – or \$627 million in taxable value. It would be reasonable to attribute all that to the Halo Effect of SunTrust Park and The Battery Atlanta. According to Collier's International, The Cumberland area had the highest number of

Figure 7
Area of Influence Property Type



new office projects break ground in 2016 in comparison to other Atlanta submarkets.²² Clearly, SunTrust Park and the Battery influences growth well beyond its geographic boundaries.

Figure 8
Area of Influence Taxable Value Growth



Source: Cobb County Tax Digest; Center for Economic Development Research

However, there may be other factors in the surrounding area that we haven't identified, or maybe using the Perimeter CID growth understated the actual trends in the Cumberland CID.²³ To again keep this analysis conservative and account for one or more possible unknown growth factors, the research team interviewed developers and business leaders with exceptional local knowledge of the Cumberland CID area. After those discussions, in order to stay conservative, it was decided that only 75 percent of the remaining \$627 million in taxable value will be attributed to Halo Effect of SunTrust Park and The Battery Atlanta (Figure 8).

County Revenues

Therefore, the new taxable value of \$470 million within the area of influence that is being attributed to SunTrust Park and the Battery represents \$4.8 million annually in new tax revenue to Cobb County. It is impossible to know how much of this Halo Effect growth is new construction versus revaluation of existing properties. For new growth, the mixed-use fiscal model used in the Battery analysis would generate additional revenues from fines, permits, etc. However, simple appreciation would not generate any other new revenues beyond the property tax. Since there is no way to distinguish between the two, to be conservative, **only the new \$4.8 million in property taxes will be included here.**

County Expenses

As with revenues, county expenses are also driven by new development. Again, since there is no way to know how much of the new taxable value of \$470 million is new versus revaluation, it is impossible to accurately model new county expenses. However, the number must be greater than \$0. For

²² <https://www.bizjournals.com/atlanta/news/2017/04/03/suntrust-park-the-battery-will-lure-top-corporate.html>

²³ <https://www.bizjournals.com/atlanta/news/2017/02/01/cobb-county-market-report-companies-expanding.html>

purposes of this expense analysis, we will assume that half of the growth attributed to the Halo Effect of the Battery is new development. We will further assume that growth is in the same property type proportions as total growth in the AOI between 2013 and 2017 – 46 percent residential; 53.7 percent commercial; and 0.3 percent industrial. Again using the mixed-used model described above, it is estimated that this new growth would generate \$815K in new annual county expenses.

County Fiscal Impact

As before, the resulting net benefits (i.e., revenues less expenses) are put into current dollars using a Net Present Value (NPV) calculation using a discount rate of 3 percent. New property tax revenues of \$4.8 million less new expenses of \$0.8 million results in a **net annual fiscal impact of \$4.0 million for the area of influence**. Therefore, the 20-year net present value of Halo Effect of SunTrust Park and The Battery Atlanta is \$59.7 million to Cobb County.

School Fiscal Impact

Based on the assumptions presented above, new property tax revenue to the school system from the Halo Effect would be \$8.9 million annually. For the schools, new expenses are determined solely by the number of new households created. Again, there is no way to know how much of the new taxable value of \$470 million represents new households. We do know that outside the Battery there were 81 new residential parcels created in the 4-year period. If we assign all 81 parcels as new growth related to the Battery, then using data on number of students per new household and Cobb County School's local cost per student, new costs to the school system from these 81 parcels would be \$222K annually.

As a result, **on an average annual basis, for the area of influence, school revenues exceed expenses by \$8.7 million**. The 20-year net present value of the Halo Effect of The Battery Atlanta is \$129 million to Cobb County schools.

Conclusion

The evidence referenced at the beginning of this report makes clear that historically, publicly financed stadiums do not pay for themselves. Since this is well established, the the Atlanta Braves changed the stadium-financing paradigm by serving as the lead developer and delivering more than \$700 million in private, real estate development immediately adjacent to the ballpark. Therefore, the new question is “does this level of guaranteed private investment change the calculus for the public financing of the stadium?”

This comprehensive fiscal impact analysis demonstrates that the answer is “yes.” This analysis used actual numbers for both new revenues and expenses; widely accepted fiscal modeling systems; and when assumptions had to be made, they were always made in a conservative way that minimized revenue and maximized expenses. The results are clear. **At a minimum, across all funds, Cobb County local government is better off by \$4 million per year as a result of SunTrust Park and The Battery Atlanta (Figure 9; Table 9). Over 20 years, the extent to which revenues will exceed expenses is \$55.1 million on a net present value basis.**

The fiscal impact to the school system is even more impressive. **On an annual basis, new revenues to the Cobb County school system exceed new expenses by \$14.9 million per year (Figure 10; Table 9). Over 20 years, the extent to which revenues will exceed expenses for the school system is \$220 million on a net present value basis.**

Figure 9
Fiscal Impact of SunTrust Park
and The Battery Atlanta – Cobb County

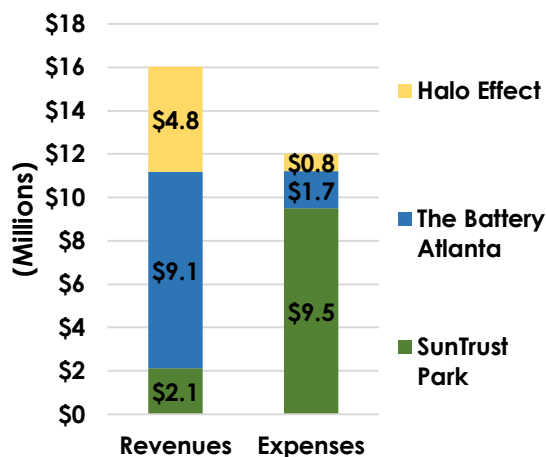
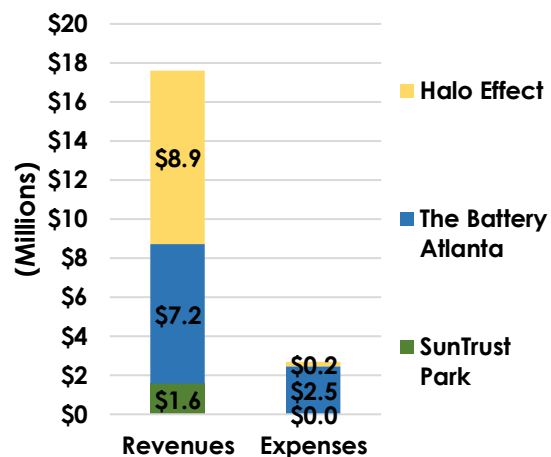


Figure 10
Fiscal Impact of SunTrust Park
and The Battery Atlanta – Cobb Schools



Source: Center for Economic Development Research

Table 9
Fiscal Impact of SunTrust Park and The Battery Atlanta - Summary
(Millions)

| | Cobb County | | Cobb County Schools | |
|---------------------|----------------|---------------|---------------------|----------------|
| | Average Annual | 20-Year NPV | Average Annual | 20-Year NPV |
| SunTrust Park | \$(7.4) | \$(113.0) | \$ 1.6 | \$ 23.5 |
| The Battery Atlanta | \$ 7.3 | \$ 108.4 | \$ 4.7 | \$ 67.5 |
| Halo Effect | \$ 4.0 | \$ 59.7 | \$8.7 | \$129.0 |
| Total: | \$4.0 | \$55.1 | \$14.9 | \$220.0 |

Totals may not add due to rounding.

Source: Center for Economic Development Research

Table 10**Fiscal Impact of SunTrust Park and The Battery Atlanta – Cobb County Detail**
(20-Year Average Annual in Millions)

| SunTrust Park | | | Net Fiscal Impact |
|--------------------------------|--|---------------|--------------------------|
| <u>Revenues:</u> | Property Taxes: | \$0.27 | |
| | Stadium Concession/Retail Sales Taxes: | \$0.82 | |
| | Overnight Visitor External Sales & Hotel Taxes: | \$0.91 | |
| | Braves Operations Sales Taxes: | \$0.04 | |
| | Park Employee Spending Sales Tax: | \$0.09 | |
| | Total Revenue: | \$2.13 | |
| <u>Expenses:</u> | Contributions to Debt Service: | \$6.36 | |
| | Contributions to Capital Maintenance: | \$1.41 | |
| | Initial Infrastructure (annual depreciation): | \$0.76 | |
| | Public Safety Costs: | \$0.84 | |
| | Insurance Costs: | \$0.13 | |
| | Total Expense: | \$9.50 | -\$7.37 |
| The Battery Atlanta | | | |
| <u>Revenues:</u> | Property Taxes: | \$3.55 | |
| | Sales Taxes: | \$1.13 | |
| | Hotel Taxes: | \$1.94 | |
| | Other Government Revenues: | \$2.44 | |
| | Total Revenue: | \$9.06 | |
| <u>Expenses:</u> | Government Service Costs: | \$1.71 | |
| | Total Expense: | \$1.71 | \$7.35 |
| Halo Effect | | | |
| <u>Revenues:</u> | Property Taxes: | \$4.82 | |
| | Sales Taxes: | \$0.00 | |
| | Other Government Revenues: | \$0.00 | |
| | Total Revenue: | \$4.82 | |
| <u>Expenses:</u> | Government Service Costs: | \$0.81 | |
| | Total Expense: | \$0.81 | \$4.01 |
| | Total Cumulative Annual Net Fiscal Impact to Cobb County: | | \$3.98 |

Totals may not add due to rounding.

Source: Center for Economic Development Research

Appendix A: SunTrust Park 20-Year Fiscal Impact Analysis – Cobb

(Millions)

| | 2017 | 2018 | 2019 | 2020 | 2021 | 2022 | 2023 | 2024 | 2025 | 2026 | 2027 | 2028 | 2029 | 2030 | 2031 | 2032 | 2033 | 2034 | 2035 | 2036 | Total | |
|--------------------------------|-----------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|-----------------|
| Property Taxes: | \$0.5 | \$0.4 | \$0.3 | \$0.3 | \$0.3 | \$0.3 | \$0.2 | \$0.2 | \$0.3 | \$0.2 | \$0.5 | \$0.4 | \$0.3 | \$0.3 | \$0.3 | \$0.2 | \$0.2 | \$0.1 | \$0.1 | \$0.1 | \$5.4 | |
| Sales Taxes: | \$1.8 | \$1.8 | \$1.8 | \$1.8 | \$1.8 | \$1.8 | \$1.8 | \$1.8 | \$1.8 | \$1.8 | \$1.8 | \$1.8 | \$1.8 | \$1.8 | \$1.8 | \$1.8 | \$1.8 | \$1.8 | \$1.8 | \$1.8 | \$1.8 | \$36.9 |
| Total Revenues: | \$2.3 | \$2.3 | \$2.2 | \$2.1 | \$2.2 | \$2.1 | \$2.1 | \$2.0 | \$2.1 | \$2.1 | \$2.3 | \$2.2 | \$2.2 | \$2.2 | \$2.1 | \$2.0 | \$2.0 | \$2.0 | \$2.0 | \$1.9 | \$42.4 | |
| Public Support: | \$20.2 | \$9.0 | \$7.3 | \$7.5 | \$7.6 | \$7.6 | \$7.6 | \$7.6 | \$7.7 | \$7.7 | \$7.7 | \$7.8 | \$7.8 | \$7.8 | \$7.8 | \$7.8 | \$7.7 | \$7.7 | \$7.7 | \$7.6 | \$167.2 | |
| Public Safety Cost: | \$0.8 | \$0.8 | \$0.8 | \$0.8 | \$0.8 | \$0.8 | \$0.8 | \$0.8 | \$0.8 | \$0.8 | \$0.8 | \$0.8 | \$0.8 | \$0.8 | \$0.8 | \$0.8 | \$0.8 | \$0.8 | \$0.8 | \$0.8 | \$0.8 | \$16.8 |
| Public Works Cost: | \$0.2 | \$0.2 | \$0.2 | \$0.2 | \$0.2 | \$0.2 | \$0.2 | \$0.2 | \$0.2 | \$0.2 | \$0.2 | \$0.2 | \$0.2 | \$0.2 | \$0.2 | \$0.2 | \$0.2 | \$0.2 | \$0.2 | \$0.2 | \$0.2 | \$3.4 |
| Other Admin. Cost: | \$0.1 | \$0.1 | \$0.1 | \$0.1 | \$0.1 | \$0.1 | \$0.1 | \$0.1 | \$0.1 | \$0.1 | \$0.1 | \$0.1 | \$0.1 | \$0.1 | \$0.1 | \$0.1 | \$0.1 | \$0.1 | \$0.1 | \$0.1 | \$0.1 | \$2.6 |
| Total Expense: | \$21.3 | \$10.2 | \$8.5 | \$8.7 | \$8.7 | \$8.7 | \$8.8 | \$8.8 | \$8.8 | \$8.8 | \$8.9 | \$8.9 | \$8.9 | \$9.0 | \$8.9 | \$8.9 | \$8.9 | \$8.8 | \$8.8 | \$8.8 | \$8.8 | \$190.0 |
| Net Fiscal Impact: | -\$19.0 | -\$7.9 | -\$6.3 | -\$6.5 | -\$6.5 | -\$6.6 | -\$6.7 | -\$6.8 | -\$6.7 | -\$6.8 | -\$6.5 | -\$6.7 | -\$6.7 | -\$6.8 | -\$6.8 | -\$6.9 | -\$6.9 | -\$6.9 | -\$6.9 | -\$6.9 | -\$6.8 | -\$147.7 |
| Net Present Value @ 3%: | -\$113.0 | | | | | | | | | | | | | | | | | | | | | |

Notes: Public support includes contributions to debt service, contributions to capital maintenance fund, and initial infrastructure costs from the General Fund. The "Public Safety" cost is the additional police overtime for traffic management; the "Public Works" cost is the annual depreciation of the Interstate 285 bridge; and the "Other Administrative Costs" include the annual insurance. Totals may not add due to rounding.

Source: Center for Economic Development Research using the LOCI™ fiscal impact model.

Appendix B: The Battery Atlanta 20-Year Fiscal Impact Analysis – Cobb (Millions)

| | 2017 | 2018 | 2019 | 2020 | 2021 | 2022 | 2023 | 2024 | 2025 | 2026 | 2027 | 2028 | 2029 | 2030 | 2031 | 2032 | 2033 | 2034 | 2035 | 2036 | Total | |
|--------------------------------|----------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|----------------|
| Property Taxes: | \$0.9 | \$2.3 | \$2.4 | \$2.9 | \$3.2 | \$3.3 | \$3.5 | \$3.6 | \$3.7 | \$3.8 | \$3.9 | \$4.0 | \$4.1 | \$4.1 | \$4.2 | \$4.2 | \$4.2 | \$4.2 | \$4.2 | \$4.2 | \$4.2 | \$70.9 |
| Sales Taxes: | \$0.4 | \$0.9 | \$1.0 | \$1.1 | \$1.2 | \$1.2 | \$1.2 | \$1.2 | \$1.2 | \$1.2 | \$1.2 | \$1.2 | \$1.2 | \$1.2 | \$1.2 | \$1.2 | \$1.2 | \$1.2 | \$1.2 | \$1.2 | \$1.2 | \$22.7 |
| Hotel/Motel Taxes: | \$1.6 | \$1.6 | \$1.6 | \$2.0 | \$2.0 | \$2.0 | \$2.0 | \$2.0 | \$2.0 | \$2.0 | \$2.0 | \$2.0 | \$2.0 | \$2.0 | \$2.0 | \$2.0 | \$2.0 | \$2.0 | \$2.0 | \$2.0 | \$2.0 | \$38.7 |
| Franchise Fees: | \$0.1 | \$0.1 | \$0.1 | \$0.1 | \$0.1 | \$0.1 | \$0.1 | \$0.1 | \$0.1 | \$0.1 | \$0.1 | \$0.1 | \$0.1 | \$0.1 | \$0.1 | \$0.1 | \$0.1 | \$0.1 | \$0.1 | \$0.1 | \$0.1 | \$1.8 |
| Liquor Licenses: | \$0.0 | \$0.0 | \$0.0 | \$0.0 | \$0.0 | \$0.0 | \$0.0 | \$0.0 | \$0.0 | \$0.0 | \$0.0 | \$0.0 | \$0.0 | \$0.0 | \$0.0 | \$0.0 | \$0.0 | \$0.0 | \$0.0 | \$0.0 | \$0.0 | \$0.5 |
| Alcohol Taxes: | \$0.1 | \$0.2 | \$0.2 | \$0.2 | \$0.2 | \$0.2 | \$0.2 | \$0.2 | \$0.2 | \$0.2 | \$0.2 | \$0.2 | \$0.2 | \$0.2 | \$0.2 | \$0.2 | \$0.2 | \$0.2 | \$0.2 | \$0.2 | \$0.2 | \$3.8 |
| Fines: | \$0.4 | \$0.4 | \$0.4 | \$0.4 | \$0.4 | \$0.4 | \$0.4 | \$0.4 | \$0.4 | \$0.4 | \$0.4 | \$0.4 | \$0.4 | \$0.4 | \$0.4 | \$0.4 | \$0.4 | \$0.4 | \$0.4 | \$0.4 | \$0.4 | \$8.7 |
| Permits: | \$5.0 | \$0.0 | \$0.0 | \$0.0 | \$0.0 | \$0.0 | \$0.0 | \$0.0 | \$0.0 | \$0.0 | \$0.0 | \$0.0 | \$0.0 | \$0.0 | \$0.0 | \$0.0 | \$0.0 | \$0.0 | \$0.0 | \$0.0 | \$0.0 | \$5.6 |
| Services: | \$0.1 | \$0.1 | \$0.1 | \$0.2 | \$0.2 | \$0.2 | \$0.2 | \$0.2 | \$0.2 | \$0.2 | \$0.2 | \$0.2 | \$0.2 | \$0.2 | \$0.2 | \$0.2 | \$0.2 | \$0.2 | \$0.2 | \$0.2 | \$0.2 | \$3.5 |
| Occupational Taxes: | \$0.3 | \$0.3 | \$0.3 | \$0.4 | \$0.4 | \$0.4 | \$0.4 | \$0.4 | \$0.4 | \$0.4 | \$0.4 | \$0.4 | \$0.4 | \$0.4 | \$0.4 | \$0.4 | \$0.4 | \$0.4 | \$0.4 | \$0.4 | \$0.4 | \$7.8 |
| Insurance Premiums: | \$0.0 | \$0.0 | \$0.0 | \$0.0 | \$0.0 | \$0.0 | \$0.0 | \$0.0 | \$0.0 | \$0.0 | \$0.0 | \$0.0 | \$0.0 | \$0.0 | \$0.0 | \$0.0 | \$0.0 | \$0.0 | \$0.0 | \$0.0 | \$0.0 | \$0.5 |
| Miscellaneous: | \$0.6 | \$0.7 | \$0.8 | \$0.8 | \$0.8 | \$0.9 | \$0.9 | \$0.9 | \$0.9 | \$0.9 | \$0.9 | \$0.9 | \$0.9 | \$0.9 | \$0.9 | \$0.9 | \$0.9 | \$0.9 | \$0.9 | \$0.9 | \$0.9 | \$16.8 |
| Total Revenues: | \$9.5 | \$6.7 | \$7.0 | \$8.2 | \$8.6 | \$8.8 | \$8.9 | \$9.0 | \$9.1 | \$9.2 | \$9.3 | \$9.4 | \$9.5 | \$9.6 | \$9.7 | \$9.7 | \$9.7 | \$9.7 | \$9.7 | \$9.7 | \$9.7 | \$181.2 |
| Gen. government: | \$0.1 | \$0.1 | \$0.1 | \$0.2 | \$0.2 | \$0.2 | \$0.2 | \$0.2 | \$0.2 | \$0.2 | \$0.2 | \$0.2 | \$0.2 | \$0.2 | \$0.2 | \$0.2 | \$0.2 | \$0.2 | \$0.2 | \$0.2 | \$0.2 | \$3.3 |
| Health: | \$0.0 | \$0.0 | \$0.0 | \$0.0 | \$0.0 | \$0.0 | \$0.0 | \$0.0 | \$0.0 | \$0.0 | \$0.0 | \$0.0 | \$0.0 | \$0.0 | \$0.0 | \$0.0 | \$0.0 | \$0.0 | \$0.0 | \$0.0 | \$0.0 | \$0.1 |
| Social welfare: | \$0.0 | \$0.0 | \$0.0 | \$0.1 | \$0.1 | \$0.1 | \$0.1 | \$0.1 | \$0.1 | \$0.1 | \$0.1 | \$0.1 | \$0.1 | \$0.1 | \$0.1 | \$0.1 | \$0.1 | \$0.1 | \$0.1 | \$0.1 | \$0.1 | \$1.4 |
| Public safety: | \$0.1 | \$0.2 | \$0.2 | \$0.4 | \$0.4 | \$0.4 | \$0.4 | \$0.4 | \$0.4 | \$0.4 | \$0.4 | \$0.4 | \$0.4 | \$0.4 | \$0.4 | \$0.4 | \$0.4 | \$0.4 | \$0.4 | \$0.4 | \$0.4 | \$7.7 |
| Courts: | \$0.1 | \$0.1 | \$0.1 | \$0.3 | \$0.3 | \$0.3 | \$0.3 | \$0.3 | \$0.3 | \$0.3 | \$0.3 | \$0.3 | \$0.3 | \$0.3 | \$0.3 | \$0.3 | \$0.3 | \$0.3 | \$0.3 | \$0.3 | \$0.3 | \$5.0 |
| Public works: | \$0.1 | \$0.2 | \$0.2 | \$0.4 | \$0.4 | \$0.4 | \$0.4 | \$0.4 | \$0.4 | \$0.4 | \$0.4 | \$0.4 | \$0.4 | \$0.4 | \$0.4 | \$0.4 | \$0.4 | \$0.4 | \$0.4 | \$0.4 | \$0.4 | \$7.3 |
| Recreation & Library: | \$0.0 | \$0.1 | \$0.1 | \$0.1 | \$0.1 | \$0.1 | \$0.1 | \$0.1 | \$0.1 | \$0.1 | \$0.1 | \$0.1 | \$0.1 | \$0.1 | \$0.1 | \$0.1 | \$0.1 | \$0.1 | \$0.1 | \$0.1 | \$0.1 | \$2.1 |
| Miscellaneous: | \$0.1 | \$0.2 | \$0.2 | \$0.4 | \$0.4 | \$0.4 | \$0.4 | \$0.4 | \$0.4 | \$0.4 | \$0.4 | \$0.4 | \$0.4 | \$0.4 | \$0.4 | \$0.4 | \$0.4 | \$0.4 | \$0.4 | \$0.4 | \$0.4 | \$7.3 |
| Total Expenses: | \$0.5 | \$0.8 | \$1.1 | \$1.8 | \$1.8 | \$1.9 | \$1.9 | \$1.9 | \$1.9 | \$1.9 | \$1.9 | \$1.9 | \$1.9 | \$1.9 | \$1.9 | \$1.9 | \$1.9 | \$1.9 | \$1.9 | \$1.9 | \$1.9 | \$34.2 |
| Net | \$9.1 | \$5.9 | \$5.9 | \$6.5 | \$6.8 | \$6.9 | \$7.0 | \$7.1 | \$7.3 | \$7.4 | \$7.5 | \$7.5 | \$7.6 | \$7.7 | \$7.8 | \$7.8 | \$7.8 | \$7.8 | \$7.8 | \$7.8 | \$7.8 | \$146.9 |
| Net Present Value @ 3%: | \$108.4 | | | | | | | | | | | | | | | | | | | | | |

Notes: Permits in 2017 include the total permit revenue received during construction. Totals may not add due to rounding.
Source: Center for Economic Development Research using the mixed-use fiscal impact model.

