



**STOP
THE ARENA**



Coalition to Stop the Arena at Potomac Yard

January 29, 2024

Members of the Virginia General Assembly
General Assembly Building
201 North Ninth Street
Richmond, VA 23219

RE: Concerned Citizens Urge a “No” Vote on MSE Arena Bills (HB 1514/SB 718)

Dear Elected Leader:

We, the undersigned, strongly oppose the recently announced deal with Monumental Sports Entertainment (MSE) to bring a publicly-funded stadium to the Potomac Yard neighborhood in Alexandria.¹ In December, amidst holiday travel, the Alexandria Economic Development Partnership surprised the community by announcing an unprecedented economic development plan – the largest sports arena subsidy in history.²

There is a well-documented and decades-old consensus among economists that new sports facilities have a minimal, and often negative, effect on overall economic activity and employment.³ Over the last 50 years, state and local governments in the U.S. have spent approximately \$33 billion in public funds on major-league sports venues, with little to no tangible impact on local economic activity.⁴

The proposed Entertainment District in Potomac Yards seems destined to follow the pattern of overhyped economic development predictions that fail to materialize. Governor Youngkin's proposal would reportedly require the General Assembly to authorize as much as \$2 billion in public bonds, with an additional \$106 million contributed by the taxpayers of Alexandria.

¹ Office of the Governor. “Governor Youngkin Announces \$2 Billion World-Class Entertainment District in Virginia.” Press release. (December 13, 2023) Online: <https://www.governor.virginia.gov/newsroom/news-releases/2023/december/name-1018886-en.html>

² O’Connell, Jonathan, et al. “Caps, Wizards complex in Virginia could get largest arena subsidy ever,” *Washington Post*. (December 15, 2023) Online: <https://www.washingtonpost.com/dc-md-va/2023/12/15/capitals-wizards-potomac-yard-arena-finances-virginia-dc/>

³ Siegfried, John and Zimbalist, Andrew, “The Economics of Sports Facilities and Their Communities” (2000). Economics: Faculty Publications, Smith College, Northampton, MA. https://scholarworks.smith.edu/eco_facpubs/54

⁴ Bradbury, John Charles and Coates, Dennis and Humphreys, Brad R., “The Impact of Professional Sports Franchises and Venues on Local Economies: A Comprehensive Survey (January 31, 2022). *Journal of Economic Surveys*, forthcoming, Available at SSRN: <https://ssrn.com/abstract=4022547> or <http://dx.doi.org/10.2139/ssrn.4022547>



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Monumental Sports Entertainment, a company with a recent valuation of more than four billion dollars,⁵ would only contribute \$403 million, less than 20 percent of the project's estimated cost.

Sports venues do not generate net new spending. Entertainment spending budgets for individuals and families is usually fixed. Spending at sports venues or concert venues is simply spending substituted from spending on other entertainment in the local area. There is no evidence from independent sources to support the claim by arena proponents that the arena will generate the \$12 billion in positive economic impact for the Commonwealth and the City of Alexandria.⁶ Businesses complementary to sports such as bars and restaurants may see a slight benefit, but only within the area immediately adjacent to the venue. Additionally, sports venues can frequently serve as a disincentive for non-complementary businesses to locate in the immediately adjacent areas as game day nuisance and congestion makes business access and operation difficult.⁷ Instead of creating new tax revenue that would not otherwise exist, as arena proponents claim, spending will almost certainly be siphoned away from Old Town, Del Ray, and other local communities rich with small businesses that will not be able to compete with a new entertainment district.

A typical baseball stadium has roughly the same economic impact on a community as a large department store or busy Walmart — or in the case of Potomac Yard, a Target. Basketball and hockey arenas, like the proposed plan, bring in slightly less. For example, “the Battery in Atlanta generates about the same amount of revenue as the average Target store.”⁸ A number of sporting venues have caused significant financial strain on their host communities such as:

- Pittsburgh, PA where debt obligations on Civic Arena remained several years after its demolition;⁹

⁵ Sim, Josh. “Qatari State Fund to Buy 5% Minority Stake in Monumental Sports & Entertainment, Say Reports.” *SportsPro*, 23 June 2023, www.sportspromedia.com/news/monumental-washington-wizards-capitals-mystics-qatar-gia-investment-minority-stake/?zephrr_sso_ott=nBUscU.

⁶ MonumentalOpportunity.com. (Accessed January 23, 2024) Online: <https://monumentalopportunity.com/the-opportunity/>

⁷ Bradbury, John Charles and Coates, Dennis and Humphreys, Brad R., Public Policy Toward Professional Sports Stadiums: A Review (January 30, 2023). Journal of Policy Analysis and Management, forthcoming, Available at SSRN: <https://ssrn.com/abstract=4340483> or <http://dx.doi.org/10.2139/ssrn.4340483>

⁸ JC Bradbury, PhD, Kennesaw State University Department of Economics, President, North American Association of Sports Economists, https://twitter.com/jc_bradbury/status/1748800946279260370

⁹ Belko, M. (2017, August 10). After outliving the building, the Civic Arena debt finally is close to being paid off. *Pittsburgh Post-Gazette*. <https://www.post-gazette.com/local/city/2017/08/11/civic-arena-debt-pittsburgh-allegheeny-county-regional-asset-district-sales-tax-revenue/stories/201708110071>



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- St. Louis, MO where debt payments on the Rams stadium continued after the team relocated to Los Angeles;¹⁰
- Atlanta, GA where The Battery complex loses \$15 million per year and required contribution from general funds to cover debt service;¹¹ and
- Chicago, IL where the remaining balance on debt to finance Soldier Field renovations is higher than initial principal after 20 years of payments due to difficulties in covering payments.¹²

Sports venues that have repaid debt obligations have relied on additional increased taxes such as the District of Columbia's "ballpark fee."¹³ Tax revenues from arenas and stadium districts alone have not been sufficient to cover significant debt obligations. Time after time, arena deals fail to yield economic benefits to their communities, and instead become extreme economic burdens on the cities and surrounding areas.

Nothing proposed in the Potomac Yard deal is new, novel, or any different than these other failed projects. For example, in a recent town hall, representatives of the Alexandria Economic Development Partnership (AEDP) claimed the unique aspects of this project were the presence of a concert venue and dual use of the sports venue by both the NBA and NHL, neither of which are uncommon.¹⁴ They could not identify any other unique aspects of the financing arrangement as they have claimed.¹⁵

There is no reason to believe the outcome of the Monumental Sports arena project will be any different than other failed arena projects. The reason the results will be the same as nearly every other publicly funded stadium and arena in the country is because the "Economic Impact Analysis" promotional documents do not use methods or models that are commonly accepted in

¹⁰Weissmann, J. (2016, February 3). St. Louis Doesn't Have an NFL Team Anymore, but It Still Has to Pay for One. Slate Magazine. <https://slate.com/business/2016/02/st-louis-is-still-deep-in-debt-for-the-rams-old-stadium.html>

¹¹Dixon, K. (2022, March 10). Report: Cobb taxpayers losing \$15M annually on Braves stadium deal. Axios. <https://www.axios.com/local/atlanta/2022/03/10/cobb-taxpayers-braves-stadium>

¹²Rogers, P. (2022, October 29). Taxpayers still owe \$640M on 2002 Soldier Field renovation. NBC Chicago. <https://www.nbcchicago.com/investigations/taxpayers-still-owe-640m-on-2002-soldier-field-renovation/2981068/#:~:text=But%20today%2C%20more%20than%20,for%20more%20than%20%20years.>

¹³ § 47-2762. Ballpark fee. | D.C. Law Library. (n.d.). D.C. Law Library. <https://code.dccouncil.gov/us/dc/council/code/sections/47-2762>

¹⁴ Molski, Max. "Which professional sports teams share stadiums?" NBCSports.com. (June 30, 2022) Online: <https://www.nbcsportsbayarea.com/nba/golden-state-warriors/which-professional-sports-teams-share-stadiums/1421358/>

¹⁵Taylor, Kendel and Sanderson, Jame. "Alexandria Listening Sessions: Financial Proposal and Economic Impact." Alexandria Economic Development Partnership listening session. (January 18, 2024) Online: <https://vimeo.com/905718660>



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the academic research community. The IMPLAN model used in the AEDP economic analysis has been widely criticized by economists for overestimating economic impacts. In fact the “IMPLAN is the model of choice for special interests seeking public largesse. It’s a favorite of studies promoting supposed win-win scenarios of public construction of new sports stadiums...”¹⁶

To date, there has been no transparency regarding the financial projections, assumptions, or underlying data used to draw their conclusions. This makes it impossible to review assumptions and verify their conclusions. What few data points they have made public, however, should concern you. For example, the HR&A Memorandum¹⁷ assumes that there will be 336 arena and performing arts events combined per year. These underlying projections are overly optimistic and likely assume sell-out events. However, they use “proprietary” information to back up their assumptions, so the public cannot ascertain the truth for themselves. They also provide no insight into other assumptions such as hotel nights, conference center annual attendance, etc. that are used in the analysis. There has been no review or validation by disinterested third party economists, such as those at local colleges or universities. Full due diligence requires validation by those other than those hired by parties to the deal who pay for the analysis.

MSE and AEDP claim that models project that revenues will be two to three times that needed to cover the debt service. Effectively, they claim that they have a 50% margin of error.¹⁸ If this is the case, with a deal this “good” why aren’t private financiers eager to invest? Perhaps because the deal is too good to be true.

Our community’s concerns with this project extend well beyond the economic burdens an arena like this will cause to our community. Neither AEDP nor MSE have provided satisfactory solutions to traffic congestion, public transportation reliability, affordable housing, environmental impact, labor practices, or public accountability moving forward.

¹⁶ Leave the costs aside for a second. Did you hear Iron Man saved North Carolina? (2013). The John Locke Foundation. <https://www.johnlocke.org/leave-the-costs-aside-for-a-second-did-you-hear-iron-man-saved-north-carolina/>

¹⁷ HR&A. (2023, December 22). Re: Potomac Yard Entertainment District Impact Analysis. https://alexandriaecon.org/wp-content/uploads/Potomac-Yard_Impact-Analysis-Summary_12-22-2023-FINAL.pdf

¹⁸ Fact Check | A monumental opportunity. (n.d.). Fact Check | A Monumental Opportunity. <https://monumentalopportunity.com/fact-check/>



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Until all of these concerns are adequately addressed, without costing the taxpayers more, we urge you to vote “no” on this project.

Sincerely,

Adrien Lopez, Potomac Yard, Alexandria

Shannon Curtis, Del Ray, Alexandria

Andrew Macdonald, Old Town, Alexandria

Eric Weiner, Del Ray, Alexandria

Rickey Dana, Potomac Yard, Alexandria

August Jackson, Potomac Yard, Alexandria

Dan Heng, Lynhaven, Alexandria

Brian Hess, Sports Fans Coalition, Lincolnia, Alexandria

John Breyault, National Consumers League, Arlington

Lauren O'Donnell, Christiansburg

Michelle Johannes, Del Ray (St. Elmo region)

Keith White, Old Town, Alexandria

Barbra Byington, Del Ray, Alexandria

NT Crowley, North Ridge

Alex Sprague, Potomac Yards

Mark Streich, Old Town Village

Shari L. May, Potomac Yard

Serge Duss, North Old Town, Alexandria

Jane Zimmerman, Arlington

Kate Tindle, Del Ray, Alexandria

Keith Mines, None, Potomac Greens

Meredith Lair, Lynhaven, Alexandria

Melissa Kuennen, Old Town North

Sandy Modell, Del Ray resident almost 40 years

Susan Athy, Alexandria (Rosemont)

Robert Babiak, Alexandria

Kendall Gene, North Old Town Resident, Del Ray Rental Property owner

Beth Kelley, Del Ray, Alexandria

David Smithey, Arlandria/Beverly Hills

Joan Mundt, North Old Town, Alexandria

Heidi Christensen, North Alexandria

Fern Abrams, Del Ray, Alexandria

Michael Brown, Old Town, Alexandria

R. S. Crowley Beverley Hills, Alexandria

Jim Good, Rosemount Neighborhood, Alexandria

Karen Johnson, Alexandria

Lauren Cranman, Del Ray, Alexandria

Jeremy Flachs, Del Ray, Alexandria

Mary Dunbar, Braddock Heights, Alexandria

Alan Friedman, Del Ray, Alexandria

Tara Greco, Alexandria

Boyd Walker, Old Town, Alexandria

Beci Brenton, Potomac Yards, Alexandria

Sandra Levy, Rosemont



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Vineeta Anand, Alexandria

Denise King, Alexandria

Kevin Brenton, Potomac Yards

Jordan Zerpoli Franken, Potomac Yard,
Alexandria

Mary M. Froehlich

Tim Neale, Potomac Greens, Alexandria

Alyssa Fox, Old Town North, Alexandria

Lindsay Stuart, Alexandria homeowner--Bradlee

Marc Greenberg, Del Ray, Alexandria

Shivesh Dadlani, Arlington, Virginia

Mariana Martins-Dadlani, Arlington

Mary C. Harris, Alexandria

Kate Reich, Resident and small business owner,
Del Ray - Alexandria

Karin Fangman, Del Ray, Alexandria

Barbara Hess, Burke

Doug Hess, Burke

Kay Blemker

Linda App, 30 Year Resident & Homeowner in
City of Alexandria

Cindy Edmonds, Central Virginia

Mari Ann Hollis, Alexandria

Constance McCabe, Del Ray, Alexandria

Mary Beatley

Andy Popovici, Del Ray, Alexandria

Jonathan Olsson, Alexandria

Jim Burkartiii, Rosemont, Alexandria

Gail Noren, Alexandria

Lee Ann Gardner, Alexandria

Trudy Hall, Ballston, Arlington

Matthew Morton, Del Ray, Alexandria

William Lewis Pipkin, Parkfairfax

Adam Porter, Del Ray, Alexandria

Gail Moore, West End, Alexandria

Rebecca McCracken, Rosemont, Alexandria

L.A.McCracken, Rosemont, Alexandria

Kirk Hansen, Del Ray, Alexandria

Michele S. Rosemont, Alexandria

Debra Critchley, Monticello Park, Alexandria

Kevin McDermott, Alexandria City Resident

Maida Loescher, Alexandria

Teresa Brunson, Hayfield Farm Community,
Alexandria

Michelle O'Leary, Del Ray, Alexandria

Brendan O'Leary, Del Ray, Alexandria

Laura Vogel, Seminary Rd

Victoria Miller, Pentagon City

Laura Doyle, Rosemont

Aurora Hills, Arlington

Medea Ranck, Rosemont, Alexandria

Joyce Frank, Resident, Parkfairfax, Alexandria
City

Anna Frame, Alexandria

Michael Griffith, Rosemont, Alexandria

Nita Roncone, Del Ray, Alexandria



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Steve Roncone, Del Ray, Alexandria
Dorothy L. P. Gray, North Ridge, Alexandria
Bonnie Cohen, Alexandria
Leigh Borghesani, Del Ray, Alexandria
Geoff Chester, Prite Citizen, Alexandria
Steve Banashek, Rosemont, Alexandria
Susan Boyd, Alexandria
Kathy Cullinan
Peter W. French, Alexandria
Nathan McKenzie, Rosemont, Alexandria
Suzanne Hellmann, Alexandria,
Ryan Chirnomas, Del Ray, Alexandria
William Hunter, Rosemont, Alexandria
Elizabeth Gamble, Key Drive
D. Terence Langendoen, Braddock Heights
Ellie Regan, Del Ray, Alexandria
Derek Meyer, Beverley Hills
Sabrina Corlette, Rosemont, Alexandria,
Norah Ludke, Rosemont, Alexandria
Rita Longhofer
Eric Felt, Rosemont
Joan Harth, Alexandria,
Marsha Wallace, Rosemont
James Chessen, Alexandria
Mary Pat Woodman, North Ridge, Alexandria
Kathleen Clarke, Alexandria
Rick Kelley, Alexandria
Gillian Good, Lynnhaven
George Chartier, Alexandria
Carol Strachan
Phil Raino, Lynhaven, Alexandria
Ashlee Henig, Lynhaven, Alexandria
S. Sommerfield, Alexandria
Anne Washburn, Lynhaven, Alexandria
Claire Rea in Parkfairfax
Kimberly McDermott, Alexandria
Gwyneth McNiff, Potomac Yard, Alexandria
Catherine Clement, Del Ray, Alexandria
Zachary Hunter, Alexandria
Kathryn Kellam, Rosemont neighborhood,
Alexandria
Max Wang, Alexandria
Leigh Talbot, Rosemont, Alexandria
Ellen Halbach, Lincolnia, Virginia
Sarah Holley, Former Alexandria Commissioner
for Women Member, Alexandria
Daniel Selnick, Alexandria
Tom Wagner, Del Ray, Alexandria
Devon Cain, Beverly Hills
E. Yancey, Alexandria
Uve Hodgins, Del Ray, Alexandria
Stephanie Waldhoff, Alexandria,
Casey Welch, Lynhaven, Alexandria
Barbara Haley, Alexandria
Lynn Orłowski, Del Ray, Alexandria
A Y Allgood



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James E Allgood, West End, Alexandria

Jeffrey Finkle, Alexandria

Lynne Russillo, Westover

Barbara Toohill, Old Town, Alexandria

Melissa Landers

Jake Brackney, Arlandria

Kay Parker, North Old Town, Alexandria

Virginia Johnson, Del Ray, Alexandria

John Scott, Del Rey, Alexandria

Lori Kreger, Del Ray, Alexandria

Deb Fuller, E Glendale Ave, Alexandria

Christine Traettino, Old Town Alexandria

Marilyn Doherty, Del Ray, Alexandria

Fran Vogel, Alexandria

Kathryn Wolf, Del Ray/Hume Springs,
Alexandria

Harry Mangold, Lynhaven, Alexandria

Stephanie D. Cabell, Alexandria

Jon Sheiner, North Old Town, Alexandria

Susan White, North Old Town, Alexandria

Andrea Cahn, Del Ray, Alexandria

Brent Spence

Sarah Duncan, Rosemont

Melissa Rice Kuckro, Del Ray, Alexandria

Virginia Ticer, Old Town, Alexandria

Bill Lipsett, Alexandria

Suzi Wackerbarth, Del Ray, Alexandria

John M Nickols, Del Ray, Alexandria

Gersohn Epstein, Old Town, Alexandria

Sylvia Sibrover, NorthEast

Lillian Samadani, Beverley Hills, Alexandria

John il, Old Town, Alexandria

Leanna Saler, Del Ray

Melissa Hayworth, Del Ray Alexandria

Kirstin Deimel, Hollin Hall Village, Alexandria

Joy Mallonee, Alexandria

Steven Smith

Karen Tietjen, Old Town, Alexandria

Shawn Martin, Alexandria

Elizabeth Balish, North Old Town, Alexandria

Amy Rodgers, Old Town, Alexandria

Mary Lou Leary, Alexandria

Robert C. Besse, Rosemont, Alexandria

Jennifer Topping, Del Ray resident, Alexandria

Emily Litten, Alexandria

Libby Greco, Old Town Alexandria

Megan Waterhouse, Homeowner in Del Ray and
Old Town, Alexandria

A. Terell, Old Town, Alexandria

Dan Brown, Rosemont, Alexandria

Ashton Brown; Old Town, Alexandria

Peg Kleysteuber, Delray, Alexandria

Kate K. Old Town, Alexandria

Timothy Henderson, Shirley Forest, Alexandria

Ojaswi Adhikari, Fairfax

Elizabeth Smith, Arlington



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Danette Berry, Stratford Landing, Alexandria

Brian Berry, Stratford Landing, Alexandria

Richard Rothwell, Old Town, Alexandria

Amanda Buckley, Old Town, Alexandria

Pat Hedger, Huntington, Alexandria

Pamela Smith, North Ridge, Alexandria

Isaac Adamson, Green Valley, Arlington

KA Brown, Del Ray, Alexandria

Sarah Duncan, Rosemont, Alexandria

Nancy Freeborne-Brinton, Occoquan, VA

Benjamin Seay, Beverly Hills, Alexandria

Archer Heinzen, North Old Town, Westover

Slaters Lane, North Old Town

Libby Clemens, Rosemont, Alexandria

Linda Olwell, Burke Centre, Fairfax, VA

Patricia (Tish) Dalton, Northeast Old Town
Alexandria

Jo-Marie Burt, Rosemont, Alexandria

Eleanor Duffield, Vienna.

Gary Hoag, North Old Town

Robert Knotts, Alexandria

Joanne Lannigan, Old Town, Alexandria

Bertha Braddock, Seminary Ridge, Alexandria

Sylvia Shaw, Warwick Village, Alexandria

Raymond Lannigan, Mt. Vernon

Cathy Matus - Potomac Yards, Alexandria

Sue Sullivan, Rosemont, Alexandria

Jane Sharp, WestEnd, Alexandria

Diane M. Smith, Del Ray, Alexandria

Jeffrey D. Smith, Del Ray, Alexandria

Mary Dougherty, Old Town, Alexandria

Linda Funn, Delray, Alexandria

Gebe Martinez Johnson, Old Town, Alexandria

Bob Brown, ParkFairfax

Karl Nielsen, Chapter Lead, DC New Liberals,
Reston and Potomac Greens

Ann Henry, Del Ray, Alexandria

Kimberlee Eveland, Old Town Alexandria

Shawn Healy, Del Ray, Alexandria

Jennifer Felix, Old Town, Alexandria VA

Melissa Peters, Henrico County (Richmond
Metro Area), formerly of Alexandria
(hometown)

Linda Bridgman, Old Town, Alexandria

William Kuehnle, Old Town, Alexandria

Anne Alden, South Arlington

Warren Lutz, Braddock Heights, Alexandria

Lauren Achstatter, Arlington

Julie Weiland, Del Ray, Alexandria

Louise Watts, Old Town North, Alexandria

Lisa McAvoy, Foxcroft Heights, Arlington