



**The League's Positions  
on the Stadium and  
Historic Gas Plant  
Redevelopment Deal as  
of June 30, 2024**

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1. **Elected officials are ignoring the wishes of the voters in St. Petersburg.** Elected officials have the obligation to listen to constituents. Both the League's survey and the recent professional Mason Dixon poll of registered voters in St. Petersburg demonstrates that voters want an opportunity to vote on this huge expenditure of public funds and give away valuable public land. Voters believe that the City should share in revenues from the stadium as it does now. They want the current deal to be more equitable, environmentally sound and socially beneficial. The majority of residents speaking before the City Council and the Community Benefit Advisory Council were opposed to the current deal and asked for changes. In 2024 the voters in Jackson County, Missouri, rejected a sales tax measure that would have helped fund major renovations to Arrowhead Stadium and a new downtown ballpark for the Kansas City Royals.
2. **The City administration has misled voters with regard to the use of property taxes to pay stadium and infrastructure debt.** According to most economists, the use of Tax Increment Financing is ill advised. "The funding mechanism creates the fiscal illusion that the project is costless to taxpayers," says Bradbury. "It's not. Never forget the old economists' adage regarding opportunity cost: there is no such thing as a free lunch."

In the Florida Bar Journal. Mr. Hipler writes that "Tax Increment Financing (TIF) benefits private sector development with the use of public revenue. Private development should not be supported by investments of public funds. TIF can boost economic growth, but at a cost of higher taxes to meet their rising costs".

<https://reason.com/2024/01/10/how-much-will-taxpayers-pay-for-virginias-2-billion-stadium-plan/#%3A~%3Atext%3DThe%20so%2Dcalled%20%22tax%20incremental%2Cto%20pay%20for%20stadium%20projects>

<https://www.floridabar.org/the-florida-bar-journal/tax-increment-financing-in-florida-a-tool-for-local-government-revitalization-renewal-and-redevelopment/>

3. **The Southern Poverty Law Center (SPLC) has notified the City that the current agreement, if approved, would trigger a lawsuit for violation of Federal Civil Rights law.** "The generational wealth of this community was the land, and that has been stripped from it," Anderson said. "Now the city is planning to sell this incredibly valuable land for less than market value to a development company. That is a continuing violation of the original harm that will further retrench racial discrimination."

Our social justice team has reviewed the SPLC letter to the City and found it to include compelling arguments. We are sad to contemplate the embarrassment of our City

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being the subject of a Federal lawsuit when we have worked diligently to create an equitable and diverse community. The letter is on our website [www.lwvspa.org](http://www.lwvspa.org).  
<https://www.splcenter.org/news/2024/02/02/tropicana-field-gas-plant-district-redevelopment-residents>

4. **The only attorney on the City Council, Lisset Hanewicz, wrote in the Tampa Bay Times 5/13/24: “The legal terms of the agreement leave the city unprotected.”** She went on to state “There is an unacceptable lack of legal remedies if there is a default by the developer. The city has no termination rights, even if there are material defaults by the developer. The developer can extend deadlines with no limits based on excusable development delays, and the city cannot terminate the contract. Besides being able to sue for damages for a monetary default, the city’s only remedy for other material defaults is to exercise its right to not sell additional parcels under certain circumstances.”  
<https://www.tampabay.com/opinion/2024/05/13/heres-why-this-st-pete-city-council-member-opposes-rayshines-deal-written>

We believe that the City Council cannot approve a multi-year agreement which does not protect the taxpayers.

5. **Our City cannot afford to divert money from public projects to pay for a private use stadium and infrastructure for private land development.** Economists warn that diverting \$683 million over 30 years will leave a hole in City budgets and that taxpayers will make up the difference. Professor Zimbalist, a published economist, notes that “The fact is that diverting taxes, including property tax, TIF’s, and bed taxes create a fiscal hole that has to be filled, either by lower spending on services or by increased local taxes, each having a depressing effect on local economic activity.” Tax Increment Financing is meant to be used for blighted and underused property development. And while Councilman Gerdes has justified the expenditure based on the Tropicana parking lot being a blighted area, the truth is that property in the area is selling for a high premium. From a social justice point of view, the City is putting the burden of making up these taxes on working families and seniors who can least afford it.

Mark Parker wrote in The Catalyst, “City officials project that St. Petersburg will spend \$6.8 billion on capital improvements over the next 30 years, with water resources and infrastructure improvements accounting for 73%. Water and sewer infrastructure costs will reach nearly \$3.4 billion over 30 years. Many expenditures are in the 20-year Integrated Water Resources Master Plan.” He asks, “Can St. Pete afford capital improvements and stadium costs? That is the wrong question.

We believe that taxes must either be spent on public needs or returned to the taxpayers.

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<https://stpetecatalyst.com/can-st-pete-afford-capital-improvements-and-stadium-costs/>

**6. The economic benefit from the deal does not justify the expenditure of public funds.**

In a recent editorial (Tampa Bay Times 06/22/24) Councilman Gerdes states that “The financial study projects that, based on the target development, St. Petersburg will collect \$470 million in tax revenue over 30 years, far exceeding the initial investment of \$417 million”. There are inaccuracies in this statement. First, “target development” is more than the developer is contractually obligated to provide in the development agreement. The legal obligation is “minimum development”, so the benefits are, according to the cited study, \$340 million. Second, the City’s own finance plan shows that it is committing \$684 million not the \$417 million misstated by Gerdes, because the City must pay interest on the 30 year bonds (see page 53 of City’s finance plan).

**7. The independent Florida Tax Watch report’s recommendations are ignored.**

“Florida TaxWatch concludes by asserting that “regardless of who is paying for it,” a new ballpark in St. Petersburg would “generate considerable consumer satisfaction,” and offers three recommendations to mitigate risk and balance the interests of the Tampa Bay Rays and local taxpayers:

- The development agreement between the City, County, and the Tampa Bay Rays should include clawback provisions to afford the taxpayers some level of “money back” protection in the event that the projected economic and fiscal benefits do not materialize
- The ballpark lease should include provisions whereby revenues generated by the use of the ballpark (e.g., ticket sales, television viewing, parking, advertising, etc.) are shared between the Tampa Bay Rays and the City and County
- The lease for the new ballpark should include provisions that sufficiently deter the Tampa Bay Rays from relocating

None of the Florida Tax Watch’s recommendations are included in the current deal (as of June 30, 2024). We believe that the City Council must reject the current agreements and send them back to the administration.

<https://floridataxwatch.org/Press-Room/florida-taxwatch-examines-tampa-bay-rays-ballpark-proposal>

**8. Our Mayor promised that affordable housing and building generational wealth would be the cornerstone of the gas plant development. Neither promise is kept.**

Housing is the number one problem in our City. According to Shimburg data, in 2022 over 15,000 St. Petersburg families earning under 80% AMI were paying 50% or more of their income on rent. We asked developers of affordable housing to tell us the largest barrier to building more affordable housing and the answer was land. Yet, our City owns 60 acres of prime real estate which will be given away at less than a quarter of its value.

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Recognizing that the affordable housing commitments by Rays/Hines fall well short of the Mayor's promises, the Community Benefit Advisory Board voted unanimously (including City Council President Figgs-Sanders) to increase the penalty for not building affordable housing. *That recommendation was ignored.*

The current agreements do not require the Rays/Hines team to build any affordable housing because the small penalty amount is not a significant penalty and well below what other developers must pay.

Rays/Hines have stated that all of the market rate housing on the gas plant site will be rented and not owned. This means that there is no opportunity to build generational wealth other than for the Rays/Hines owners and investors.

<http://flhousingdata.shimberg.ufl.edu/affordability/results?nid=5260>

- 9. The City Ordinance mandating a significant contribution from the developer for projects with City funds invested is being ignored.** The Community Benefit Advisory Board unanimously recommended (including City Council President Figgs-Sanders) that the \$50 million benefit amount be tied to inflation. Otherwise, paid out of 30 years the amount is \$31 million at current rates. That recommendation was ignored.
- 10. The Carter Woodson African American Museum is the main reason many community groups support the deal. There are serious concerns that the museum will never see the \$10 million promised by the Rays/Hines.** After the Community Benefit Advisory Council reviewed the benefit plan, the Rays/Hines team inserted a provision requiring the museum to either raise the remainder of the building funds by July 2025 or forgo receipt of the \$10 million payout from the benefit fund.

We believe that the Rays/Hines partnership do not have the right to dictate the terms and timing of the payment to the Carter Woodson Museum.

- 11. Environment and Sustainability:** Hines Corporation built a similar development in Washington, D.C. All of the construction is LEED Silver certified. Hines has refused to guarantee that level of environmentally responsible construction in this deal.

We believe that Hines must agree to LEED Silver certification as they do for other jurisdictions.

- 12. The Rays/Hines team have made numerous promises to community groups and organizations in return for their support.** One example is the promise to give some of the off-site affordable housing to USF to be used for student housing. St. Petersburg families have spent years on waiting lists for affordable housing and taxpayers do not

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intend to see their tax dollars used to support out of City students rather than our own working families.

We believe that such hidden promises in this deal must be made public and described in the agreements.

13. **The County is contributing \$62 million in property taxes (2024-2031) to pay for the stadium according to the City's finance plan. This is in addition to the "bed tax".** Those dollars are needed for County schools, roads, parks, police and fire services. During 2023 budget deliberations both Commissioner Scott and Eggers expressed concern about rising tax rates for homeowners. Yet, both are apparently supporting the diversion of property taxes to support an out of state private developer and a stadium with no verifiable benefit to taxpayers. Commissioner Long, who supported the stadium deal months before the initial documents were released, has stated that the County has "plenty of money".

The League is opposed to giving taxpayer money and public land to the Rays Team Owners with no guaranteed return on investment for the taxpayers. Tax Watch analysis is emphatic: the Rays must share revenues with the City and provide attendance guarantees in order for this deal to be fair for taxpayers.

14. **The gas plant property should be leased, not parceled off over 30 years with no interest paid to the City.** The Hines development team acquired about 60 acres of land from the Washington, D.C. government and built condominiums, offices and shopping. There was no stadium involved. The interesting point here is that the land was leased to Hines, not sold. Washington, D.C. made a much better deal with affordable housing built first, not last, and no expenditure of taxpayer money on a stadium. We urge the City Council to lease the land to Hines or make them pay fair market value based on a new appraisal. The payment must be made at closing or paid out with interest.
15. **The price of land is below market and does not reflect the City's contribution to infrastructure and recent up-zoning.** Following the initial appraisal the City up zoned several parcels making them more valuable and agreed to provide \$130 million in infrastructure. This results in more valuable property and the City has the fiduciary responsibility to obtain that value for its taxpayers just like any other sale of City assets.

We believe that the City must set the land sale price based on an appraisal that takes into consideration the infrastructure contribution and up-zoning.

16. **Voters do not believe that the Rays will leave St. Petersburg if they do not get a windfall from the City.** The Rays are threatening to leave St. Petersburg if their demands are not met. There is no rationale for that threat. MLB is motivated financially to open new franchises, not move old ones around. The City of Tampa rejected the Rays demands, as

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did two previous City Mayors. Cities around the country are voting against spending public money on stadiums and arenas (Kansas City) and State Legislatures (Virginia) and Governors (Pritsker of Illinois) have come out publicly against public expenditure.

The City can extend the current contract and re-balance this lopsided deal. The Baltimore Orioles just signed a 15 year lease extension to give Baltimore and the team time to work out an equitable development deal.

17. **The land sale terms are bad for taxpayers.** According to the City's finance plan, the Rays will have paid only \$50 million to \$105 million of the land price by 2036. There is no interest payment, so the City will lose millions of dollars in escalating land value. The Rays should pay the purchase price on contract signing or pay the City interest like every other purchaser of City assets.
18. **The Community Benefit Plan fails to meet the requirements of the City's ordinance.** The City's Community Benefit Ordinance (CBO) requires the developer to provide an amount commensurate with the City's investment in any project. The Community Benefit Advisory Council (CBAC) reviews the developer's proposal and provides recommendations to the City Council. The Rays/Hines team failed to meet the requirements of this ordinance in several ways.

We believe the Community Benefit Plan must be re-negotiated because the unanimous recommendations of the council were ignored. In addition, there are no apparent benefits for many south side communities.

19. **The use of "bed tax" funds for stadium debt is not justified by the actual visits to the stadium by visitors.** According to the Visit St. Pete/Clearwater VISITOR PROFILE STUDY Report of Findings 2022 – 2023 Fiscal Year, only 3% of visitors to St. Petersburg-Clearwater come to the area to attend a Rays game or attended a game while they are staying in the area. In contrast, 39% visit museums. More visitors come to the area for the St. Petersburg Pier and Sunken Gardens than the Rays games.

The County Commissioners cannot justify the allocation of up to \$500 million in bed tax to pay for a private use stadium with no guarantees of non-baseball events. The Rays have the third lowest attendance in MLB, only beating Miami and Oakland.

The County Commissioners have an obligation to present an honest account of the use of County bed taxes for the payment of debt service on the stadium. If the County finances all or part of its contribution of the bed tax, they must disclose the principal amount and the bond interest expense.

20. **The current deal is lopsided in favor of the Rays.** While everyone wants the Rays's to

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stay in St. Petersburg, the current deal does not address the priorities of our City, does not provide significant benefit to south side communities, does not obtain value for public land, violates Federal Civil Rights law, and does not meet the minimum standards for sustainable construction. The only beneficiaries of the deal are the owners of the Rays franchise.

Let us be clear, the current agreements (as of June 30, 2024) do not require the Rays/Hines to build:

- Affordable housing on site
- Affordable housing off site
- The Booker Music Hall
- The Carter Woodson African American Museum
- Access to the site from Campbell Park

Other deficiencies:

- No contractual requirement to make the stadium accessible during hurricanes for emergency shelter
- No contractual requirement to certify buildings as LEED Silver
- No contractual requirement to develop the entire site, hence parcels not sold or paid for can be kicked back to the City
- No payment for the land for up to 30 years, with no interest and no appreciated value to the City