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Contact

Marika Rose, East Oakland Stadium Alliance

(916) 601-9737

marika.rose@deweysquare.com

**PUBLIC FINANCE EXPERTS REVEAL A'S HOWARD TERMINAL RELIES ON
OUTSIZED PUBLIC SUBSIDY, POSES "SERIOUS RISKS"**

Analysis by HR&A Advisors, a national leader in sports and land-use public finance, finds no precedent in California for the requested scale of IFD property tax revenues to fund infrastructure and community benefits

OAKLAND, Calif. -- A newly released report by HR&A Advisors, Inc. has concluded that the term sheet released in April by the Oakland A's for the Howard Terminal project lacks the specificity to sufficiently assess the viability of the plan's financing, including the risks of costs overruns, revenue shortfalls, and adverse public impacts in terms of diversion of property tax or other public revenue streams. HR&A is a national economic development, real estate advisory, and public policy consulting firm whose clients include professional sports leagues, owners of professional teams, and jurisdictions in which sports stadiums have been proposed, including stadiums for the National Football League, Major League Baseball, the National Basketball Association, the National Hockey League, and Major League Soccer.

Paul J. Silvern, Vice President of HR&A, states, "While tax increment financing has been used historically by cities and counties to attract investment, including in the Bay Area, we are not aware of this scale of tax increment from an IFD that has been requested by a developer or formed by a governmental agency in recent years to fund public infrastructure and community benefits." The full report can be found [here](#).

The report goes on to find that the level of public subsidy requested for this project is out of scale with other sports venues constructed in California in the last 20 years. There have been five newly constructed MLB and NFL stadiums in California since 2000, with an average public contribution of roughly \$220 million in inflation-adjusted 2021 dollars, compared to the forecasted tax increment revenue for the A's developed of at least \$855 million, with the potential for even higher expenditures. Mr. Silvern explains: "Overall, the developers of sports stadium projects in California, and the decision-makers who approve their land use entitlements, have greatly reduced reliance on public financial involvement to mitigate risk associated with such ventures, particularly given voter opposition to the use of public funds."

HR&A also examines the project's funding profile in comparison with the recently approved Google Downtown West Project in San José, which A's team president Dave Kaval has repeatedly said is a model for the A's at Howard Terminal. The report finds that the Howard

Terminal project relies exclusively on public money for infrastructure and community benefits, unlike the Downtown West project in San José, which is funded almost entirely by private funds. More specifically: “The Howard Terminal Project – in relying heavily on the use of future property tax increment to fund infrastructure and community benefits – is very different than the Downtown West project, which provides extensive affordable housing and other community benefits, but does not depend on property tax increment, or any other San José revenues, to finance the community benefits. The entirety of the \$450 million in community benefits is privately funded by Google, as compared to zero private community benefit dollars from the A's,” says Mr. Silvern. He continues: “Google may receive some future infrastructure reimbursement, but that would amount to roughly 20 percent of the A's' financial plan.”

The HR&A report further points out that it is unclear whether final Environmental Impact Report (EIR) mitigation measures will be added to the infrastructure needs funding list. “Without detailed infrastructure cost information, projections of property tax revenues, and analysis of the net fiscal impact of the project,” says Mr. Silvern, “it is impossible to determine whether sufficient tax revenue will be generated for the infrastructure improvements, other community benefits, and increased city and county services to support the team's proposed 1.8 million square feet of commercial development, 3,000 housing units, a performance venue, and 400 hotel rooms, along with the ballpark itself.”

While the City of Oakland staff report released late Friday rightfully questions many of the underlying principles in the A's proposal, it nevertheless still fails to adequately address fundamental questions surrounding the project itself. Mike Jacob, Vice President and General Counsel of Pacific Merchant Shipping Association, says: “We're pleased that the city has confirmed that the A's term sheet as proposed is not viable, but unfortunately the staff report wrongfully suggests that the DEIR has studied all of the seaport and transportation conflicts and claims that adequate mitigation measures are included. This is clearly not the case. The DEIR concludes that the A's project proposal would have significant adverse impacts, even before a full analysis of numerous stakeholders' major concerns about the inadequacy of the study. The city will inevitably need to revise and recirculate the DEIR before we know the full scope and cost of the measures necessary to protect the environment, transportation, safety, and the port and its workers. We ask that the City Council make it clear that only after completion of the environmental review, seaport compatibility, and community benefit processes can a true term sheet be considered.”

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HR&A Advisors, Inc. is a national economic development, real estate advisory and public policy consulting firm, with offices in Los Angeles, New York City, Washington, D.C., Raleigh, NC, Atlanta, and Dallas. Over 45 years, HR&A has consulted for professional sports leagues, owners of professional teams, and jurisdictions in which sports stadiums have been proposed, including stadiums for National Football League, Major League Baseball, National Basketball Association, National Hockey League and Major League Soccer teams. In California, this includes stadium projects proposed in Los Angeles, Inglewood, Long Beach and Sacramento, and elsewhere including Seattle, Tacoma, Detroit, Washington, D.C, Arlington, TX, Miami, and Orlando.

East Oakland Stadium Alliance is a coalition of Oakland community leaders, businesses, and baseball fans deeply concerned about the A's proposal to leave the team's current Coliseum location in East Oakland in favor of building a new stadium/real estate development in West Oakland's working waterfront at Howard Terminal. For more information, please visit www.eastoaklandstadiumalliance.com.