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# BON SECOURS/REDSKINS ECONOMIC DEVELOPMENT PROJECT

## ECONOMIC AND FISCAL IMPACT ANALYSES

January 2019



**VCU** Center for Urban and  
Regional Analysis  
L. Douglas Wilder School of  
Government and Public Affairs

# Research Objectives

## **Redskins Training Camp and associated Bon Secours Developments – Evaluation**

- **Objective 1: Economic Impact (2013-2020)**
- **Objective 2: Fiscal Impact (2013-2033 and Beyond)**

# Parties Providing Data



**Economic Development Authority**  
*City of Richmond*



**REDSKINS**



**RICHMOND  
REGION  
TOURISM**



**VCU** Center for  
Sport Leadership  
VIRGINIA COMMONWEALTH UNIVERSITY

# Primary Governing Agreements

## **EDA – Redskins**

**Performance Agreement**

## **EDA – Bon Secours**

**Leigh Street Lease**

**Sponsorship Agreement (aka Naming Rights Agreement)**

**Westhampton School Lease**

## **EDA – Bon Secours – City**

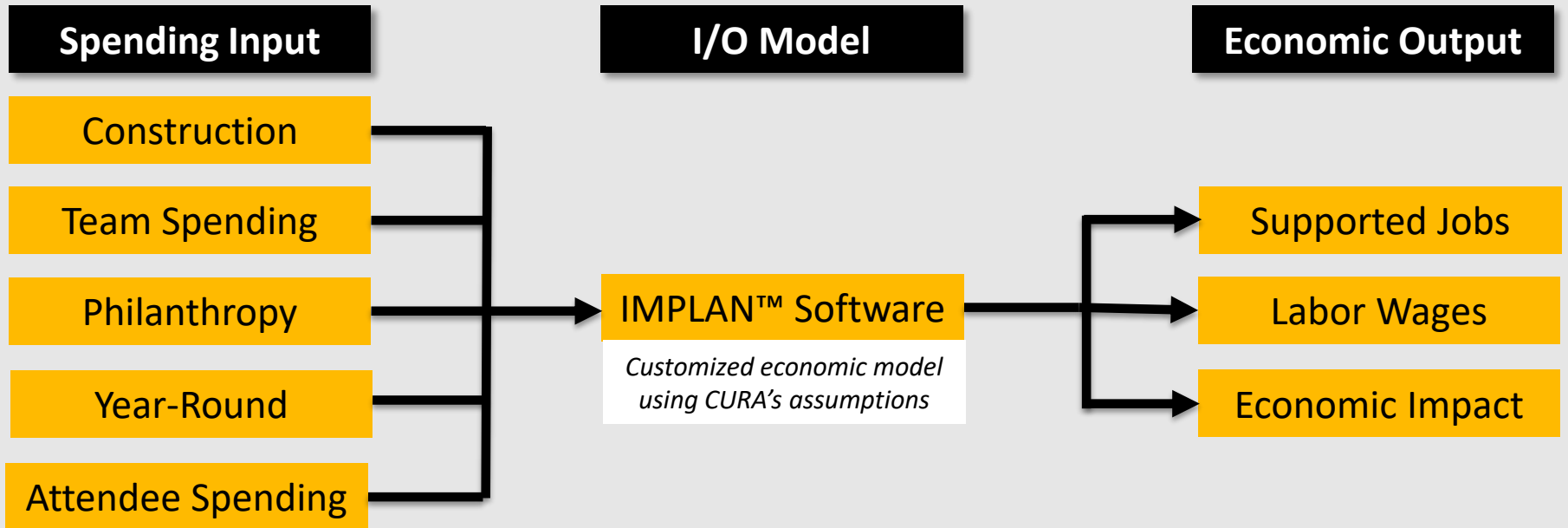
**Westhampton School & Community Hospital Performance Agreement**



# OBJECTIVE 1: **ECONOMIC IMPACT**

Estimate the economic impact of the Washington Redskins Training Camp and associated Bon Secours development agreements on the economy of Richmond during the Redskins' Training Camp period (2013-2020)

# Economic Impact Model Overview



# Spending Input Breakdown

## Philanthropy Spending (4.2%)

- Team (2.1 %) and Sponsor (2.1%)

## Year Round Impact (6.8%)

- SMG operations of site during non-training camp period

## Team Spending (11.0%)

- Money spent by the Redskins in Richmond

## Construction Impact (11.1%)

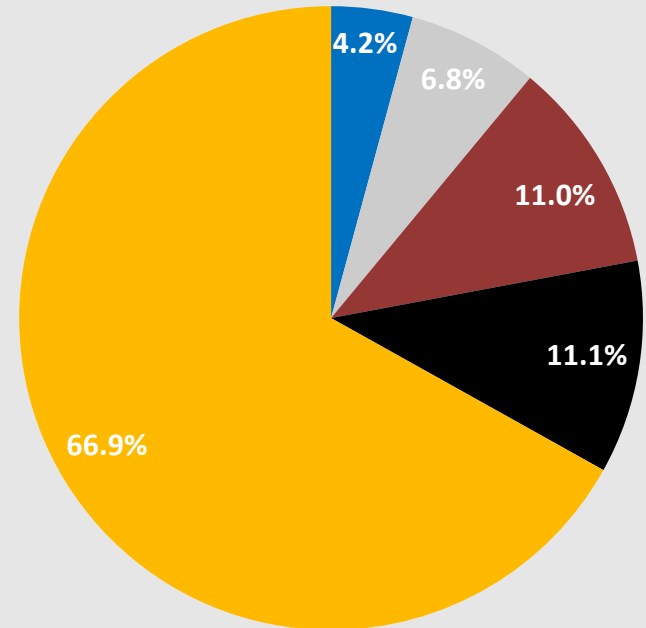
- Leigh Street Site

## Attendee Impact (66.9%)

- Money spent from visitors

Total Spending Input:

**\$41,803,087**



# Economic Output Results (2013-2020)

Total estimated impact of **\$47,181,642**

An economic multiplier of **1.13**

**578 FTE jobs supported**

with **\$20,613,591** in wages

<i>Impact Type</i>	<i>Supported Employment</i>	<i>Supported Labor Income</i>	<i>Economic Impact</i>
Direct Effect	489	\$14,990,910	\$31,352,678
Indirect Effect	55	\$3,245,875	\$9,061,770
Induced Effect	44	\$2,376,806	\$6,767,194
<b>Total Effect</b>	<b>578</b>	<b>20,613,591</b>	<b>\$47,181,642</b>





## **OBJECTIVE 2: FISCAL IMPACT**

**Complete a fiscal analysis with regards to Redskins Training Camp and associated Bon Secours development agreements that looks at the period of 2013-2033 and beyond**

# Study Time Periods

<i>Team Agreement (2013-2020)</i>	<i>Remaining Life of Loan (2021-2033)</i>	<i>Long Term Impacts (Beyond 2033)</i>
<p>The period where the Team has held and will hold training camp in Richmond</p>	<p>The period where the Team is currently unconfirmed to hold training camp but Bon Secours development activities will provide the city with added revenues</p>	<p>The period after the completion of the refinancing term where there will continue to be revenues to the city from development agreements</p>

# Fiscal Impact: Team Agreement Period (2013-2020)

## THREE HIGHEST REVENUE GENERATORS:

1. Naming/Sponsorship Payments
2. Bon Secours Rents
3. Training Camp Attendee Taxes

		Category	Team Agreement Period (2013-2020)
<b>TOTAL COST</b>			<b>\$(13,871,735)</b>
CITY		Construction Loan Debt Service*	\$(10,945,403)
		Contributions to Team	\$(2,926,332)
		Cash	\$(1,972,880)
		In-Kind	\$(953,452)
		Sponsorship Credit (not included in total)	\$1,154,513
<b>TOTAL BENEFIT</b>			<b>\$9,874,762</b>
CITY		Leigh Street Construction Tax	\$55,911
		SMG Operations Income	\$368,339
TEAM		Training Camp Attendee Taxes	\$1,366,272
		Team Taxes	\$428,594
		Visiting Media Taxes	\$39,479
		Visiting Team and Associated Media Taxes	\$38,763
SPONSOR		Naming/Sponsorship Payments	\$3,526,844
		Naming/Sponsorship RPS Payments	\$821,771
		Rents	\$2,237,215
		Real Estate Taxes	\$991,575
<b>TOTAL NET BENEFIT</b>			<b>\$(3,996,973)</b>

\*\$12,778,139 (CY)

# Fiscal Impact: Remaining Loan Period (2021-2033)

## THREE HIGHEST REVENUE GENERATORS:

1. Real Estate Taxes
2. Rents
3. Westhampton Commercial Operations Taxes

	Category	Remaining Loan Total (2021-2033)
<b>TOTAL BENEFIT</b>		<b>\$18,203,815</b>
	SMG Operations Income	\$1,497,542
SPONSOR	Naming/Sponsorship RPS Payments	\$189,308
	Rents	\$4,522,752
	Construction Sales Tax (Westhampton and East End)	\$336,649
	Real Estate Taxes	\$7,874,078
	Westhampton Commercial Operations Taxes	\$2,855,568
	Westhampton Residential Spending Taxes	\$927,917
<b>TOTAL NET BENEFIT</b>		<b>\$18,203,815</b>

# Fiscal Impact: Grand Total 2013-2033

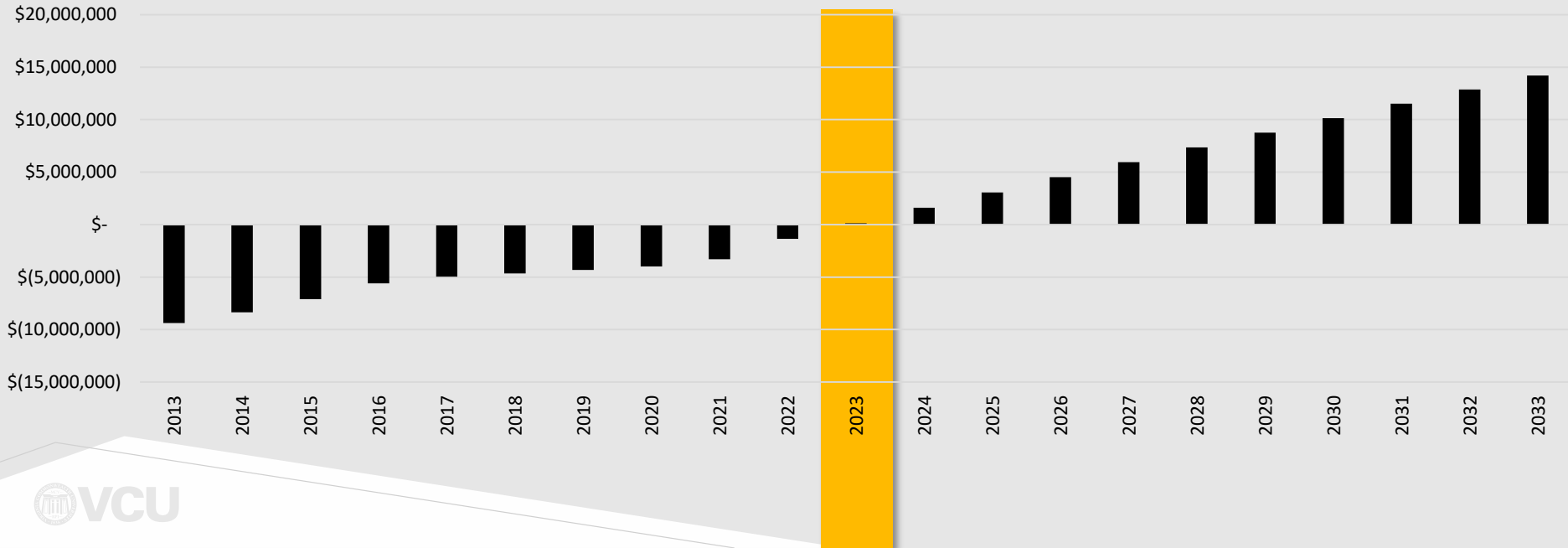
## THREE HIGHEST REVENUE GENERATORS:

1. Real Estate Taxes
2. Rents
3. Naming Rights/  
Sponsorship Payments

		Category	Grand Total (2013-2033)
<b>TOTAL COST</b>			<b>\$(13,871,735)</b>
CITY	Construction Loan Debt Service		\$(10,945,403)
	Contributions to Team		\$(2,926,332)
	Cash		\$(1,972,880)
	In-Kind		\$(953,452)
	Sponsorship Credit (not included in total)		\$1,154,513
<b>TOTAL BENEFIT</b>			<b>\$28,078,577</b>
	Leigh Street Construction Tax		\$55,911
	SMG Operations Income		\$1,865,880
TEAM	Training Camp Attendee Taxes		\$1,366,272
	Team Taxes		\$428,594
	Visiting Media Taxes		\$39,479
	Visiting Team and Associated Media Taxes		\$38,763
SPONSOR	Naming/Sponsorship Payments		\$3,526,844
	Naming/Sponsorship RPS Payments		\$1,011,079
	Rents		\$6,759,967
	Construction Sales Tax (Westhampton and East End)		\$336,649
	Real Estate Taxes		\$8,865,654
	Westhampton Commercial Operations Taxes		\$2,855,568
	Westhampton Residential Spending Taxes		\$927,917
<b>TOTAL NET BENEFIT</b>			<b>\$14,206,842</b>

# Fiscal Impact: Cumulative Net Benefit

Assuming the upfront investment in the Leigh Street Site, this project is estimated to be net-positive in 2023.



# Fiscal Impact: Return on Investment

Estimated Total Investment: **\$13,871,735**

Estimated Total Benefit: **\$28,078,577**

**102.4%**

Total Project ROI  
(2013-2033)

**3.4%**

Annualized Project ROI  
(2013-2033)

# Fiscal Impact: Beyond 2033

- The City will be in possession of a valuable real estate asset in the Leigh Street Site:
  - Recently appraised at **\$17,050,000**
  - Bordering Scott's Addition where redevelopment is occurring rapidly
  - Real estate developers are considering the potential redevelopment of the Leigh Street site in current decision making



# Fiscal Impact: Leigh Street Asset ROI

Estimated Total Investment: **\$13,871,735**

Estimated Total Benefit Considering Asset: **\$45,128,577**

**225.3%**

Total Project ROI  
Including Value of  
Leigh Street Asset

# Fiscal Impact: Beyond 2033

- In addition, a portion of the outlined revenue sources will continue beyond 2033. These include:
  - SMG Operations Income
  - Rents
  - Real Estate Taxes
  - Westhampton Commercial Operations Taxes
  - Westhampton Residential Spending Taxes
- These categories of continuing benefit are estimated to provide approximately \$1,000,000 in revenues annually beyond 2033.



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**QUESTIONS?**