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## Beilue: What is the prudent cost of business on the MPEV?

By JON MARK BEILUE



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Sticker shock? No, I don't think the Amarillo City Council was floored last Tuesday by the proposed cost of a downtown event venue designed to lure an affiliated AA baseball team to the city.

The **price tag of \$48 million** made the council collectively exhale and pause — as it should — but only to consider all the possibilities put before them. As Councilman Elisha Demerson told the consultants for Brailsford & Dunlavey, “Given the cost-benefit analysis you made, I want to at least explore it.”

Perhaps you remember a certain nonbinding referendum in November, a highly charged one that brought more than 22,000 voters to the polls, and, when all was said and done, signaled voters' approval of a downtown multipurpose event venue? It wasn't approved by a whole lot, but it was approved. The mistake was putting some kind of estimated cost in the wording of the referendum, **that cost being \$32 million.**

That \$32 million never was a hard and fast number, but essentially a ballpark figure for a ballpark-centric venue.

So now one of the several questions the council has to ask itself is this: Did voters approve an MPEV for only \$32 million and not a penny more, or did voters say yes to a venue that would be first-class but still prudent in design and cost?

“The message I got was let the city move forward,” said Mayor Paul Harpole, “and do so in a way that’s judicious, sound economically, and helps secure the future of Amarillo.”

I would agree.

A \$100 million venue, no. But one that’s \$48 million, about \$16 million more than some estimated cost, yes. The council has to look seriously at it.

And that’s the charge given to Interim City Manager Terry Childers, to provide funding options in the next few weeks for the council to consider.

Is it still within the hotel occupancy tax frame, or is it beyond? It should not burden the taxpayer, but there are creative options available that likely would not do that.

“We have the ability to get AA baseball here, and if we can get our numbers in the fiscal part sorted in the next few weeks to determine if we can fund the part above the \$32 million and fill that gap, we should strongly consider that,” Harpole said.

“I think it would make such an economic impact that we would be foolish to ignore that.”

Brailsford & Dunlavy is the gold standard for market analysis on proposed stadiums and teams. There are only 32 markets in the country with AA baseball, and if there’s a chance for that, it’s smart to look very strongly at such. Affiliated baseball is much better than the independent variety Amarillo has known for the last 22 years.

Always conservative in its analysis, B&D’s Jason Thompson told the council Tuesday that affiliated baseball is doable, and kept comparing Amarillo’s market favorably to Midland.

There are recommendend standards necessary to attract a high-end anchor tenant to downtown. The recommendation for Amarillo is a stadium that includes 182,000 square feet; a 7,430 ticketed capacity that includes 12 suites; two party suites; and a berm area seating 1,250.

Based on market research, Thompson projects a first-year average attendance of about 4,000 — about 500 less than the national average, and a five-year average of between 3,500 and 3,800.

Considering that when Amarillo first got the independent Dillas in 1994, its average attendance was more than 3,300, those figures appear spot on.

In return, Brailsford & Dunlavy said Amarillo should expect an \$8.7 million first-year economic impact boost, 118 supported jobs and \$1.2 million in tax revenue. Over 25 years, those numbers are \$25.5 million, 341 supported jobs and \$23.5 million in tax revenue.

Brailsford & Dunlavy isn’t selling anything other than researched information. Whether Amarillo decides to follow its guidelines or not, build a venue of that magnitude or not, is not its concern.

In fact, if a market follows its recommendations and it’s a disaster, it comes back on B&D and hurts its reputation in the business world.

But what these consultants are saying is it can be a go, that it is doable, that Amarillo is a AA market, but it has to play ball, and at a cost of \$48.4 million.

Certainly there's a little wiggle room, but not much.

It's almost a cliché to say, but clichés most often ring true — the city has one chance to do it right. One. There's no continuing makeover.

What no one wants is in 2025 to look back and find we settled for less and the venue could have been so much more. Conversely, no one wants to see an expensive white elephant that should have been downsized.

The city owes its residents and its future to look at every available option, put politics aside and prudently and courageously decide what's best for Amarillo. It has to determine what the outcome of the referendum really said.

Whatever that decision is, do so in good faith and with due diligence. We've come too far not to.