



Payoff of the Stadium commitment

During the Senate floor speeches for SB 110, Senators Bonham and Lieber both suggested the bonds could be paid off in 22 years. Senator Meek said that after payoff, we will eventually get \$90-\$100 million a year.

Using LRO's numbers of incremental baseball tax revenues beginning at \$23 million and increasing at 4% a year* we checked out if the debt could be paid off in 22 years.

**Indeed, the \$800 million would be paid off in year 22.
But only if the team gets a zero interest loan!**

At the end of the state's commitment to return the income taxes of the players and staff a total of \$1.29 billion would be turned over to the stadium. That's interest of only \$490 million, at rate of 2.76%. This is well below the municipal bond estimates used by ECONorthwest of 4.265% and 4.837%. And there is no mechanism for or certainty about getting muni bonds.

The numbers being flashed about simply don't compute. We see NO chance of early payoff of SB 110.

If SB 110 fails to win votes and the team's owners collect the \$150 million plus "reasonable interest" in current law, they could be paid off in eight years with 6% interest. After that the state would start collecting and keeping \$30 million a year to provide services to their 482 employees and to the business itself. That amount, increasing at 4% a year would grow to \$72 million by year 30.

Legislative Revenue Office Revenue Impact Statement for SB 110A dated 4/1/2025:

After the initial seasons following MLB expansion to Portland, it is assumed that a Portland team would pay player salaries and other compensation costs in line with the MLB average (salaries of expansion teams are often lower in the initial seasons). **Based on this assumption, about \$23 million in 'incremental baseball tax revenues' are expected to be annually granted for repayment of stadium construction costs in early years.** Such revenues are generally expected to **increase in accordance with annual increases in player salaries which have averaged about 4% annually in the last twenty years.**

Using the average payroll and salary growth assumptions, if incremental baseball revenues are transferred for the entire 30 years allowed by statute, the total nominal amount transferred over the 30 years would be about \$1.1 to \$1.4 billion. There is considerable uncertainty in these estimates reflective of the 30-year time horizon and the many unknowns regarding the potential salaries paid by an MLB team locating in Portland and future salary growth for MLB players. Stadium financing costs (interest rates) will also influence potential revenue transfers. Estimate was made using an analysis of historic MLB team salaries, and assumptions regarding the income for non-players/spouses and potential interest rates.

We read the bills and follow the money

Playoff Calculations in millions

4%			
Year	Annual tax receipts grown 4%/year	Total tax receipts to date available for payoff	
1	23.0	23.0	The Legislative Revenue Office expects \$23 m in the first year from taxes paid by players, visiting players and upperlevel staff
2	23.9	46.9	
3	24.9	71.8	
4	25.9	97.7	
5	26.9	124.6	
6	28.0	152.6	
7	29.1	181.7	
8	30.3	211.9	Current Law Payoff of \$150M+6% interest
9	31.5	243.4	
10	32.7	276.1	
11	34.0	310.2	
12	35.4	345.6	
13	36.8	382.4	
14	38.3	420.7	
15	39.8	460.5	
16	41.4	502.0	
17	43.1	545.0	
18	44.8	589.8	
19	46.6	636.4	
20	48.5	684.9	
21	50.4	735.3	
22	52.4	787.7	Payoff of \$800M with no interest
23	54.5	842.2	
24	56.7	898.9	
25	59.0	957.9	
26	61.3	1,019.2	
27	63.8	1,082.9	
28	66.3	1,149.3	
29	69.0	1,218.2	
30	71.7	1,290.0	SB 110 Payoff of \$800M + \$490M interest at 2.79%
31	74.6	1,364.6	
32	77.6	1,442.1	
33	80.7	1,522.8	
34	83.9	1,606.7	
35	87.3	1,694.0	
36	90.8	1,784.8	Annual receipts reach \$90M a year
	1,785		