

# ECONOMIC & FISCAL IMPACT ANALYSIS OF THE TEXAS RANGERS IN ARLINGTON AND TARRANT COUNTY



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# INTRODUCTION

## HR&A Advisors, Inc.

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HR&A is a real estate and economic development consulting firm working at the intersection of the public and private sector. Our work transforms communities and revitalizes urban environments in the United States and abroad. We have offices in New York, Washington D.C., Dallas, and Los Angeles.

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# INTRODUCTION

## Study Overview

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On behalf of the Arlington Convention and Visitors Bureau, HR&A has conducted an economic and fiscal impact analysis to quantify the value of the Texas Rangers Major League Baseball franchise to the City of Arlington and Tarrant County beyond their current lease in 2024, assuming the construction of a new stadium. This study estimates:

- Economic impacts related to existing operations at Globe Life Park, construction of a new stadium, and stable-year operations, to the City of Arlington and Tarrant County;
- Key fiscal revenues to the City of Arlington.

HR&A developed estimates of the economic and fiscal impacts based on data from the Texas Rangers as well as the City of Arlington.

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## STUDY CONTEXT

### Texas Rangers & the City of Arlington

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#### Past

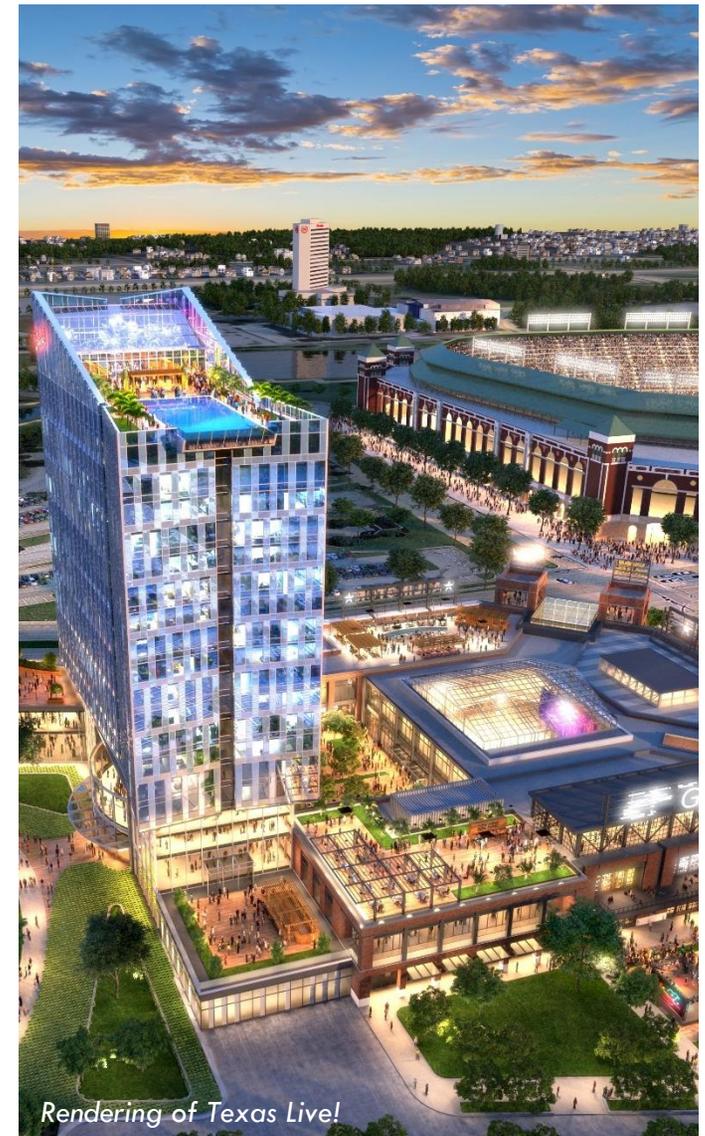
The Texas Rangers and the City of Arlington have a history going back almost half a century. The City received a major league baseball franchise with the relocation of the Washington Senators to Arlington in 1971, changing their name to the Texas Rangers. Over the years, Arlington and the Rangers collaborated in long-term planning to improve their current stadium, now named Globe Life Park, which opened on April 1, 1994. The Rangers currently lease Globe Life Park from the City of Arlington and manage its daily operations.

#### Present

The City of Arlington has continued to grow and establish new amenities surrounding the stadium. AT&T Stadium, home of the Dallas Cowboys, officially opened nearby in summer 2009.

#### Future

The City of Arlington has partnered with the Texas Rangers and The Cordish Companies to develop Texas Live!, a new multi-use entertainment venue situated next to Globe Life Park. Texas Live! will consist of a large hotel and convention center complex. Construction is expected to begin in the fall of 2016. The City and Rangers are contemplating the development of a new facility as a home to the Rangers, continuing a successful partnership between the two organizations.



*Rendering of Texas Live!*

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# ECONOMIC & FISCAL IMPACT ANALYSIS

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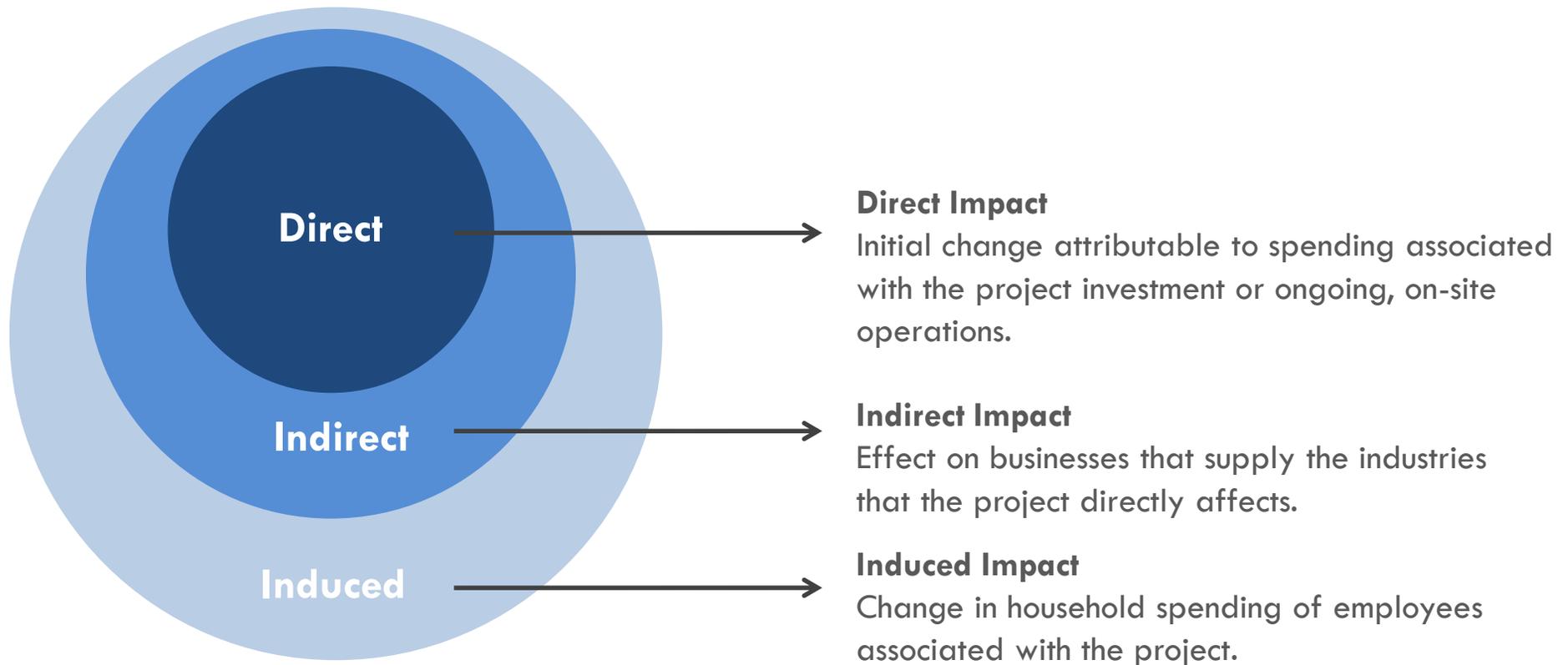
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## METHODOLOGY

### Economic Impact Analysis

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In order to estimate the economic impacts of the Rangers, HR&A has used the input-output model IMpact analysis for PLANning (IMPLAN). IMPLAN measures both the direct and multiplier effects that result from a given project. Multiplier effects include indirect impacts (as a result of supplier spending) and induced impacts (as a result of employee compensation).



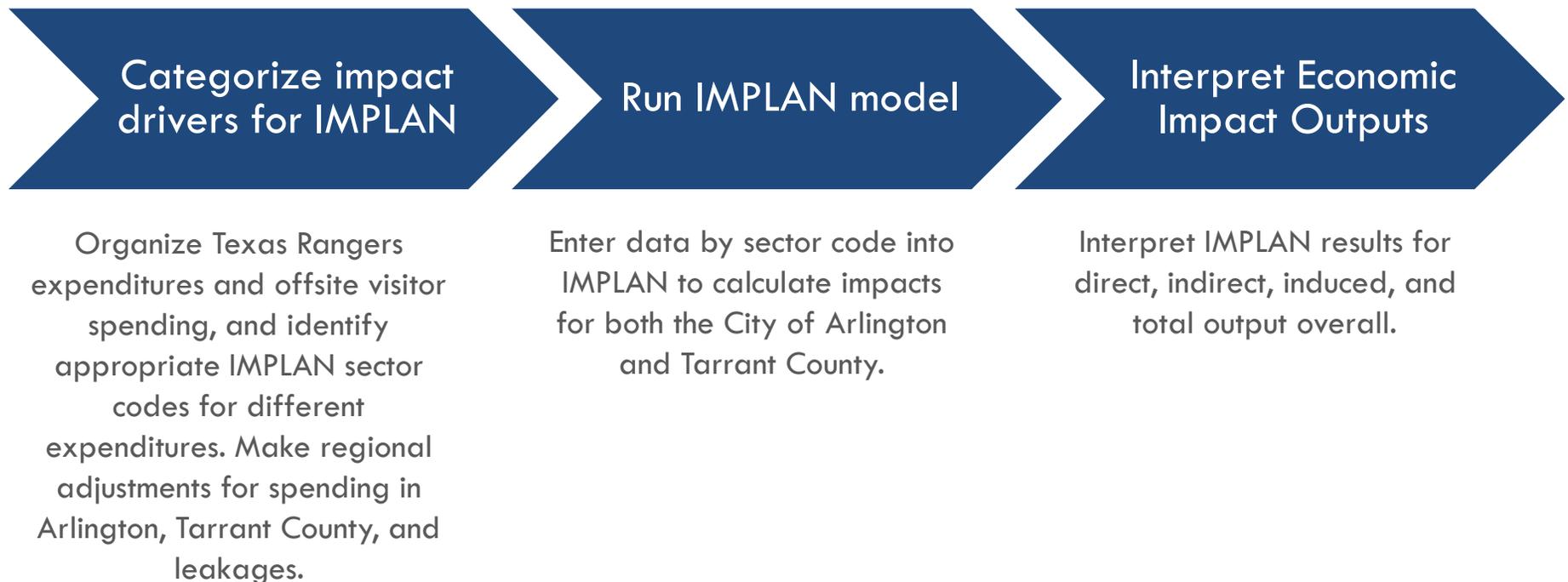
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# METHODOLOGY

## Economic Impact Analysis

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HR&A has gathered information on current operations at Globe Life Park and estimated changes to the operations and visitor spending for a new stadium. The following process describes the process of running these estimates through IMPLAN in order to understand the multiplier effects of this spending:



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# METHODOLOGY

## Key Assumptions

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Our analysis is built on the following assumptions:

### Current Stadium Operations and Offsite Spending (ongoing)

- Current operating costs and wages from the Texas Rangers.
- Offsite spending based on average of 2.4 million visitors information and profiles of likely consumer spending from the City's past analysis.
- Spending related to non-game events, including 177 small events and 25 large events in 2015.

### New Stadium Operations and Offsite Spending (ongoing)

- The new stadium will host an additional 10 large non-game events.
- Attendance will increase by 12% in the initial five years of operations from its current average (up to 40,000 in year 1 of operations of the new stadium) and will subsequently decrease and stabilize after this period.
- Fiscal impacts have been calculated based on multiple data sources including sales tax (Arlington and the State of Texas), ballpark annual rent, hotel occupancy tax, and car rental tax.

### New Stadium Construction Impacts (one-time)

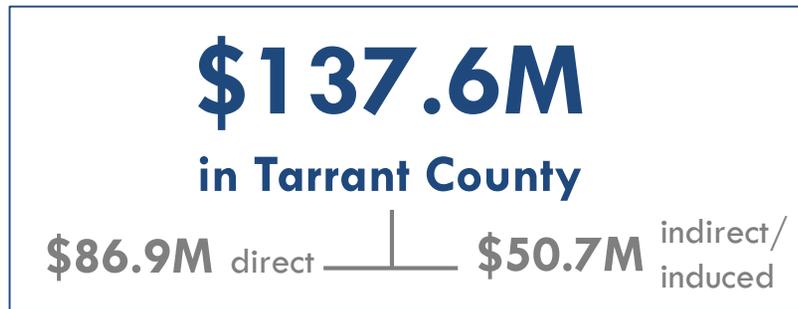
- \$850M in gross construction costs for the new stadium.

# IMPACT OF THE TEXAS RANGERS WITH A NEW STADIUM

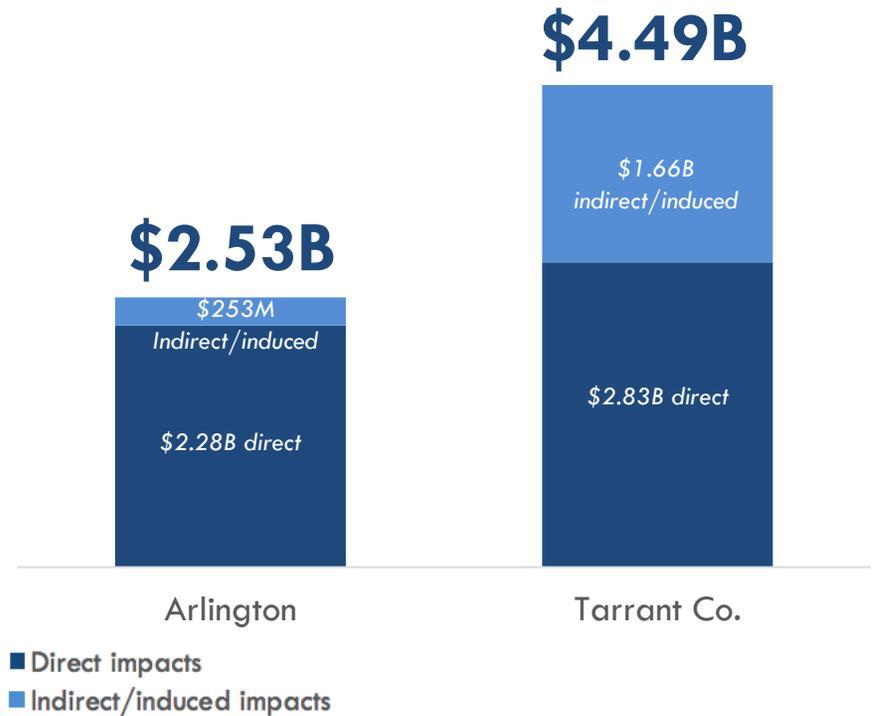
## Total Economic Impact of Operations

The expenditures related to operations from the Rangers and visitor spending totals over \$4.49 billion in net present value for Tarrant County (\$137.6 million annually) and \$2.53 billion in net present value for the City of Arlington (\$77.5 million annually) over the term of a new lease at a new facility (2025-2054).

### Annual economic impacts



### Net present value of economic output\* (2016-2054)



Source: Texas Rangers, City of Arlington, HR&A Advisors, Inc.  
\* Present value calculation assumes a 4% discount rate and 3% inflation.

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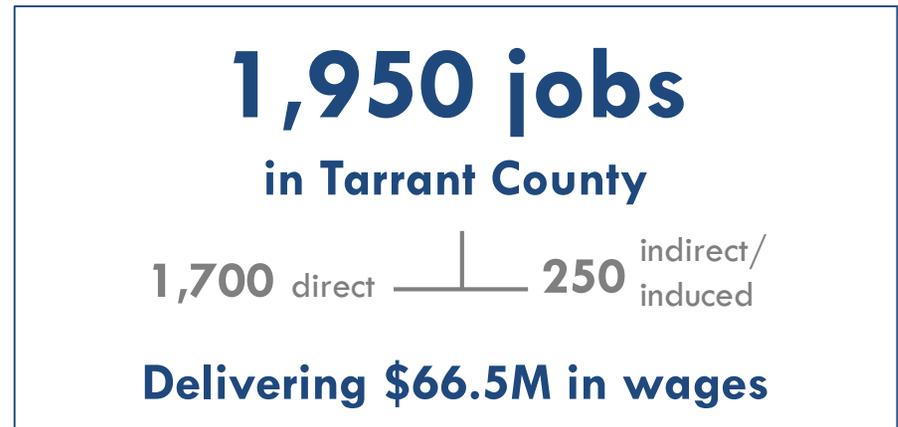
# IMPACT OF THE TEXAS RANGERS WITH A NEW STADIUM

## Total Economic Impact of Operations

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The impacts of spending by visitors, along with the operating costs associated with the team, has reverberations beyond the initial spending supporting almost 1,450 full-time equivalent (FTE) jobs annually in Arlington and 1,950 jobs annually in Tarrant County. These FTEs have been estimated out of a total 3,400 jobs in Arlington and 4,000 jobs in Tarrant County (including full-time and part-time). In sum, these jobs contribute \$66.5 million in wages throughout the county, \$43.6 million of which is in Arlington.

### Jobs (FTEs) supported annually at stabilized year of operations

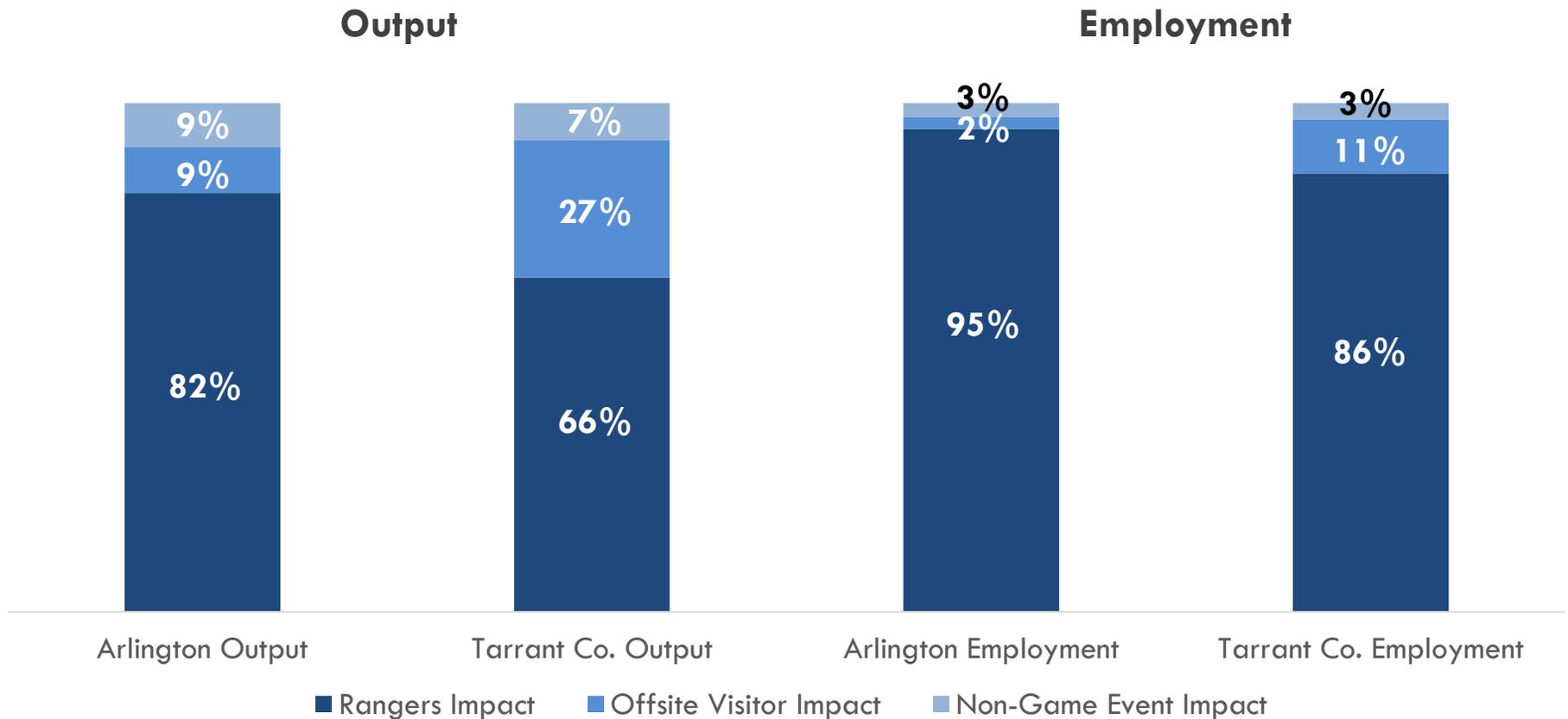


Source: Texas Rangers, City of Arlington, HR&A Advisors, Inc.

# IMPACT OF THE TEXAS RANGERS WITH A NEW STADIUM

## Sources of Impacts

Impacts are largely driven by spending and employment by the Rangers, particularly within Arlington. Outside of Arlington, offsite employment for retail, transportation, hotels, and other related spending by visitors becomes more pronounced.



Source: IMPLAN, HR&A Advisors, Inc.

# IMPACT OF NEW STADIUM

## New Stadium Construction Impacts

Additionally, with a total capital cost of \$850 million, the construction of a new stadium will have its own economic effects, supporting 3,000 jobs in Tarrant County and \$484 million in economic activity. 19% of these impacts are estimated to be captured within the City of Arlington.

One-time construction jobs (FTEs)

One-time construction economic impacts



Source: City of Arlington, HR&A Advisors, Inc.

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# IMPACT OF THE TEXAS RANGERS WITH A NEW STADIUM

## Summary

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The Texas Rangers support a significant amount of ongoing economic activity in the City of Arlington and Tarrant County:

### Operations and visitor spending (ongoing)

#### **Net present value (2016-2054)**

- \$4.49 billion in economic activity Tarrant County, \$2.53 billion of which will be captured in Arlington.

#### **Annual impacts**

- 3,400 jobs in Tarrant County, 2,950 jobs in Arlington (FTEs).
- \$137.6 million in annual economic activity in Tarrant County, \$77.5 million captured in Arlington.

### Construction (one-time)

- 3,000 jobs in Tarrant County, 600 jobs in Arlington (FTEs).
- \$484.9 million in economic activity in Tarrant County, \$88.6 million captured in Arlington.



Image: carlock\_family (Flickr)

# IMPACT OF THE TEXAS RANGERS WITH A NEW STADIUM

## Fiscal Impacts

Ongoing operations of Globe Life Park results in the following fiscal impacts to the City of Arlington attributable to the existence of the Texas Rangers. Due to increased spending, revenue is expected to increase annually with a new stadium.

**\$134,400,000**

**of gross fiscal revenue  
to the City of Arlington  
from 2016-2054\***

### Sales Tax

\$84.3 million total  
(up to \$2.7 million annually)

+

### Rent to City of Arlington

\$40.7 million total  
(up to \$2 million annually)

+

### Hotel Occupancy Tax

\$8 million total  
(up to \$341,000 annually)

+

### Car Rental Tax

\$1.4 million total  
(up to \$62,700 annually)

*Revenues may go towards paying bond.*

*Source: Texas Rangers, City of Arlington, HR&A Advisors, Inc.*

*\* Present value calculation assumes a 4% discount rate and 3% inflation.*

# ECONOMIC & FISCAL IMPACT ANALYSIS OF THE TEXAS RANGERS IN ARLINGTON AND TARRANT COUNTY

