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COLES COLLEGE OF BUSINESS
*Bagwell Center for the Study of Markets
and Economic Opportunity*

Commentary

Title:

*"Have the Atlanta Braves Been a
Home Run for Cobb?"*

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In 2013, the Cobb County Board of Commissioners committed \$300 million of taxpayer funds toward constructing the \$672 million Truist Park (formerly SunTrust Park) to host the Atlanta Braves. Commissioner Tim Lee touted the deal as an economic “home run for Cobb,” describing the expenditure as “a relatively small investment for a huge return,” which would manifest through “significant growth in our digest, in our sales tax, in our economic viability.”

Stadium advocates bolstered this claim with commissioned studies that reported speculative forecasts of substantial fiscal gains. If accurate, the projected returns would make the stadium an exception among stadium projects, which economists consistently find to have limited economic impacts. Boosters countered that Truist Park would be different, because the associated mixed-use development of The Battery Atlanta would propel it to succeed, unlike its predecessors.

To mark the five-year anniversary of the stadium opening, Kennesaw State University’s Bagwell Center for the Study of Markets and Economic Opportunity has published my [report](#) on the Truist Park development, in which I provide an extensive review of relevant financial and economic data to estimate its economic and fiscal effects on Cobb County. I find that the return on the public investment has not been positive, which is not surprising given the well-documented dismal economics of stadiums.

Economists find that any economic benefits that may result from stadiums tend to occur within the immediate vicinity of host venues, but gains are not evident in the Cumberland Community Improvement District (CID) where the stadium is located. While Cumberland property values have increased, they have progressed similar to other Atlanta-area CIDs, which is not consistent with a stadium-induced commercial boost.

Countywide, property values haven’t fared much better. Cobb property assessments have grown no greater than other metro-Atlanta counties; therefore, the stadium doesn’t appear to have generated a large economic development halo effect, nor has it expanded the County’s property tax digest. The promised general fund boost from home buyers finding Cobb a more attractive place to live and work because of the stadium has not materialized. Rather than resulting in a millage rollback, Cobb has increased its property tax rate by half a mill since the stadium was announced.

The one area where there has been a small improvement connected to the stadium is local sales tax revenue, which increased about \$3 million per year, with the gains being largest during the baseball season. However, the sales tax revenue bump has been small, and the special local option sales tax (SPLIST) collections can’t be used to fund the stadium directly. Furthermore, reported revenue indicates that Battery spending hasn’t been a pure windfall gain to the County: one-third of its income has come at the expense of other Cobb merchants, whose sales have been poached by competition from the stadium-anchored development.

At first, these findings may seem puzzling. What about all the patrons spending money on tickets, food, and merchandise at The Battery? Why doesn’t all this spending boost total economic activity? The answer is simple: much development-related commerce comes from spending that would have been happening in Cobb without the new stadium. This spending doesn’t just reflect an influx of new dollars into Cobb, much of it is spending that has been transferred from other Cobb businesses and reallocated to The Battery.

In total, stadium-induced tax revenue has fallen well short of covering Cobb’s public investment in the stadium, costing taxpayers nearly \$15 million per year to service stadium debt and fund operations, which translates to approximately \$50 per Cobb household.

The more correct baseball analogy for Cobb’s public investment in Truist Park isn’t a home run: it’s a routine pop-fly that no one should have expected to leave the ballpark, based on the

widely-known experiences of other stadiums. It's fine for Cobb citizens to continue to root for their hometown team—I do—but let's not pretend it's making us any richer.

J.C. Bradbury is Professor of Economics at Kennesaw State University in Kennesaw, Georgia. His research focuses on the economic impact of stadiums.