



Community and Economic Development in North Carolina and Beyond Blog: Policy, Sports, and Economic Impact

By CED Program Interns & Students

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With the 2017 NBA All-Star Weekend now behind us, it seems relevant

to reflect on the impact state policy can have on economic and real estate development in cities and towns. NBA All-Star Weekend, an event held annually to highlight the skills and abilities of the best and most exciting players in the league, brings in an average of \$117.2 million dollars of economic impact over the course of three days.

As a result of the in-pouring of money the event brings, hosting it is highly sought after; competition between cities is fierce, with many footing the bill for major arena and infrastructure improvements to entice the committee's selection. The 2015 selection for the 2017 location was no different. After agreeing to \$40 million worth of improvements to their arena (\$33.5 million of public investment) Charlotte, NC was selected. If Charlotte could achieve the average economic impact of the event, the investment into the arena would deliver a 293% return on investment.

Enter North Carolina House Bill 2. The controversial bathroom law which bans individuals from using restrooms and changing facilities that do not correspond to the sex on their birth certificates, found many opponents, including the NBA. Upon the bill's passing, the NBA pulled All-Star Weekend from North Carolina, relocating it to New Orleans, LA; a move which turned a potentially 293% return on investment for the city of Charlotte to zero. To add insult to injury, the NCAA and ACC soon followed suit, removing numerous longstanding championships and tournament locations from the state. All accounted for, 7 NCAA championships, 7 NCAA tournament games and regionals, and 10 ACC Championships have been relocated. As Ford Porter (a spokesman for Roy Cooper, the now current Governor) expressed at the time, "these tournaments pump money into our economy and give our communities and fans a chance to showcase our incredible tradition of college sports."



In a separate but similar public-private investment, Atlanta is currently wrapping up construction on a new stadium to replace the Georgia Dome. As mentioned earlier, due to the stringent requirements of the organizations putting on these events, cities often shell out millions of dollars on improvements in hopes to attract major events. As such, the city of Atlanta's decision to invest \$700 million of public money to aid in the construction of the \$1.6 billion Mercedes-Benz Stadium brought about a degree of controversy in and of itself. However, as a testament to the decision's success thus far, the stadium has not only retained the major events currently held at the Georgia Dome such as the Chick-Fil-A Kickoff Classics, the Peach Bowl, and the SEC football championship, it has been successful in attracting the 2018 College Football Championship game, Super Bowl LIII (2019), and the Final Four (2020). These three additional events combined are capable of generating approximately \$809 million of economic impact if they each manage to achieve the numbers achieved in some of their more recent occurrences and projections – \$273.6 million (2016), \$400 million (2020 Projection) and \$135 million (2012), respectively. With the stadium being a much more financially intensive undertaking, it would be beneficial to the city of Atlanta to do all it can to ensure its \$700 million investment pans out.

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