



Testimony on H.B. 49: Main Operating Budget for FY 2018-2019

Senate Finance- General Government and Agency Review Subcommittee

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Chair Jordan, Vice Chair O'Brien, and members of the subcommittee, thank you for the opportunity to provide testimony on House Bill 49. The Columbus and Cleveland Sports Commissions are 501 (c)(3) nonprofit organizations that exist to attract professional, collegiate, amateur and youth sport events to our regions and state.

Since the Columbus Sports Commission first hit the ground running in 2002 more than 386 new sporting events have come to Columbus, generating an estimated \$402 million in visitor spending. Refounded in 2000, the Cleveland Sports Commission has been directly responsible for attracting, creating and/or managing over 170 sporting events and activities to the Greater Cleveland area, generating more than \$460 million in economic activity.

Competition to host major sporting events, such as the NCAA Final Four Tournaments, PGA Tournaments, and national competitions such as the Senior Games continues to grow. In response to the increased competition to host events that generate millions in visitor spending, 34 states now offer some type of incentives designed to attract these events to their state.

In 2009, the Ohio legislature created the Major Sporting Event Grant Program intended to assist local organizing committees to secure these very large sporting events for the economic benefit of our communities and the state. The program is established in O.R.C. 122.121 and administered by the Development Services Agency (DSA).

To qualify, an event must be projected to generate at least \$250,000 in an incremental increase to the state sales tax, determined using a formula approved by DSA. Approved events qualify for a grant in an amount up to half of the estimated sales tax increase, capped at \$500,000 per event. Post-event reporting is due to DSA following the event to confirm impact metrics were reached. Funding for the program is capped at \$1 million per fiscal year.

In fiscal year '17, for example, Cleveland hosted the Donate Life Transplant Games, which qualified for a \$233,590 grant under the program. More than 6,000 individuals participated in this multi-sport event for athletes who have either undergone lifesaving transplant surgeries or are living donors- the most participants in the history of the games. Over 9,000 friends and family members traveled to Cleveland for the event bringing attendance to more than 15,000. The Transplant Games generated \$8.1 million in direct economic activity and \$467,187 in state sales tax revenue.

Columbus hosted the NCAA Division I Women's Volleyball Championship in December. This event brought 19,000 unique visitors to the city, more than half of whom were from out-of-state, filling hotel rooms typically left empty during the holiday season. A \$260,424 grant was awarded for this event, which generated \$14.2 million in direct economic activity and \$612,024 in state sales tax.

To date, \$2 million in state funding for this program has generated over \$104 million in direct economic activity and more than \$7 million in state sales tax.

We anticipate at least three events will qualify for the program in FY '18 including the CONCACAF Gold Cup, the NCAA Division I Women's Final Four, and the NCAA Division I Wrestling National Championships. However, HB 49 does not currently include funding for the program in FY '18 or '19. Understanding this is an extremely tight budget cycle, we ask that the Senate consider funding the program at \$450,000 in FY '18 and \$150,000 in FY '19 through the Travel and Tourism line item housed within DSA.

This program is critical to our ability to bring major events to our state. Many site selection RFPs now have a box that must be checked to indicate state support for hosting major events. As we are currently bidding on events into 2020, certainty is needed to demonstrate continued support for the program.

Thank you again for the opportunity to testify today. We appreciate your thoughtful consideration of this request to continue funding for this important tool that will ensure Ohio remains competitive with the rest of the nation. We are happy to answer any questions you may have.