



**Quicken Loans**  
*Arena*

**Proponent Testimony on House Bill 531**

**Senate Finance Committee**

Nic Barlage, President of Business Operations, Cavaliers Operating Company

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Chairman Oelslager, Vice-Chair Manning, Ranking Member Skindell and members of the Senate Finance Committee, thank you for the opportunity to present proponent testimony on House Bill 531, legislation to establish the Sports Event Grant Fund to make grants under Ohio's Major Sporting Event Grant Program.

My name is Nic Barlage, and I am the President of Business Operations for the Cavaliers Operating Company in Cleveland, Ohio. The Cavaliers organization manages and operates Quicken Loans Arena (The Q), which is the host site for the majority of signature sporting events that we work in partnership with the Greater Cleveland Sports Commission to successfully recruit.

House Bill 531 is a vital component of how we can continue to recruit and secure world-class events for not only Northeast Ohio, but throughout the entire state of Ohio. This year alone, The Q hosted the four-day Mid-American Conference Men's and Women's Basketball Championship Tournament, and 2018 NCAA Division I Wrestling Championships. The MAC tournament, which has been held in Cleveland since 2000 is estimated to generate \$14 million annually, and for its first time in Cleveland, the NCAA Wrestling Championships set attendance records and generated an estimated \$15 million in economic impact for Northeast Ohio.

The Q is a community asset that serves many needs for our city, region and state as a key driver of activity and a significant economic stimulus. Since its inception in 1994, the arena has generated nearly \$600 million in state and local tax revenue. In 2017 alone, nearly \$47 million in tax revenue was generated by the Q. The Cavaliers organization, along with the City of Cleveland and Cuyahoga County, recognize the need to remain competitive in attracting world-class events to Northeast Ohio, and because of that the arena is currently undergoing a \$185 million transformation to update and modernize the facility for the long-term future. It is important to note that this project will be primarily funded by the Cavaliers organization with support from the City of Cleveland and Cuyahoga County. This commitment supports our platform and belief that House Bill 531 can be a vital catalyst for attracting and securing major attractions for our state.

We are grateful that Ohio established the Major Sporting Event Grant Program in 2009 to assist

local organizing committees in securing very large competitively bid sporting events. To qualify, an event must be projected to generate at least \$250,000 in an incremental increase in the state sales tax. Historically, the program has been funded on a biennial basis, which has proven challenging because there is no assurance that the program will be funded in out-years.

Cleveland, for example, is already bidding on events for 2025. For this reason, HB 531 is needed as it will create a long-term funding mechanism for this program.

As we stand by HB 531, this bill would contribute half of the incremental state sales tax increase attributable to a qualifying event to the grant fund. Grants would then be made from the fund to fulfill a portion of the obligations required by a site selection organization.

Finally and in summary, thank you for the opportunity to provide testimony on this important topic. We feel that this bill will continue to provide us with a key asset that is needed to attract these world-class events to Ohio. These events create a vibrancy that drives both economic and experiential impact that is vital to our state continuing the growth that we have all observed and desire going forward. I ask for your support of House Bill 531 and would be happy to answer any questions you may have.