

Senate Select Committee on Gaming
March 10, 2021
Jeff Berding, Co-Founder & President, FC Cincinnati

Good afternoon Chairman Schuring, Vice Chair Manning and members of the Senate Select Committee on Gaming. My name Jeff Berding. I am the co-founder and President of FC Cincinnati, Cincinnati's third major league franchise. Thank you for the opportunity to appear before you today to provide testimony in support of the creation of a competitive, regulated sports betting framework in Ohio.

Mr. Chairman, our West End Stadium will open in May and is a culmination of 3 years of a very rapid ascent of FC Cincinnati on the professional soccer scene. We started as a minor league USL team in 2016 and in 2018 received an expansion bid to join Major League Soccer. West End Stadium will give fans a first-class experience unlike any other in the MLS with world class technology and amenities.

West End Stadium is a statement of our ownership group's ambition:

- The largest capacity for a soccer specific stadium in the US & Canada at 26,000
- Most private suites and club seats
- Largest video board
- Largest team store

The investments into the above stadium features by our ownership, representing tens of millions of dollars, are meant to give Cincinnati advantages that come with having the best soccer stadium in America, and the resulting resources, in dollars and players, to bring championships to our region and state.

As you may know, MLS soccer is broadcast across 170 countries around the world. Telecasts include both coverage of the match and "beauty shots" of the host market. Even if only a "local" telecast, there is some level of international distribution for each match. These matches become a great opportunity to promote our city and state as an attractive place for economic development, capital investment and talent attraction and retention.

Construction of our West End Stadium has already had a significant economic impact, in particular during the last year:

- We have 70% economic inclusion with MBE, WBE and SBE certified businesses, we are spending more than \$180 million with these businesses.
- Through January, we had over 3,000 people working on the job, all being paid prevailing wage. As of last week, total hours worked on the project was 1,008,082 hours. At its peak, we had over 500 contractors working safely on site.
- FC Cincinnati employs over 100 full-time technical and front office staff with an associated payroll in excess of \$7 million.
- Our club and ownership group are committed to continued investments in our community through our FC Cincinnati Foundation. We have invested in the most robust foundation and community relations staff than any other team in the MLS. The Foundation aims to

improve the lives of children in the Greater Cincinnati Area through the love of soccer, fulfilling this mission through programming with key partners including Cincinnati Public Schools and Cincinnati Recreation Commission. Programming will be based around nutrition, physical activity, character building and education.

- Finally, we announced a few weeks ago that we are hiring more than 1,000 part-time employees for our soccer season, prioritizing residents in the West End.

Unlike my friends in the other major sports leagues in Ohio, Major League Soccer is still a growing league - albeit rapidly growing I would offer - and does not have large television and media contracts. Revenues of Major League Soccer franchises are derived by ticket sales and sales at our games. So when COVID-19 shut down our games from being played and closed our gates, FC Cincinnati ceased generating any substantive revenues, thereby losing tens of millions as a result.

In spite of this, and not being eligible for the federal Paycheck Protection Program, I am incredibly proud to share that we did not lay off a single member of our workforce and we did not slow down our investment in our community. Our ownership group has invested over a half a billion dollars as part of our expansion into the MLS and the development of our new West End Stadium. We view West End Stadium as a catalyst to attract significant additional investment in mixed-use development in the surrounding area. This mixed-use development could include retail (bars and restaurants), a hotel, residential, multi-family units, and commercial office space to attract and retain new jobs to Cincinnati and the state of Ohio.

I would be remiss if I did not take a moment to thank the General Assembly and the DeWine Administration for its investment in catalytic projects like ours and many others in the capital budget last year, leveraging billions of dollars of private investment.

Relative to sports betting, I applaud the General Assembly for its hard work to date throughout the last session as well as the process this committee is undertaking to carefully and thoughtfully receive input from various interested parties as you as policymakers consider if and how to bring legalized sports betting to Ohio.

We strongly encourage the General Assembly to enact a sports betting law in Ohio as soon as possible this session to eliminate the illegal sports betting market, protect consumers, prohibit certain insider and high-risk betting and uphold the integrity of our games.

FC Cincinnati is pleased to partner with the other Ohio sports franchises and major professional leagues to align behind a common set of principles related to sports betting. We believe Ohio's sports betting framework should provide protections to consumers and the marketplace. We, the franchises, largely create the marketplace. With public help, both local and state governments, we have built the stadiums and venues where the games and matches take place. Of course, we are talking many billions invested in Ohio's sports facilities. And of course, we invest billions in the players. As such, we want to see a regulatory framework that promotes and ensures integrity of the game.

We would like to see legislation that allows leagues to opt out of wagers that carry an unacceptably high risk for manipulation or corruption. We want all operators to: prevent insiders (e.g. coaches,

players) from placing bets on their respective sports; report suspicious activity; cooperate with league investigations; and make real-time betting data available for integrity monitoring purposes.

We believe the use of Official League Data for prop bets is also critical to ensuring the highest level of integrity. Data sourced directly from the leagues is collected and distributed in real time, increasing the window for in-game betting and decreasing the risk of incorrect results for consumers. Consumers deserve to know that their bets are settled using reliable, verified data.

Finally, given that nearly all sports bets are driven by the content created by Ohio's teams and/or leagues they represent, we are asking the General Assembly to offer the teams the same opportunity to capitalize on legal sports betting that would be provided to the gaming industry by awarding each team one retail sportsbook and one statewide mobile skin. We would then partner with a licensed operator(s) to run the sportsbook operations on our behalf.

In sum, we are asking for a few basic principles. One, let's not have a monopoly system in sports betting. Two, we hope you will provide parity, providing the same opportunity as granted to casinos. Finally, let's build a system together that puts Ohio's teams on equal – or maybe better – footing as our League peers we compete with for trophies. We want to win championships for Ohio, and we must outwork – and in some cases, outbid – our rival teams from other states for the best players. You don't have to be a big sports fan to feel happier when Ohio State, the Cleveland Cavs, the Columbus Crew – win championships. Help us win championships by ensuring we are not fighting with one hand behind our back relative to rival teams in other states whose legislatures have given them every advantage in this new and growing market.

Thank you again for the opportunity to offer this testimony. We appreciate your consideration and look forward to ongoing discussions with you and your colleagues in the General Assembly as you consider the details of Ohio's sports betting framework. I would be happy to address any questions you may have.