Case Study: New Columbus Crew MLS Stadium and Community Sports Park

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Categories:

Experience

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On December 19, 2019, the first phase of financing for the new Columbus Crew MLS Stadium closed with the issuance of $45,515,000 of stadium and sports park project bonds to be issued by the Confluence Community Authority ("CCA"). The CCA is a new community authority created pursuant to ORC Chapter 349 as a new body corporate and politic of the State of Ohio, by the City of Columbus, Ohio, upon petition by the Crew SC Stadium Company, LLC ("StadCo").

Frost Brown Todd acted as Bond Counsel to Franklin County, Ohio, and former affiliate, FBT Project Finance Advisors LLC acted as Municipal Advisor to Franklin County, in connection with the negotiation, structuring and documentation of the bonds and a complex financing arrangement that allowed the citizens of Columbus to "Save the Crew," when the team's prior owner planned in 2018 to move the MLS franchise to Austin, TX.

Starting in mid-2018, civic and governmental leaders from the Columbus area formulated a bold plan to keep the Crew in Columbus. The plan involved (1) new ownership for the franchise (the Haslam Sports Group owned by Jimmy and Dee Haslam – also owners of the Cleveland Browns; and the Edwards family of Columbus now own the franchise) and (2) a public-private partnership (P3) among the Team, StadCo, other Crew entities, the City of Columbus, Franklin County, Ohio, and the State of Ohio. Under the P3 arrangement, $140 million in public economic development financing and infrastructure resources would be combined with more than $200 million of funds from the Crew ownership to build a new downtown 20,000-seat MLS stadium and plaza and to renovate the existing MAPFRE MLS stadium into a vibrant community sports park.

The first phase of the financing is the bonds to be issued on December 19, 2019, as well as the closing of the Crew private financing. The bonds were backed exclusively by Franklin County's pledge, subject to annual appropriation, to grant $2.5 million annually to the CCA for 30 years for economic development purposes. Finally, in addition to the stadium and sports park, the Crew has committed to complete a significant mixed-use development around the new stadium.

Frost Brown Todd attorneys Emmett Kelly and David Rogers, assisted by April Fulton and other Public Finance team members, represented Franklin County in this innovative financing.

FBT Gibbons