



Testimony in Support of LD 2258-An Act to Create an Income Tax Credit for Investments in a Team's Qualified Minor League Baseball Facility to Keep the Team in the State

Joint Standing Committee on Taxation
March 12, 2024

Senator Grohoski, Representative Perry and members of the Committee on Taxation,

I am Quincy Hentzel, President and CEO of the Portland Regional Chamber of Commerce. We represent 1,300 businesses in our region who employ over 75,000 Mainers. We are submitting this written testimony today to express our organization's strongest support for LD 2258, which represents an essential state investment in a public facility to allow the Portland Sea Dogs to continue their proud presence in Maine.

The economic impact of the Portland Sea Dogs to our state far exceeds the typical benefits accrued to the economy in other minor league host cities due to their outsized attendance and community engagement. Like many of our hospitality and tourism focused members, the multiplier effects of an institution like the Portland Sea Dogs enable local businesses to sell their goods and services to the team, unlocking significant indirect support for the wages and profits of those vendors. When adding that indirect economic impact to the direct dollars spent by the team, a 2019 analysis pegged their total contributions to the Maine economy at at least \$28MM, a number that has undoubtedly increased over the last five years. Unlike other industry specific tax credits this committee considers, absent this tax credit it is likely that the entire \$28MM the Sea Dogs contribute to our economy would disappear, rather than just taper off or not come like may occur in other established industries or emerging industries that may need incentive to drive investment.

The credit as proposed is a beneficial deal to the state, unlocking \$8 of private capital for every \$2 of public capital spent on the renovation and rehabilitation of this publicly owned facility. Many states are having these conversations across the country as the new MLB facility mandates get implemented, and many states are stepping up to this challenge, putting forth much larger sums of public money to retain their professional teams. Polar Park in Worcester, Massachusetts, home to Red Sox AAA affiliate the WooSox, recently moved into the most expensive minor league park ever built through a deal in which the local, state and federal government paid over 60% of the total \$159MM in development costs. Among AA teams, the Hartford Yard Goats current stadium was entirely funded through public investment to the tune of \$70MM, similar to public investments of \$70MM in Wichita, KS to build a new AA stadium, \$4.6MM in public expenditure in Amarillo, TX to pay for MLB mandated upgrades to their AA stadium, \$200MM in state expenditures in Maryland for minor league improvements across the state, and \$42MM across the state of Washington in state expenditures to upgrade 11 minor league facilities. Even smaller market High-A teams are seeing state investment far exceeding what is proposed in LD 2258 with \$15MM recently authorized by the Oregon Legislature to pay for MLB mandated for their High-A stadium in Hillsboro. These deals represent much less favorable terms to the taxpayers than what is proposed in LD 2258, and Maine will fall behind if we don't marshal sufficient resources.

In 2021 in New England, the cities of Burlington, Vermont and Lowell, Massachusetts lost their minor league affiliations due to the restructuring of minor league baseball. These changes cost those cities a great deal, but we retained the Portland Sea Dogs and their strong affiliation with the Boston Red Sox because of their consistent performance, high attendance, and a deep commitment from the ownership. This restructuring has allowed minor league baseball to make key investments in the travel and working conditions of their players.



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While the Portland Sea Dogs were spared then and have gone on to make those investments in the livelihoods of their personnel, it would be a shame to lose them now through our own lack of initiative to make public investments in their public facility that perennially hosts top notch Maine Principals Association regular season and playoff baseball in addition to professional games. We thank you for your time and commitment to all Mainers, and we ask for your expeditious approval of this important legislation.