

The following is submitted by Jonathan Shapiro as a written comment for the June 11, 2025 Everett City Council Meeting.

Members of the City Council:

Though my City Council campaign has ended, I continue to receive calls from constituents expressing concerns about the stadium project. I have no strong investment in the project one way or the other, but I have come to share their concerns. My concern initially focused on the fact that Section 7 of the FAC report has not been made public, which suborns and evades the public comment process. On further review, I realized that the development's underlying fiscal model and assumptions *also* haven't been made public. Of even greater concern, I see nothing to suggest that the Council itself has seen or reviewed that model.

The council has a duty to *credibly* assess the costs and benefits of each option, to report their conclusions and make decisions in a way that admits public review, and to do so based on adequate information and disclosed assumptions.

This has not occurred.

In 1993 I authored a piece of software called *FISCPAC*, whose purpose is to aid municipalities in accurately modeling development costs. Among other features, FISCPAC pioneered a "what if" capability, allowing planners to immediately see the municipal revenue and cost consequences of different assumptions. How do costs and revenues change if the number of police per capita is altered, or different choices are considered for supporting infrastructure? FISCPAC provided results for both the (invariably unrealistic) entered assumptions of the municipality and the national standard practices for similar developments. It is possible for a municipality to delude itself by failing to model the development accurately. It is *not* possible to engage in financial self-delusion without simultaneously seeing a fact-driven assessment. Several modern planning tools offer similar capabilities.

In building software of this kind, one develops a sense for what is credible, and some experience with *where* the unrealistic assumptions are commonly introduced. Based on the parts of the report I *can* see, I am suspicious of several errors:

1. The amortization assumptions for the new stadium are wrong because the assumed useful lifespan of the stadium is optimistic. Yes, we will have a useful structure for 30 years, but it will be subject to continued development over that period. I am doubtful that the ongoing forward development costs have been accounted for in the current expense projections.

2. In projects of this kind, infrastructure and emergency service costs are relentlessly underestimated. As the number of people served by a facility rises, catastrophic consequences for attendees become more and more likely. City liability follows. I have never seen a development costing exercise take this into account.
3. Maintenance costs are pervasively underestimated.

Based on the information the Council appears to have, the Council does not have the necessary information to understand whether these types of errors exist and how large their impact may be.

In order for the public *and the Council* to meaningfully evaluate the options on this project, the underlying model and its assumptions must be disclosed. I have reviewed the publicly available documents. Unless the Council has intentionally withheld the numbers (which I do not believe), I can only conclude that the *Council* has not been provided with the necessary facts to competently or confidently evaluate this project. In effect, you have a document from the Stadium Fiscal Advisory Committee whose substance amounts to: "Trust me."

In a city that faces \$12.6M annual deficit and rising, proceeding without reviewing the model and its assumptions would be irresponsible. The prudent and responsible course of action is to set aside the rush to construction, demand and publish for public review a complete and accurate model along with its assumptions, and re-set the clock on the public comment period.

I'm sure there must be one somewhere, but I'm not aware of any Stadium project in the United States in the last fifty years that has provided a net revenue benefit to the hosting city or the surrounding community. My modestly experienced opinion is that when you see the quality of the model and its assumptions, you will be much less inclined toward building a new Stadium.

Either way, the council has a duty to make an *informed* decision, and you haven't.

If I can be of service to the Council by helping you ask the right questions to obtain the information you should have, I am happy to do so. Paula Rhyne and Cassie Franklin should both have my contact information.

Respectfully,

Jonathan S. Shapiro
Resident, Everett District 2