Capital Improvement Board, Pacers Sports & Entertainment reach bridge agreement
Pending CIB approval, 3-year agreement provides $10 million in annual assistance for Conseco Fieldhouse operating costs while preserving organization’s $55 million annual economic impact

INDIANAPOLIS - The Capital Improvement Board (CIB) of Managers of Marion County and Pacers Sports & Entertainment (PS&E) reached a 3-year agreement on Monday to keep the Pacers in Indianapolis for the near future.

The agreement will go before the CIB for a vote on July 16. If approved, the agreement will exist in conjunction with the current lease agreement, and the CIB will provide $10 million to PS&E for operating expenses for each of the next three seasons. PS&E will maintain operations of the Fieldhouse.

“After tough and deliberative negotiations, we have reached an agreement to preserve the viability of our downtown economic engine, keep the Pacers as the Conseco Fieldhouse prime tenant, preserve the thousands of jobs impacted by Fieldhouse activity, and maintain the millions of dollars in tax revenue generated by this same activity,” said Indianapolis Mayor Gregory Ballard. “Our charge was to preserve the city's downtown economic vitality while protecting taxpayers across Indianapolis. The agreement we’ve reached achieves this and, very importantly, involves no additional tax increase.”

Complete terms of the agreement show a scaled repayment plan in which the obligation of PS&E to repay the $30 million will be reduced for each season the Pacers continue to play at Conseco Fieldhouse, concluding with a zero balance in 2019.

The funds will come from the CIB budget, which continues to improve in both holding the line on expenses and revenue growth — the additional 1 percent hotel tax was increased in 2009, the additional Professional Sports Development Authority (PSDA) tax passed by the General Assembly in 2009, and the availability of State Loans of $9 million per year in 2009, 2010 and 2011.

“We achieved our major goals in keeping the Pacers’ huge economic impact here in downtown Indianapolis, avoiding the entire expense of operating Conseco Fieldhouse without a marquee tenant, avoiding the devastating blow to the economic development and convention business that losing the team would have created, and crafting an agreement that is within the CIB’s budget,” said Ann Lathrop, president of the CIB.

The short-term agreement will allow time for the impacts of a planned new National Basketball Association collective bargaining agreement and expanded CIB financial picture, including an expanded Convention Center and other factors, to take shape in advance of a long-term agreement.

In May, the CIB released a report produced by Hunden Strategic Partners (HSP), a well-known real estate development advisory practice specializing in destination assets, which showed a Pacers net contribution to the city of $55 million in economic activity each year and 909 permanent, full-time equivalent jobs. If the Pacers were to leave Indianapolis, it is anticipated that Indianapolis’ governmental bodies would be directly impacted by roughly $18 million.

The CIB is the public agency that manages several downtown facilities including Lucas Oil Stadium, the Indiana Convention Center, Conseco Fieldhouse and Victory Field, among others. For more information on the CIB, please visit their website at www.capitalimprovementboard.org

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