

‘Not favorable terms’: \$132M for Pawtucket soccer stadium causes sticker shock

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PROVIDENCE, R.I. (WPRI) — The revelation that taxpayers will pay \$132 million over 30 years in order to fund \$27 million of construction costs for the Pawtucket soccer stadium is causing sticker shock across Rhode Island.

The Pawtucket Redevelopment Agency earlier this month [closed on the bonds](#), which will have to be paid back over three decades along with interest and other fees.

The cost of borrowing has soared over the past year, making the deal vastly more expensive than was initially expected when the current financing structure was approved in the summer of 2022.

“Obviously these are not favorable terms, and I expect that the issuer will exercise all available options to reduce future repayment costs,” House Speaker Joe Shekarchi said in a brief statement Tuesday. (Officials say they will have the option to refinance the deal after 10 years.)

Senate President Dominick Ruggerio has not yet responded to a request for comment on the deal.

Plans for the 10,500-seat stadium, which will be home to the minor league soccer team Rhode Island FC, were first announced in 2019. But the cost of the project — Tidewater Landing — has climbed so much in the years since that it’s now poised to be the most expensive minor league soccer stadium in the country.

Initially, developer Fortuitous Partners said it would use the \$27 million in public bond proceeds for development of housing units around the stadium.

But by the spring of 2022, the developer said [inflation had driven up construction costs](#) and the original structure of the deal wouldn’t work.

Gov. Dan McKee eventually [cast the tiebreaking vote](#) in a controversial decision to shift taxpayer funding away from the housing component to instead cover the ballooning costs of the stadium itself.

At the time, Target 12 obtained internal documents from the R.I. Commerce Corp. revealing that the state expected the bond for the Tidewater project to cost \$59 million over 20 years, with an average annual debt-service payment of \$2.9 million.

But by the time the bonds finally sold this month, the total cost had soared to \$132 million, for an average annual debt-service payment of \$4.4 million — and with 10 additional years of payments. The bonds are also tax-free.

The deal has drawn national coverage, with Bloomberg News describing the cost of the bonds as [“eye-popping”](#), but the McKee administration is defending the deal.

“Stadiums are expensive,” Commerce Secretary Liz Tanner [told The Providence Journal](#) on Monday.

“We know that they’re expensive, and these dollars that we’re putting into it are going to have a nice infrastructure project for us when we’re done,” she added. “We know we’re going to have a stadium when we’re finished with a soccer team, and that’s good for Rhode Island.”

Tanner also indicated the administration was unwilling to ask the General Assembly to appropriate the \$27 million, which would have eliminated any borrowing costs for the stadium. Under that scenario, she said, “there would’ve been a level of uncertainty without knowing whether the legislature was going to pass those dollars or not.”

A 12 News/Roger Williams University poll [released in October 2022](#) showed a majority of Rhode Island voters opposed the original plan to spend nearly \$60 million on the stadium. No public polling has been done regarding the revised, higher cost of the deal.

Last year, McKee [criticized the Federal Reserve](#), arguing the central bank should stop increasing interest rates because it was making projects like Tidewater too expensive. The Wall Street Journal editorial board [fired back](#), saying low rates were letting elected officials “bankroll dubious projects like the 10,500-seat stadium in a city with a population of some 75,000.”

In the years after the project was first revealed, state leaders repeatedly promised the project would pay for itself. But as Target 12 [first reported in 2022](#), forecasts show the stadium won’t generate anywhere near enough tax revenue to cover the annual debt-service payments. Rhode Island leaders have said they are paying for the stadium bond using tax revenue that is specifically generated in a special district surrounding the stadium in Pawtucket. But bond documents also show McKee has agreed to request additional funds from the General Assembly to cover any shortfalls.

Mike McNally, a former Commerce board member who voted against the financing scheme in 2022, lambasted the final deal.

“So the bond holders get paid at an exorbitant rate with state tax proceeds for 30 years even if the team folds,” McNally wrote on X. “That is one of the reasons that it was laughable when McKee claimed this was one of the safest deals Commerce ever made.”

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