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Local government spending on the NFL Draft

Summary: To pay a share of the expenses associated with hosting the NFL Draft (Draft) in April 2026, the City of Pittsburgh approved spending \$1 million and Allegheny County approved spending \$3 million. This *Brief* takes an initial look at the expenditures.

When combined with \$5 million in corporate contributions and \$2 million from the Greater Pittsburgh Convention and Visitors Bureau (VisitPittsburgh), \$11 million will come from the “host community.” Based on documents from both the city and the county, VisitPittsburgh is acting as the steering agent and will coordinate services and receive reimbursements for expenses related to the event.

Pittsburgh

On Sept. 4, 2024, City Council was presented with a memo for “an NFL Draft Funding Agreement or Agreements with [VisitPittsburgh]”. There was a waiver of the competitive bidding process for a three-year contract. The waiver was due to VisitPittsburgh meeting the criteria of a sole-source provider for the service in question.

Council approved Resolution 662 of 2024 on Oct. 1 and the mayor signed it the next day. The resolution approves spending no more than \$1 million and “the value of various in-kind City services.” The fiscal impact statement for the resolution states “in-kind staff time across several Departments” would be used and specifically names nine, including Mobility and Infrastructure; Permits, Licenses and Inspections (the city is currently considering amending rules on peddler and vendor regulations and short-term rentals); Public Safety and Public Works.

An Open Records request seeking details on the expenditures from the general fund account specified in the resolution shows a payment of \$1 million to VisitPittsburgh on April 8, 2025. A cooperation agreement between the city and VisitPittsburgh further outlines the obligations related to the Draft including quarterly reports that must be submitted to the city and the priority areas of spending the city dollars are to go toward (public space improvement, planning and coordination and tourism).

Allegheny County

On Feb. 18, 2025, a cooperation agreement between the county and VisitPittsburgh was approved. This agreement was done by executive action (5280-25) and states VisitPittsburgh

would oversee the effort, pay contractors, make purchases and pay salaries related to the Draft with expenses capped at \$3 million. The agreement ends Jan.1, 2027. This is to be paid from the county's hotel room rental tax, which, by virtue of the state law that authorizes it, allows for the funding of tourist-promotion activities after required obligations are paid. Data on hotel tax collections and payments show a \$3 million payment to VisitPittsburgh in February 2025.

In the agreement there is the requirement that VisitPittsburgh "deposit [\$2 million] into the Fund from its separate funds" for the purposes of the event—presumably this is from the agency's portion of the hotel tax. Additionally, VisitPittsburgh is required to submit a budget and quarterly reports detailing payments to the county and maintain records.

Fiscal impact

Pittsburgh's fiscal impact statement for the resolution states that the anticipated economic benefits would affect "City revenue indirectly" with direct revenue impact including taxes on earned income, payroll preparation and the city's share of the Regional Asset District (RAD) sales and use tax. No dollar amount estimate is included in the statement.

The county's agreement does not spell out an anticipated fiscal impact. But the hotel tax should receive a boost if visitors are drawn to attending the Draft. According to VisitPittsburgh, the hotel occupancy rate for Allegheny County in 2024 was 61.2 percent. There are over 18,000 hotel rooms and suites in the county.

Given that the city levies an amusement tax, which would apply should admission be charged to any Draft events, and a parking tax, and the county levies taxes on alcoholic beverages, vehicle rentals and the additional 1 percent sales and use tax, the table below provides a baseline snapshot of these taxes.

Tax	Levied by	April 2025 Collections
Hotel Room Rental	Allegheny County	\$3,798,727
Alcoholic Beverage	Allegheny County	\$3,832,263
Vehicle Rental	Allegheny County	\$594,566
Sales and Use	Allegheny County	\$22,540,000
Earned Income	City of Pittsburgh	\$7,916,910
Payroll Preparation	City of Pittsburgh	\$5,294,239
Parking	City of Pittsburgh	\$4,152,100
Amusement	City of Pittsburgh	\$2,341,663

Sales and Use Tax collections calculated by doubling the April collections reported by RAD, which receives 50 percent of the revenue from the 1 percent tax.

Assuming tax rates don't change between now and next year (many taxes are at their statutory limit permitted by the commonwealth), there will be a fiscal impact if the activity being taxed increases in price or in the number of transactions or both. For example, the average hotel room price may increase around the time of the Draft due to demand increasing but the tax rate is likely to be the same 7 percent.

There can also be an offsetting or muted fiscal impact should people stay away from the area where the Draft is held, take mass transit instead of parking or renting a car, buy merchandise that would not be subject to the sales tax, etc.

There will be significant costs with police, public safety and sanitation. State capital spending on Downtown improvement projects—\$25 million for Point State Park and \$15 million for Market Square and 8th Street—have to be taken into consideration as well. The report on the proposals notes some of the Point State Park upgrades “will be complete in time for the [Draft].” The ongoing construction impediments could be having a negative impact now.

Pittsburgh and Allegheny County are bullish on the potential of hosting the Draft. The city’s resolution states the Draft “is expected to generate significant economic benefit for the area.” Allegheny County’s agreement states “the economic impact on a host city and surrounding region is estimated to be over \$100 million dollars through revenue from the tourism and hospitality industry, including hotels, restaurants, merchandise, transportation, and food and beverage, as well as other industries.”

Policy Brief Vol. 25, No.17, examined economic impact projections from other cities that have hosted the Draft and the potential impact on hotel stays and revenue in Allegheny County. Beyond the three-day impact, the long-term employment benefits of the Draft are minimal.

Hopefully the net fiscal impact on the city, county, metro area and state is made clear in post-event analysis. Of course, it is hard to imagine what ramifications there would be from the taxing bodies should the Draft deliver a less than resounding payoff.

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