

## Strategy for a Parks & Recreation Authority in Harrah, Oklahoma

*The provided document is an executive summary intended to prepare a candidate for a City Manager interview in Harrah, Oklahoma, focusing on a strategic financial and parks development plan. The core recommendation is for Harrah to establish a Parks & Recreation Authority to strategically capture visitor spending from youth sports tournaments, arguing that this is fiscally superior to relying on residential growth due to Oklahoma's municipal finance structure, where sales tax is the primary revenue source. The summary leverages extensive proprietary research on youth sports finance transparency in Oklahoma, specifically documenting the cash-intensive, off-ledger nature of existing tournament operations and citing a related federal RICO feasibility analysis. The proposed Authority would use transparent, auditable systems and revenue bonds to develop new facilities, like an indoor sports dome, positioning Harrah as a clean, regional tournament hub while avoiding the financial risks associated with the established, opaque sports networks.*

**NotebookLM Podcast:** [Why Oklahoma Houses Don't Pay City Bills](#)

**NotebookLM YouTube:** [The Town That Flipped the Playbook](#)

# Strategy for a Parks & Recreation Authority in Harrah, Oklahoma

## Executive Summary

This document outlines a strategic approach for the City of Harrah, Oklahoma, centered on the creation of a Parks & Recreation Authority to capitalize on the youth sports economy. The central argument is that Harrah's fiscal health is best served by a visitor-centric economic development model rather than a residential-focused ("rooftop") one. In Oklahoma, where municipal general funds are primarily fueled by sales tax (approximately 64% in Moore, for example) and property taxes largely fund schools (around 68%), attracting visitor spending provides a more direct and profitable revenue stream for city services.

Statewide research reveals a significant, cash-intensive youth sports economy in Oklahoma, with findings documenting over \$34 million in USSSA tournament entry fees, \$11.5 million in consumer registration fees, and \$7.7 million in un-reported cash payments to umpires over several years. This system, described as a "shadow economy," often operates through public facilities with little municipal oversight, raising concerns detailed in an Oklahoma Attorney General complaint and a RICO feasibility analysis.

Harrah's current position, being outside the core network of this established system, presents a strategic advantage. It allows the city to design a transparent, accountable Parks & Recreation Authority from the ground up. This Authority would have the power to issue revenue bonds, manage facilities with full financial transparency, and capture revenue streams—including tournament fees, facility rentals, and concessions—that currently flow out of local economies. By focusing on developing assets like an indoor sports dome, Harrah can generate significant direct revenue and a multiplier effect on local sales tax, turning the existing tournament economy into a direct public benefit.

## 1. The Fiscal Reality in Harrah and Oklahoma

The financial structure of Oklahoma municipalities dictates a specific path for sustainable growth. Unlike municipalities in many other states, those in Oklahoma rely heavily on sales tax, not property tax, for their primary operating revenue.

• **Harrah's Tax Structure:** The combined sales tax rate in Harrah is 8.50%, composed of 4.50% for the State of Oklahoma and 4.00% for the City of Harrah. The city's portion is partially dedicated to water and sewer development.

• **Primacy of Sales Tax:** Sales tax is the primary driver of municipal general funds. The City of Moore, for instance, derives approximately 64% of its general revenue from sales tax.

# Strategy for a Parks & Recreation Authority in Harrah, Oklahoma

• **The "Rooftop" Fallacy:** A strategy of growing the city budget by building more houses is fiscally inefficient. Statewide, about 68% of property tax revenue is allocated to schools, not municipal general funds. Meanwhile, each new household adds significant service costs for the city, including roads, water, sewer, police, fire, and parks.

• **Cost of Community Services:** Studies consistently show that residential development often costs a municipality more than \$1 in services for every \$1 of revenue it generates. In contrast, commercial and visitor-driven spending typically produce a net fiscal surplus. The core strategic insight is: "For a home the city is upside-down; for day visitors the city spends pennies per dollar of revenue."

Therefore, Harrah's most effective path to fiscal health is a visitor-centric model that directly grows its sales tax base.

## 2. Analysis of the Oklahoma Youth Sports Economy

Extensive statewide research, including forensic analysis of datasets, legal filings, and economic models, reveals a large, opaque, and often exploitative youth sports financial system operating within Oklahoma.

### 2.1 Financial Scale and Lack of Oversight

The amount of money flowing through the system with minimal public accountability is substantial.

Data Point	Amount	Period	Source
USSSA Team Entry Fees	\$34M+	2001–2025	Hidden Valley dataset
OK Consumer USSSA Registration Fees	\$11,547,043	2016–2023	Letter to Sen. Shane Jett
Cash Payments to Umpires	\$7,738,780	2016–2023	Letter to Sen. Shane Jett

An Oklahoma Attorney General citizen complaint formalizes concerns about this cash-heavy system, which routes money from parents through contractors and ultimately to entities in Florida, all without transparent accounting within Oklahoma communities. A Federal RICO feasibility memo maps these patterns to predicate acts including wire fraud, mail fraud, money laundering, and honest services fraud across numerous public facilities.

# Strategy for a Parks & Recreation Authority in Harrah, Oklahoma

## 2.2 The "Sunday Profit" Economic Model

A doctoral lecture titled "Sunday Profit" deconstructs the specific economic mechanics that drive revenue in this system:

• **Sunday Revenue**: Sunday play accounts for a disproportionate share of tournament revenue, estimated at 28–35% of the total, primarily from gate fees and concessions.

• **Cash-Based Umpire Payments**: Umpires are typically paid 55–60 per game in cash, with no payroll system, no 1099 tax reporting, and often no background checks.

• **Manipulative Tournament Structures**: Formats like "3 Game Guarantee" (3GG) are designed to ensure no team is eliminated before Sunday, thereby protecting the crucial Sunday revenue streams. This can lead to questionable policies regarding weather or forfeits.

This model is summarized as the "Oklahoma Youth Sports Business Plan": a cash-intensive, off-ledger income system that leverages public facilities with weak or nonexistent municipal oversight.

## 3. Harrah's Unique Strategic Advantage

Harrah's current status as a non-participant in the established USSSA tournament network is a significant opportunity, not a weakness.

• **"Not in the Gameplan"**: Harrah is not deeply captured by existing tournament directors. While it is geographically close to major tournament hubs (Bouse in Choctaw, Firelake in Shawnee), it has the freedom to build its own system.

• **Designing a Clean System**: This position allows Harrah to design a transparent, accountable parks and recreation system from scratch rather than attempting to reform entrenched and opaque contracts.

• **Capturing New Revenue**: Tournament and indoor-facility revenue would represent new money for the city, not a replacement for existing income.

• **Existing Public Trust Model**: The city already has an Industrial & Economic Development Trust, which provides a proven legal and operational model for a new Parks & Recreation Authority.

# Strategy for a Parks & Recreation Authority in Harrah, Oklahoma

## 4. The Proposed Solution: A Parks & Recreation Authority

The most effective tool for Harrah to implement a visitor-centric strategy is a public-trust Parks & Recreation Authority.

### 4.1 Economic Rationale: Visitors Over Rooftops

The economic impact of tourism provides a clear financial justification for this approach.

• **State & Metro Tourism Impact:** In 2021, visitors spent \$10.1 billion statewide. In Oklahoma City alone, 24.5 million visitors generated \$2.8 billion in direct spending and a total economic impact of \$4.6 billion.

• **Economic Impact Formula (Crompton):** Economic impact = number of visitors × average spending per visitor × multiplier.

• **Project-Specific Models:**

- **Indoor Sports Hub:** An indoor facility holding 70 events per year could generate a 5-year local economic impact of approximately \$4.8 million.
- **Baseball Heaven Model:** A full event complex could generate ~1.5million/year in entry fees, 3.2 million/year in total event income, and create a \$22.9 million annual regional economic impact.

**The message is clear:** "Every family that drives in for a weekend tournament brings new dollars to Harrah's sales tax base. Every new house adds long-term service costs with limited new city revenue."

### 4.2 Structure and Benefits of an Authority

A Parks & Recreation Authority provides crucial tools that a standard municipal department lacks:

• **Financing Power:** Can issue revenue bonds backed by project income and leverage programs like the Oklahoma Tourism Development Act, which offers up to a 10% tax credit on investments over \$500k.

• **Governance and Transparency:** Operates with an independent board, uses GAAP-compliant accounting, and provides quarterly public financial reports. All payments are processed through auditable systems, eliminating personal Venmo or cash-only gates.

# Strategy for a Parks & Recreation Authority in Harrah, Oklahoma

• **Operational Leverage:** Can contract with private operators while maintaining full control over financial transactions.

• **Grant Eligibility:** Functions as an attractive partner for federal, state, and philanthropic grant-making organizations.

## 4.3 Authority Revenue Streams

A Harrah Parks & Recreation Authority could capture multiple revenue streams:

• **Tournament Revenues:** Entry fees, gate/parking fees (digitally controlled), concessions, and vendor leases.

• **Indoor Facility Revenues:** Year-round cage rentals, team practices, and private events/camps.

• **Sponsorships:** Naming rights for fields, domes, scoreboards, and other assets.

• **Tax Uplift:** Increased visitor spending at local restaurants, gas stations, retailers, and hotels, directly contributing to Harrah's 4% city sales tax.

The goal is not to invent a new economy but to legitimize the existing one: "Our goal is not to create the tournament economy—it already exists. Our goal is to move it from opaque, off-ledger cash to transparent, Authority-managed revenue that supports Harrah's parks, facilities, and kids."

## 5. Proposed Implementation Roadmap

A four-phase plan can guide the establishment and growth of the Authority.

• **Phase 1** – Acknowledge and Learn: Present the statewide youth sports finance findings (e.g., \$11.5M in fees, \$7.7M in cash umpire pay, Sunday Profit dynamics) to the City Council. Emphasize that Harrah has the opportunity to build a clean system from day one.

• **Phase 2** – Form the Authority: Use the existing Industrial & Economic Development Trust as a template to draft a trust indenture that mandates open financial reporting, prohibits personal cash handling, and requires 1099 reporting for all contractors.

# Strategy for a Parks & Recreation Authority in Harrah, Oklahoma

• **Phase 3** – Build the First Flagship Asset: Begin with a scalable indoor training dome. Use existing economic models (Baseball Heaven, Indoor Sports Hub) to demonstrate payback and sales-tax benefits. Finance the project through a combination of vendor financing, Authority revenue bonds, and targeted grants.

• **Phase 4** – Develop a "Visitor Belt" Strategy: Align the Authority's efforts with regional tourism traffic along Hwy 62 and I-40. Position Harrah as a "family tournament hub" for the eastern OKC metro, using transparent economic tracking to measure success.

## 6. Key Talking Points

The core arguments can be summarized in these concise points:

**1. On Harrah's Fiscal Strategy:** "In Oklahoma, ~68% of property tax goes to schools, not city general funds. Cities like Moore get 60%+ of their revenue from sales tax, not rooftops. Harrah's best path isn't more houses—it's more visitors."

**2. On Why an Authority is the Right Tool:** "A Parks & Recreation Authority lets Harrah capture visitor spending from tournaments and indoor sports in a transparent, audited way—without putting the city's credit at risk and without repeating the problems my statewide research uncovered."

**3. On the Youth Sports Business Risk:** "My doctoral work documents over \$11.5M in Oklahoma USSSA fees and \$7.7M in cash umpire payments with minimal oversight. Harrah can decide, today, that our facilities will never be part of that shadow system."

**4. On the Upside:** "A modest Harrah dome and quad, operated under an Authority, can realistically generate hundreds of thousands of dollars per year in direct revenue and millions in visitor spending, while improving quality of life for local families."

**5. On Leadership:** "I'm not asking Harrah to gamble on theory. I'm bringing twenty years of data, Attorney General documentation, and a live federal RICO analogue—and I'm offering a governance model that keeps Harrah on the right side of history."

# Strategy for a Parks & Recreation Authority in Harrah, Oklahoma

## **A Strategic Plan for the Harrah Parks & Recreation Authority**

### **1.0 Introduction: Defining Harrah's Strategic Path**

This document presents a strategic plan for the establishment of a Parks and Recreation Authority in Harrah, Oklahoma. It is framed not as a plan for public amenities, but as a pivotal economic development strategy for the city. The plan outlines a deliberate shift from a traditional residential growth model—which often strains municipal finances—to a more fiscally sustainable, visitor-centric economic engine. By leveraging the significant, yet largely untracked, youth sports economy, Harrah has a unique opportunity to generate substantial new revenue, enhance quality of life for its residents, and secure its long-term financial health.

The core thesis of this strategy is built on a clear-eyed assessment of both statewide market dynamics and Harrah's unique position within that market.

“Harrah is not in the USSSA gameplan today—and that is our advantage. We can learn from a 20-year, statewide forensic study of youth sports finance and build a Parks & Recreation Authority that captures visitor spending, protects families, and grows sales tax without over-building rooftops.”

This plan will proceed by first establishing the fiscal rationale for a visitor-centric model, followed by an analysis of the specific market opportunity in youth sports. It will then detail the proposed governance structure of a Parks & Recreation Authority, present the projected economic impacts, and conclude with a clear, actionable implementation roadmap for city leadership.

### **2.0 The Strategic Imperative: A Visitor-Centric Fiscal Model**

A successful municipal development strategy must be aligned with the city's actual revenue structure. An analysis of Harrah's fiscal reality demonstrates that a visitor-focused approach is a financial necessity, not an option. This section details the limitations of a residential growth model and contrasts it with the high-yield, low-cost impact of visitor spending.

#### **2.1 Analysis of Harrah's Municipal Revenue Structure**

Like most Oklahoma municipalities, the City of Harrah is heavily reliant on sales tax to fund its general operations. The combined sales tax rate is 8.50%, of which a significant 4.00% is allocated directly to the City of Harrah. For comparison, a city like Moore derives approximately 64% of its general revenue from sales tax, highlighting its critical importance over property tax for funding core services.

This financial structure exposes the fiscal limitations of a residential-focused ("rooftop") growth strategy. Statewide data reveals that approximately 68% of property tax revenue is allocated to schools, not to municipal general funds. Therefore, while new housing developments increase the demand for city services—roads, water, sewer, police, and fire—they contribute minimally to the budget required to provide them.

# Strategy for a Parks & Recreation Authority in Harrah, Oklahoma

## **2.2 Comparative Fiscal Impact: Visitors vs. Rooftops**

Decades of "cost of community services" studies confirm this fiscal imbalance. These analyses consistently show that residential development costs a city more in services than it generates in direct municipal revenue. The fiscal logic for Harrah is therefore straightforward and compelling when comparing the cost of servicing a new home versus a day visitor.

"For a home the city is upside-down; for day visitors the city spends pennies per dollar of revenue."

This stark fiscal equation—net losses from rooftops versus net gains from visitors—makes the following analysis of the Oklahoma youth sports economy not just an opportunity, but a strategic necessity.

## **3.0 The Market Opportunity: Capturing the Oklahoma Youth Sports Economy**

A massive and lucrative youth sports economy already operates across Oklahoma. This market is characterized by cash-intensive transactions, opaque financial flows, and minimal municipal oversight. Its current "off-ledger" structure represents a significant, untapped revenue source for a municipality willing to create a transparent and accountable alternative. Harrah is uniquely positioned to capture this market.

### **3.1 Quantifying the Untapped Market**

Statewide forensic research, including data compiled for filings with the Oklahoma Attorney General, reveals the staggering scale of this economy. The data demonstrates a well-established, multi-million-dollar industry that routes money from Oklahoma parents through a network of contractors and into Florida-based entities, with little financial benefit returning to the host communities whose public facilities are being used.

- \$34,000,000+ in USSSA team entry fees have flowed through Oklahoma tournament events between 2001 and 2025.
- \$11,547,043 in USSSA registration fees were paid by Oklahoma consumers from 2016 to 2023.
- \$7,738,780 was paid to umpires in cash, often with little to no 1099 tax reporting.

### **3.2 Deconstructing the "Oklahoma Youth Sports Business Plan"**

The prevailing business model mirrors patterns seen in federal RICO cases: cash-intensive, off-ledger income riding on public facilities, with weak or nonexistent municipal oversight.

A key mechanism driving this model is the "Sunday Profit" dynamic. Research shows that Sunday, the final day of a typical weekend tournament, accounts for 28-35% of total tournament revenue. Tournament formats are deliberately structured to ensure no team is eliminated before Sunday, protecting this critical revenue stream—even when that means manipulative weather policies or forfeits designed to prioritize cash over the experience of families.

# Strategy for a Parks & Recreation Authority in Harrah, Oklahoma

## 3.3 Harrah's Unique Strategic Advantage

Harrah's current position—being largely outside this established network—is its primary strategic advantage. Instead of needing to unwind entrenched interests and opaque contracts, Harrah can design a transparent, modern system from the ground up. This allows the city to capture entirely new money and market share, positioning itself as the clean and accountable alternative for families and teams. To capitalize on this opportunity, however, a new governance structure is required.

## 4.0 The Governance Solution: The Harrah Parks & Recreation Authority

A Parks and Recreation Authority, established as a public trust, is the ideal governance tool to achieve Harrah's strategic objectives. This structure provides the financial power, operational leverage, and public transparency that a conventional city parks department inherently lacks, making it the superior vehicle for executing this visitor-centric economic strategy.

Capability	Strategic Advantage for Harrah
Financing Power	Issue revenue bonds backed by project income (e.g., tournament fees, rentals), not city credit. Leverage state programs like the Oklahoma Tourism Development Act.
Governance & Transparency	Governed by an independent board with mandated GAAP-compliant, publicly reported financials on all revenue streams, eliminating opaque cash handling.
Operational Leverage	Contract with professional operators while maintaining full auditability of all payments. Prohibit personal Venmo, cash-only gates, and off-ledger transactions.
Grant Eligibility	Positions Harrah as an accountable partner for federal, state, and philanthropic grants from foundations like Love's, Avedis, and Farley.

Notably, the City of Harrah already possesses a proven legal framework for this structure in its existing Industrial & Economic Development Trust. This provides a familiar and efficient model for establishing the new Parks & Recreation Authority. This Authority would be designed specifically to capture and manage the diverse revenue streams generated by its new assets.

## 5.0 Economic Model: Revenue Streams & Projected Impact

This section provides the financial justification for creating the Authority by detailing the diverse revenue streams it can capture and presenting data-backed projections on its direct income and broader regional economic impact. The Authority's purpose is not to invent a market but to professionalize an existing one for the benefit of Harrah's citizens and finances.

“Our goal is not to create the tournament economy—it already exists. Our goal is to move it from opaque, off-ledger cash to transparent, Authority-managed revenue that supports Harrah's parks, facilities, and kids.”

# Strategy for a Parks & Recreation Authority in Harrah, Oklahoma

## **5.1 Projected Direct Revenue & Economic Impact**

Economic models based on comparable facilities and market data provide a clear picture of the financial potential.

• **Indoor Facility Potential:** A modern indoor training facility could generate an estimated \$873,600 per year in cage rental revenue alone, with a projected payback period of approximately two years on a \$1.13 million facility.

• **Event Model Potential:** A full-scale event complex, based on the "Baseball Heaven" model, projects approximately 1.5 million per year in entry fees and 3.2 million per year in total event income, generating an annual regional economic impact of \$22.9 million.

• **Localized Impact Model:** A more localized model for the Pottawatomie County region projects a ~\$4.8 million 5-year local economic impact from hosting just 70 events per year.

## **5.2 Authority-Managed Revenue Streams**

The Authority will be structured to manage a portfolio of revenue streams, ensuring financial stability and growth.

- Tournament & Event Revenues
  - Entry fee share per event
  - Digitally controlled gate and parking fees
  - Concessions and third-party vendor leases
  
- Year-Round Indoor Facility Revenues
  - Cage and athletic space rentals
  - Team practices and camps
  - Private events (e.g., birthday parties, corporate leagues)
  
- Sponsorship & Partnership Revenues
  - Facility and field naming rights
  - Scoreboard and digital branding partnership
  - Indirect Municipal Revenue Uplift
  - Increased visitor spending at local restaurants, gas stations, and retail stores, contributing directly to Harrah's 4% city sales tax base.

This strong financial case provides a compelling justification for the initial investment and demonstrates a clear path to self-sustainability and municipal profit. This vision can be realized through a clear, step-by-step implementation plan.

# Strategy for a Parks & Recreation Authority in Harrah, Oklahoma

## 6.0 Implementation Roadmap: A Four-Phase Approach

A successful strategy requires a clear, sequential, and actionable plan. This section provides a four-phase roadmap for the Harrah City Council to follow, moving this concept from initial briefing to a fully operational and revenue-generating Parks & Recreation Authority.

### **1. Phase One: Acknowledge and Learn**

The first step is to establish a shared understanding of the market opportunity and risks. The City Council should convene a workshop to review the "Integrity of the Game" findings. This presentation will include data on the 34M+inUSSSAteamentryfees\*\*,the\*\*11.5 million in statewide USSSA registration fees, the \$7.7 million in un-reported cash umpire payments, the parallels to federal RICO cases, and the "Sunday Profit" dynamics. The goal is not to investigate past issues elsewhere, but to emphasize how Harrah has a clean slate and can design a transparent, best-in-class system from day one.

### **2. Phase Two: Form the Harrah Parks & Recreation Authority**

Using the city's existing Industrial & Economic Development Trust as a legal template, the Council will move to formally establish the Parks & Recreation Authority. The trust indenture for the new Authority must be drafted with specific provisions that mandate open, GAAP-compliant financial reporting; explicitly prohibit personal cash handling by directors or contractors; and require formal 1099 reporting for all service providers, including umpires.

### **3. Phase Three: Build the First Flagship Asset**

The strategy begins with a manageable, high-return-on-investment project: a year-round indoor training facility. The financial case for this asset will be built using the proven Indoor Sports Hub and Baseball Heaven economic models, demonstrating its rapid payback potential and sales tax uplift. Primary financing will be secured through a combination of vendor/manufacturer financing, Authority-issued revenue bonds backed by projected income, and targeted applications for state programs like the Oklahoma Tourism Development Act.

### **4. Phase Four: Integrate into a Regional "Visitor Belt" Strategy**

With the first asset operational, the final phase focuses on positioning Harrah within the regional tourism ecosystem. The Authority's facilities will be marketed to capture visitor traffic flowing along Highway 62 and Interstate 40. The long-term vision is to establish Harrah as the premier "family tournament hub for the eastern OKC metro," with a parks system built on a transparent economic model that benefits the entire community.

This roadmap provides a practical and phased approach to achieving a transformative economic goal for the city.

## 7.0 Conclusion: A Fiscally Sound and Transparent Future for Harrah

This strategic plan presents Harrah's leadership with a definitive choice. It is not a choice between having parks or not having parks, but a choice between two fundamentally different futures: one that continues down the path of a fiscally draining residential growth model, or one that embraces a revenue-generating, visitor-centric model designed for the 21st-century economy. By establishing a Parks & Recreation Authority, Harrah can capture a significant portion of an existing multi-million-dollar market, create superior amenities for its own residents, and build

# Strategy for a Parks & Recreation Authority in Harrah, Oklahoma

a more prosperous fiscal future on an unshakable foundation of transparency and public accountability. This is a decision about the next decade of Harrah's fiscal identity. By choosing this path, the Council is not merely building parks; it is building a resilient and self-sufficient economic future for the city.

## The Hidden Money in Youth Sports: An Oklahoma Case Study

### Introduction: More Than Just a Game

*Youth sports are a celebrated part of community life, bringing families together for weekends of teamwork and competition. But behind the cheering crowds and dugout chatter, a complex and often problematic business model is at work. This document will explain this "shadow system"—a term for the cash-heavy, off-the-books financial network operating behind the scenes of youth sports. Our goal is to explain, in simple terms, how this business model works in Oklahoma, where the money goes, and why it creates risks for towns and families.*

### 1. Following the Money: The Shocking Scale of Youth Sports

To understand the problem, we first need to see how much money is involved. Statewide research in Oklahoma reveals a financial system operating with very little public visibility.

Here are the key financial data points from that research:

• **\$11,547,043:** This is the amount Oklahoma families paid in USSSA registration fees between 2016 and 2023.

• **\$7,738,780:** This is the amount paid to umpires in cash during that same period, often with little to no 1099 tax reporting.

• **\$34,000,000+:** This is the total estimated flow of team entry fees through Oklahoma USSSA tournament events between 2001–2025.

These figures show that this is not a small-time operation; it's a major financial system. Crucially, much of this money is routed from Oklahoma families through a network of contractors to national organizations in other states, like Florida, with little financial transparency in the host communities. With so much money at stake, a specific business model emerged to maximize profits, known as the "Sunday Profit" model.

# Strategy for a Parks & Recreation Authority in Harrah, Oklahoma

## 2. The "Sunday Profit" Model: How Tournaments are Designed for Cash

The "Sunday Profit" model is a business strategy designed to ensure that the most profitable day of a tournament—Sunday—is always packed with teams and families spending money.

### Here is how the model works:

**1. Guaranteed Games:** Tournaments are often structured as "3 Game Guarantee" (3GG) or "4 Game Guarantee" (4GG). This means no team is eliminated from the tournament before Sunday, regardless of how they perform.

**2. Maximizing Sunday:** This structure protects Sunday's revenue from gate fees and concession sales. According to a forensic analysis of one tournament complex, this final day accounts for 28-35% of the total tournament income.

**3. The Result:** The primary focus shifts from fair competition to ensuring the tournament's final day is as profitable as possible. This can even lead to manipulative weather policies designed to keep games going and revenue flowing.

This profit-focused model relies heavily on a key ingredient: off-the-books cash payments.

## 3. The Problem with Cash: Why "Off-Ledger" Payments are Risky

An "off-ledger" payment is one that is not officially recorded or tracked in a transparent accounting system. In these tournaments, large sums of money, particularly for umpires, are handled this way. The table below compares a standard, transparent system with the "shadow" system found in Oklahoma youth sports.

A Transparent System ✓	The "Shadow" Cash System ✗
Payments via check/direct deposit.	Umpires are paid 55–60 per game in cash.
The league or city issues a 1099 tax form.	There is little to no 1099 reporting.
Payments are recorded, audited, and taxed.	Payments are untraceable and unaccounted for.
Background checks are standard.	Background checks are often skipped.

This reliance on untracked cash creates several serious risks:

• **Lack of Accountability:** When money is untraceable, it becomes much easier for fraud, mismanagement, or theft to occur without anyone noticing.

• **Lost Community Revenue:** This money often flows out of the community (in this case, to a national headquarters in Florida) without being properly taxed or reinvested in local parks and programs.

# Strategy for a Parks & Recreation Authority in Harrah, Oklahoma

• **Legal Dangers:** The source document notes that these patterns of using cash and wire transfers to hide income are the building blocks for serious federal crimes like wire and mail fraud, money laundering, conspiracy, and honest services fraud.

These internal problems create significant risks for the Oklahoma towns and cities that host these events.

## 4. The Burden on Our Towns: Public Parks, Private Profit

So who pays for the fields, the lights, and the upkeep? And who ultimately profits? This is where the fundamental imbalance of the system becomes clear. Local communities pay to build and maintain the sports facilities, but private tournament operators often reap the profits with very little oversight.

The source document synthesizes this entire business model into one stark conclusion:

"This is the Oklahoma Youth Sports Business Plan: Cash-intensive, off-ledger income riding on public facilities, with weak or nonexistent municipal oversight."

This is a bad deal for a host city like Harrah. In Oklahoma, cities are funded primarily by sales tax, not property tax. When tournament visitors come to town and spend money on gas, food, and hotels, that spending should generate sales tax revenue that benefits the city. Essentially, the "shadow system" of cash payments allows private operators to profit from public parks while ensuring the community that paid for those parks never sees the full, taxable benefit of the economic activity it hosts.

Understanding these issues is the first step toward creating a better and fairer system for everyone involved.

## 5. Conclusion: Why This Matters to You

The core problem is not youth sports itself, which provides incredible value to kids and communities. The problem is the opaque and unaccountable business model that has grown around it, prioritizing private profit over public benefit.

As you think about how money and community intersect, here are the three critical lessons to take away from this case study:

**1. Vast, Untracked Money:** An enormous amount of money flows through youth sports, but much of it is handled in cash, outside of transparent accounting systems that ensure fairness and accountability.

**2. Profit Over People:** The "Sunday Profit" business model is engineered to maximize revenue for tournament operators, not necessarily to provide the best competitive experience for kids or to benefit the host community.

# Strategy for a Parks & Recreation Authority in Harrah, Oklahoma

**3. Community Risk:** When public parks are used for private profit without proper financial oversight, cities lose out on essential revenue and expose themselves to serious legal and financial risks.

## The "Visitors vs. Rooftops" Secret: How Cities Really Make Money

### 1. Introduction: The Common Misconception About City Growth

For a city like Harrah, Oklahoma, the path to a healthier budget isn't just about building more houses. It's about understanding a crucial secret of municipal finance: the difference between "Visitors" and "Rooftops."

The common belief is that more houses mean more residents, more tax money, and a stronger city. But what if this isn't the full story? This analysis reveals the "Visitors vs. Rooftops" concept, a vital principle for our financial strategy. It explains the surprising reason why the money spent by a weekend visitor is often far more valuable to a city's day-to-day budget than the taxes generated by a brand-new home.

### 2. How Your City Actually Pays Its Bills

To understand the "Visitors vs. Rooftops" model, we first need to look at how a city government like Harrah really funds its services. Most municipal governments have two primary sources of revenue: Sales Tax and Property Tax. However, they don't contribute to the city's wallet in the way you might think.

#### **2.1. The Power of Sales Tax**

In Oklahoma, sales tax is the lifeblood for most cities' day-to-day operations. Harrah's 4% city sales tax is the primary revenue source that goes into the city's "general fund," which pays for essential services like police, fire departments, and parks. The reliance on this revenue is significant—cities like Moore get about 64% of their general revenue from sales tax. This makes the source of that sales tax a critical strategic question for Harrah.

#### **2.2. The Surprise About Property Tax**

Here is the most common misunderstanding about city finance. Most people assume that the property taxes they pay on their homes go directly to the city to fund local services.

In reality, the vast majority of that money is designated for something else entirely. Statewide, about 68% of property tax revenue goes to schools, not to municipal general funds.

This single fact changes everything for our financial strategy. Because sales tax—not property tax—is the primary fuel for Harrah's operational engine, the source of that spending becomes critically important for the city's financial health.

# Strategy for a Parks & Recreation Authority in Harrah, Oklahoma

## 3. The "Rooftops" Problem: The Hidden Costs of New Homes

When a new house is built, it seems like a clear win. But from a purely financial perspective, each new "rooftop" brings with it a long list of expensive, long-term obligations for the city.

For every new household, the city must provide and maintain:

- Roads
- Water and sewer lines
- Police and fire protection
- Parks and recreation
- Stormwater drainage

Studies on the "cost of community services" consistently show that residential development is often a net financial loss for a city. For every dollar in tax revenue a new home generates for the city's general fund, it can demand more than a dollar in services. This creates a structural deficit where growth actually strains the city budget.

The math for the city is stark:

"For a home the city is upside-down..."

This financial drain from residential services stands in sharp contrast to the simple, profitable revenue generated by visitors.

## 4. The "Visitors" Advantage: High-Benefit, Low-Cost Revenue

Now, consider a visitor. A family drives into town for a weekend sports tournament, a festival, or just to shop and dine. They spend money at local restaurants, gas stations, and stores, paying sales tax with every transaction. That sales tax revenue flows directly into Harrah's general fund.

Crucially, these visitors generate this revenue without requiring the city to provide long-term, high-cost services. They don't enroll children in local schools, require new roads to be paved to their homes, or need new water lines connected. Their impact on city infrastructure is minimal and temporary, which makes visitor spending incredibly efficient for a city's budget.

"...for day visitors the city spends pennies per dollar of revenue."

The scale of this visitor economy is massive. In Oklahoma, visitors spent \$10.1 billion in 2021, generating huge tax revenues. This massive visitor economy is not just for large cities. For Harrah, specific economic models for assets like indoor sports facilities show how this statewide spending can be captured locally, generating millions in regional economic impact.

This sets up a clear choice: pursue revenue that costs more than it brings in, or pursue revenue from an existing, untapped visitor economy that is nearly pure profit.

# Strategy for a Parks & Recreation Authority in Harrah, Oklahoma

## 5. Side-by-Side Comparison: Visitors vs. Rooftops

Let's break down the financial impact of a new "Rooftop" versus a "Visitor" with a direct comparison.

Financial Metric	New "Rooftop" (Resident)	Day "Visitor" (Tourist)
Primary Revenue for City	Minimal, property tax mostly goes to schools	Direct, via sales tax on spending
Cost of Services to City	High: roads, water, police, fire, parks	Very Low: minimal use of services
Net Financial Impact	Often a net loss, costing >\$1 for every \$1 in revenue	A net surplus, costing pennies for every \$1 in revenue

The table makes the financial logic clear: a strategy focused on attracting visitors can be a far more effective way to increase city revenue than one focused purely on building houses.

## 6. Conclusion: Why a Visitor-Focused Strategy is a Smart Move

The "Visitors vs. Rooftops" model provides a powerful lesson for Harrah. While new homes are essential for a community to grow, they are not a silver bullet for solving a city's budget challenges. Due to the high cost of services and the structure of property taxes, residential growth is often a financial drain.

In contrast, a strategy focused on attracting visitors offers a more direct and efficient path to funding the police, parks, and public works that all residents depend on. This financial logic points toward a clear strategic imperative: investing in tourism-driving assets to capture high-value sales tax dollars without the associated long-term costs.

Every family that drives in for a weekend tournament brings new dollars to Harrah's sales tax base. Every new house adds long-term service costs with limited new city revenue.

# Strategy for a Parks & Recreation Authority in Harrah, Oklahoma

## The Hidden Money in Youth Sports: An Oklahoma Case Study

### **Introduction:** More Than Just a Game

Youth sports are a cornerstone of many American communities, celebrated for teaching teamwork, discipline, and healthy competition. But behind the cheering crowds and weekend games, a complex and often problematic business model has taken root. This "shadow system" operates with little public oversight, moving vast sums of money in ways that can create significant risks for families and the very towns that host these events.

This document will explain, in simple terms, how this business model works in Oklahoma, where the money goes, and why it's a critical issue for local communities to understand and address.

### 1. Following the Money: The Shocking Scale of Youth Sports

To understand the problem, we first need to appreciate the sheer volume of money flowing through this system. Data from a multi-year forensic study of youth sports finance in Oklahoma reveals a massive, largely hidden economy.

Here are some of the key financial figures:

- \$11,547,043: The amount Oklahoma families paid in USSSA registration fees alone between 2016 and 2023.
- \$7,738,780: The amount paid to umpires in cash during that same period, often with no tax reporting.
- \$34,000,000+: The total amount of team entry fees that have flowed through Oklahoma USSSA tournament events (2001–2025).

These numbers make one thing clear: this isn't a small-time operation run on volunteer spirit. It's a major financial system operating with very little public visibility. With so much money at stake, a specific business model emerged to maximize profits, known as the "Sunday Profit" model.

### 2. The "Sunday Profit" Model: How Tournaments are Designed for Cash

The "Sunday Profit" model is a business strategy designed to ensure that the most profitable day of a tournament—Sunday—is always packed with teams, families, and their wallets. It works by prioritizing revenue over pure competition.

#### **Here are the core mechanics of the model:**

1. **Guaranteed Games:** Tournaments are structured as "3 Game Guarantee" (3GG) or "4 Game Guarantee" (4GG) events. This means that no team can be eliminated on Saturday, regardless of performance. Every team must return on Sunday, ensuring their families also return.
2. **Maximizing Sunday:** This structure protects the most critical day for revenue. Sunday accounts for a huge portion (28-35%) of total tournament income, which comes from gate fees and concession sales made to the captive audience of players and their families.

# Strategy for a Parks & Recreation Authority in Harrah, Oklahoma

**3. The Result:** The tournament's focus shifts from providing a fair competitive experience to guaranteeing a full park on Sunday. The source material notes this can even lead to manipulative weather policies designed to keep the games—and the cash flow—going.

This profit-focused model relies heavily on a key ingredient: off-the-books cash payments.

## 3. The Problem with Cash: Why "Off-Ledger" Payments are Risky

An "off-ledger" payment is one that is not officially recorded or tracked in a transparent accounting system. In these youth sports tournaments, cash is the primary tool for keeping money off the books, particularly when it comes to paying workers like umpires.

The table below compares a transparent financial system with the "shadow" system found in Oklahoma youth sports.

A Transparent System ✓	The "Shadow" Cash System ✗
Umpires are paid by check or direct deposit.	Umpires are paid 55–60 per game in cash.
The league or city issues a 1099 tax form.	There is little to no 1099 reporting.
Payments are recorded, audited, and taxed.	Payments are untraceable and unaccounted for.
Background checks for officials are standard practice.	Background checks for officials are often skipped.

This reliance on cash creates several serious risks:

• **Lack of Accountability:** When large amounts of cash are untraceable, it becomes much easier for fraud, mismanagement, or theft to occur without anyone noticing.

• **Lost Community Revenue:** This money is not properly taxed or reinvested locally. The source notes that this system routes parent money through various contractors and ultimately out of state to Florida without transparent accounting in Oklahoma communities.

• **Legal Dangers:** The patterns of using cash and wire transfers to hide income are alarmingly similar to the patterns of wire fraud, money laundering, and conspiracy investigated in federal RICO cases.

These internal problems create significant risks for the Oklahoma towns and cities that host these events.

# Strategy for a Parks & Recreation Authority in Harrah, Oklahoma

## 4. The Burden on Our Towns: Public Parks, Private Profit

The fundamental problem for communities is an imbalance of cost and benefit. Towns and cities use public funds to build and maintain sports facilities, but private tournament operators often reap the profits without proper financial oversight or benefit to the community.

### **The source documentation puts it bluntly:**

"This is the Oklahoma Youth Sports Business Plan: Cash-intensive, off-ledger income riding on public facilities, with weak or nonexistent municipal oversight."

This is a bad deal for a city like Harrah. In Oklahoma, cities are funded primarily by sales tax, not property tax. In fact, about 68% of property tax revenue goes to schools, not to municipal general funds. When tournament visitors come to town and spend money on gas, food, and hotels, that spending should generate sales tax revenue that benefits the city's budget. However, the "shadow system" diverts the core tournament revenue (gate fees, concessions) away from public view. This financial reality means that when a system diverts sales-generating activity into an untracked cash economy, it directly defunds the very city services—like park maintenance, police, and fire departments—that make the tournaments possible.

Understanding these issues is the first step toward creating a better and fairer system for everyone involved.

## 5. Conclusion: Why This Matters to You

The core issue is not youth sports itself, but the opaque and risky business model that has been built around it. A system designed for private profit maximization has been allowed to operate on public property with minimal accountability.

For any student of civics or economics, there are three critical takeaways:

**1. Vast, Untracked Money:** An enormous amount of money flows through youth sports, but much of it is handled in cash, keeping it outside of transparent accounting systems and away from public benefit.

**2. Profit Over People:** The "Sunday Profit" model is engineered to maximize revenue for tournament operators, not necessarily to provide the best and fairest experience for kids or to benefit the host community.

**3. Community Risk:** When public parks are used for private profit without accountability, cities lose out on critical tax revenue and expose themselves to the legal and financial dangers of an untracked cash economy.

# Strategy for a Parks & Recreation Authority in Harrah, Oklahoma

## White Paper: The Visitor Dividend: Securing Municipal Revenue in Oklahoma's Youth Sports Economy

### 1.0 Introduction: The Hidden Liability in Public Parks

Across Oklahoma, a multi-million dollar youth sports tournament economy operates largely on public infrastructure, from municipal parks to community ballfields. For city leaders and economic development professionals, understanding this economy is a strategic imperative. It represents both a significant economic opportunity and, in its current form, a substantial and unmanaged fiscal risk to host municipalities. This dual reality—the promise of visitor spending versus the liability of an opaque, cash-based system—demands a new governance model.

This paper argues that the prevalent operational model in Oklahoma's youth sports industry siphons potential public revenue directly into private hands, creating a shadow economy with minimal transparency or accountability. This structure not only deprives communities of sales tax revenue and direct income from their own assets but also exposes them to significant operational and legal risks. In response, a public-trust authority model offers a transparent, fiscally responsible, and professionally managed alternative for cities to capture the full economic benefits of sports tourism. To fully appreciate this solution, one must first grasp the fundamental challenge of municipal finance in Oklahoma.

### 2.0 The Oklahoma Municipal Finance Equation: Visitors vs. Rooftops

A city's revenue model dictates its strategic priorities. In Oklahoma, a critical distinction shapes nearly all economic development decisions: the primary driver of municipal general funds is sales tax, not property tax. This reality fundamentally alters the fiscal logic of growth, placing a premium on attracting visitor spending over simply adding new residential developments.

The fiscal mechanics of Oklahoma municipalities reveal a deep dependency on sales tax.

- Statewide, approximately 68% of property tax revenue is directed to schools, not to municipal general funds that pay for core city services.
- The City of Moore, for example, illustrates this model clearly, deriving about 64% of its general revenue from sales tax collections.

This financial structure creates a challenging dynamic for residential growth. While new housing is often hailed as progress, it presents a fiscal illusion. In Oklahoma's tax environment, a "rooftop-centric" growth strategy is a path to long-term budget strain, as the cost of new municipal services—for roads, water, police, and fire protection—consistently outpaces the new revenue contributed to the city's general fund. This leads to a stark conclusion about the true cost of community services.

"For a home the city is upside-down; for day visitors the city spends pennies per dollar of revenue."

This fiscal reality forces a strategic re-evaluation of the youth sports ecosystem, which leverages public parks to attract precisely the kind of visitor spending cities need most.

# Strategy for a Parks & Recreation Authority in Harrah, Oklahoma

## 3.0 Anatomy of a Shadow Economy: The Youth Sports Tournament Model

To understand the fiscal risk to municipalities, one must first deconstruct the business model of the dominant youth sports tournament operators. This model is characterized by high cash flow, minimal transparency, and the systematic use of public facilities for private profit, creating a de facto shadow economy operating in plain sight.

Forensic analysis and public filings reveal the significant scale of this economy, which routes money from Oklahoma parents through a network of private contractors and into Florida without transparent accounting in Oklahoma communities.

- \$34M+ in USSSA team entry fees have flowed through Oklahoma tournament events between 2001 and 2025.
- \$11,547,043 in Oklahoma consumer USSSA registration fees were collected between 2016 and 2023.
- \$7,738,780 was paid to umpires in cash, with little to no evidence of 1099 reporting for tax purposes.

The operational mechanics of the tournament model are built around a concept known as the "Sunday Profit," which maximizes off-ledger cash collection and operates with little to no financial oversight.

- Sunday, the final day of a typical weekend tournament, accounts for a disproportionate 28–35% of total tournament revenue from gate fees and concessions.
- Umpires are typically paid 55–60 per game in cash, with no formal payroll system, tax reporting, or, in many cases, required background checks.
- Tournament formats, such as a "3 Game Guarantee" (3GG) or "4 Game Guarantee" (4GG), are strategically designed to ensure no teams are eliminated before Sunday, thereby protecting the most lucrative day of gate and concession revenue.

The systemic risks inherent in this model are substantial. A citizen complaint filed with the Oklahoma Attorney General formalizes these concerns, and a federal RICO feasibility analysis identified operational patterns in Oklahoma analogous to wire fraud, mail fraud, money laundering, conspiracy, and honest services fraud. This high-risk, off-ledger system creates a compelling case for a structured and transparent alternative.

# Strategy for a Parks & Recreation Authority in Harrah, Oklahoma

## 4.0 The Solution: A Framework for Transparency via a Public Trust Authority

The strategic objective is not to create a youth sports economy—it already exists, operating on public assets. The goal is to move it from opaque, off-ledger cash to transparent, Authority-managed revenue that benefits the community's parks, facilities, and families. A Public Trust Authority is the vehicle for this transformation, providing municipalities with financial and operational tools that a standard parks department fundamentally lacks. The table below contrasts the enhanced capabilities of a Public Trust Authority with those of a traditional municipal department.

Capability	Parks & Recreation Authority Advantage
Financing	Can issue revenue bonds backed by project revenues and leverage state incentives like the Oklahoma Tourism Development Act.
Governance	Operates with an independent board and is required to produce GAAP-compliant, public financial reports.
Operations	Maintains control of all financial transactions (digital payments, auditable systems) while still having the ability to contract with private operators.
Funding	Serves as an attractive, transparent partner for securing federal, state, and philanthropic grants.

By centralizing control over finances and operations, a Public Trust Authority is designed to capture and manage a diverse portfolio of revenue streams that are currently lost or uncollected.

• **Tournament Revenues:** Including entry fees, digital gate and parking fees, and vendor leases.

• **Indoor Facility Revenues:** Year-round income from cage rentals, team practices, camps, and private events.

• **Commercial Leases:** Formal agreements for concessions and on-site vendors.

• **Sponsorships & Naming Rights:** Monetizing assets like fields, scoreboards, and entire facilities.

• **Sales & Hotel/Motel Tax Uplift:** Capturing the secondary economic benefit of visitor spending at local restaurants, gas stations, and hotels.

This framework creates an accountable structure to convert a fiscal liability into a community asset, allowing a city to quantify and realize the true economic impact of its public parks.

# Strategy for a Parks & Recreation Authority in Harrah, Oklahoma

## 5.0 Quantifying the Opportunity: From Fiscal Drain to Economic Engine

By adopting a Public Trust Authority model, a municipality can convert the latent value of its public parks into a powerful and measurable economic engine. This engine is fueled by visitor spending, a high-yield revenue source that aligns perfectly with Oklahoma's municipal finance structure.

The macro-economic context of tourism in Oklahoma validates the scale of this opportunity.

- Statewide, visitors spent \$10.1 billion in 2021, generating significant tax revenues and supporting local jobs.
- In Oklahoma City alone, 24.5 million annual visitors generate \$2.8 billion in direct spending leading to \$4.6 billion in total economic impact and support over 35,000 jobs.

The methodology behind these large-scale figures is straightforward. As defined by parks and recreation economist Dr. John Crompton, the formula is: Economic impact = number of visitors × average spending per visitor × multiplier. This same principle allows for the precise modeling of sports tourism's local potential.

Economic models applied specifically to sports tourism demonstrate the direct financial potential for a municipality that successfully captures this market.

- Indoor Facility Model: A single indoor training facility can project \$873,600 per year in cage rental revenue alone, with an approximate 2-year payback on its construction.
- "Baseball Heaven" Event Model: A comprehensive outdoor tournament complex can project approximately 1.5 million per year in entry fees, leading to an estimated \$22.9 million in annual regional economic impact.
- Pottawatomie County Regional Model: A localized analysis projects a ~\$4.8 million 5-year local economic impact from hosting just 70 events per year.

This data reinforces the central value proposition for municipalities seeking sustainable revenue growth. It presents a clear choice between two very different development strategies and their corresponding fiscal outcomes.

"Every family that drives in for a weekend tournament brings new dollars to Harrah's sales tax base. Every new house adds long-term service costs with limited new city revenue."

The path from potential economic benefit to tangible fiscal results begins with implementing a governance structure capable of managing this opportunity professionally and transparently.

# Strategy for a Parks & Recreation Authority in Harrah, Oklahoma

## 6.0 Conclusion: Reclaiming Public Assets for Public Benefit

Oklahoma's youth sports economy represents a significant, yet largely untapped, source of municipal revenue. For decades, the value generated by publicly owned parks and sports complexes has been captured by private, unaccountable tournament operators, leaving host communities with the costs of maintenance and the risks of a cash-based shadow economy. The evidence is clear: this system fails to serve the public interest.

Municipal leaders now stand at a crossroads. They can continue to allow public facilities to fuel an opaque and high-risk system, or they can implement a Public Trust Authority to ensure transparency, accountability, and direct financial benefit to the community. By adopting this model, municipal leaders can move beyond subsidizing a shadow economy and place their communities on the right side of fiscal history, ensuring public assets deliver maximum public benefit.

## 4 Counter-Intuitive Lessons on Small-Town Economics from a City Manager's Playbook

### Introduction: The Growth Trap

The conventional wisdom for a small town's path to prosperity is simple: build more houses. More rooftops, it is assumed, lead to a larger tax base and a healthier budget. But what if the fiscal math directly contradicts that assumption?

For many communities, the cost of servicing new homes outweighs the revenue they generate, creating a cycle of fiscally unsustainable growth. A deep dive into the finances of one small Oklahoma town, Harrah, reveals a surprising and more powerful strategy for growth—one centered on attracting visitors, not just new residents. The analysis uncovers four key takeaways that challenge long-held assumptions and offer a new playbook for small-town economic development.

### 1. More Houses Can Actually Weaken a City's Budget

For many Oklahoma municipalities, the fiscal reality is counter-intuitive: sales tax, not property tax, is the primary source of operating revenue. A city like Moore, for example, gets approximately 64% of its general revenue from sales tax. When a new house is built, the property taxes it generates don't flow into the city's general fund to pay for police, fire, and road maintenance. Statewide, about 68% of property tax revenue goes directly to schools.

This revenue mismatch creates a structural deficit for the city. Municipalities take on the long-term costs of providing services—roads, water, sewer, and public safety—for each new household. Numerous "cost of community services" studies have shown that residential development often costs a city more than \$1 in services for every \$1 of revenue it generates. In contrast, spending by commercial enterprises and visitors produces a net surplus.

This fundamental imbalance is captured in a stark assessment of the financial trade-offs:

# Strategy for a Parks & Recreation Authority in Harrah, Oklahoma

"For a home the city is upside-down; for day visitors the city spends pennies per dollar of revenue."

This reality forces a critical strategic shift. To build a resilient financial future, a town's focus must move from a "rooftop-centric" model to a "visitor-centric" one.

## 2. The Weekend Youth Sports Tournament Is a Multi-Million Dollar Shadow Economy

The youth sports economy in Oklahoma is a massive, cash-heavy system operating with minimal municipal oversight, often on public facilities. This system, which a citizen complaint to the Oklahoma Attorney General alleges routes parent money through private contractors into Florida without transparent accounting, operates as a shadow economy. A forensic analysis of just the USSSA (United States Specialty Sports Association) system reveals the staggering scale of the money involved:

- \$34M+ in team entry fees have flowed through Oklahoma tournament events (2001–2025).
- \$11.5M+ in Oklahoma consumer USSSA registration fees were collected (2016–2023).
- \$7.7M+ was paid to umpires in cash, often with little to no 1099 tax reporting.

The business model is built on what can be called the "Sunday Profit." Tournament formats are deliberately structured to guarantee teams play into Sunday, which accounts for 28-35% of total tournament revenue, ensuring gate and concession sales are maximized. The strategic goal for a community like Harrah is not merely to capture revenue, but to insulate itself from the legal and financial risks of a system that, according to legal analysis, mirrors patterns of wire fraud and money laundering.

"Our goal is not to create the tournament economy—it already exists. Our goal is to move it from opaque, off-ledger cash to transparent, Authority-managed revenue that supports Harrah's parks, facilities, and kids."

## 3. For Towns on the Sidelines, Being Left Out Is a Major Advantage

Harrah is not currently a core node in the established USSSA tournament network. While this might seem like a weakness, it is actually a significant strategic advantage. Harrah is close enough to the existing tournament hubs in Choctaw and Shawnee to be a viable competitor, but it is not "deeply captured" by the entrenched operators and problematic contracts that dominate those areas. This "outsider" status provides a rare opportunity.

1. The city can design a transparent, modern system from scratch instead of trying to reform entrenched, problematic contracts with existing tournament directors. It isn't burdened by legacy agreements or the political difficulty of unwinding them.
2. Any revenue generated from a new sports tourism initiative is new money for the city. It doesn't simply replace an existing, poorly structured income stream; it creates an entirely new one.

# Strategy for a Parks & Recreation Authority in Harrah, Oklahoma

This "blank slate" position allows a community to learn from the mistakes of others and build an economic engine that is accountable and beneficial from day one.

## 4. The Solution Isn't Just a New Department, It's an 'Authority'

To capture visitor spending effectively and transparently, the proposed solution is not a standard city parks department but a Parks & Recreation Authority. This public trust model, which can be directly mirrored on Harrah's existing Industrial & Economic Development Trust, is equipped with unique powers that a traditional municipal department lacks, making it the ideal tool for the job.

**1. Financing Power:** An Authority can issue its own revenue bonds backed by project income, such as tournament fees or facility rentals. This allows it to fund major capital improvements without putting the city's general fund or taxpayer dollars at risk. It can also leverage state programs like the Oklahoma Tourism Development Act to secure tax credits for new investments.

**2. Built-in Transparency:** An Authority is governed by an independent board and can be required to produce public, GAAP-compliant financial reports. This structure ensures accountability for every dollar generated from entry fees, gate receipts, concessions, and sponsorships.

**3. Operational Control:** An Authority can manage its own money through auditable systems, eliminating the use of personal Venmo accounts or cash-only gates. It can contract with private operators for services like running tournaments without ever ceding financial control of the revenue.

This governance model is specifically designed to manage a visitor-based economy professionally, ensuring that the financial benefits are captured for the public good.

### **Conclusion:** From Rooftops to Revenue

The most viable path to prosperity for many small towns may not be paved with new residential subdivisions. Instead, it involves a deliberate shift from chasing residential growth to cultivating a visitor-based economy. The case of Harrah shows that by understanding the true fiscal dynamics at play, communities can uncover powerful, untapped revenue streams.

The key, however, is not just attracting visitors. It is having a transparent and accountable system in place—like a Parks & Recreation Authority—to ensure the financial benefits flow back to the community, supporting the parks, services, and quality of life for the residents who call it home.

What untapped economic engines exist in your community, and are they being managed to truly benefit the public?

# Strategy for a Parks & Recreation Authority in Harrah, Oklahoma

## Harrah City Manager & Parks Authority Study Guide

### Quiz

*Answer the following questions in 2-3 sentences, based on the provided source material.*

1. According to the document, why is sales tax revenue more critical to Harrah's municipal budget than property tax revenue?
2. What is the "Sunday Profit" concept and how does it influence tournament structure?
3. What is the estimated scale of USSSA-related financial flows in Oklahoma, according to the "Integrity of the Game" filings?
4. Explain the core fiscal argument for why a "visitor-centric" economic strategy is preferable to a "rooftop-centric" one for Harrah.
5. What are two key powers a Parks & Recreation Authority would possess that a standard municipal parks department typically lacks?
6. How does Harrah's current status as not being a "core node" in the USSSA network present a strategic advantage?
7. What specific, non-transparent payment practice involving umpires is highlighted in the research?
8. According to the "Baseball Heaven" event model, what is the projected annual regional economic impact of the full facility?
9. What are two specific financial transparency rules the proposed Authority's trust indenture would mandate?
10. The Federal RICO feasibility memo maps Oklahoma youth sports patterns to what classic predicate acts?

# Strategy for a Parks & Recreation Authority in Harrah, Oklahoma

## Answer Key

1. In Oklahoma, approximately 68% of property tax revenue is allocated to schools, not municipal general funds. Cities like Moore derive around 64% of their general revenue from sales tax, making it the primary source of operating income for Harrah.
2. The "Sunday Profit" concept refers to the finding that Sunday accounts for 28-35% of total tournament revenue. Tournament formats are structured to ensure no team is eliminated before Sunday, thereby protecting this significant portion of gate and concession income.
3. The research filings show over \$34 million in USSSA team entry fees flowed through Oklahoma tournament events between 2001 and 2025. Additionally, the filings document \$11,547,043 in Oklahoma consumer USSSA registration fees (2016-2023).
4. A "visitor-centric" strategy is preferable because visitors bring in new sales tax revenue with minimal service cost to the city. In contrast, a "rooftop-centric" strategy of building new houses adds significant, long-term costs for services (roads, water, police, fire) while generating little new city revenue, as most property tax goes to schools.
5. A Parks & Recreation Authority has the power to issue revenue bonds backed by its own project revenues and has greater eligibility for state programs like the Oklahoma Tourism Development Act. It also provides a structure for independent governance and GAAP-compliant financial reporting separate from the city's general fund.
6. Harrah's non-involvement is an advantage because the city can design a transparent, clean system from scratch without needing to unwind entrenched, opaque contracts. It can capture new tournament and facility revenue as entirely new money, rather than replacing an existing problematic income stream.
7. The research documents that umpires are typically paid 55–60 per game in cash, with no formal payroll system. This practice involves little to no 1099 reporting for an estimated \$7,738,780 paid to umpires between 2016 and 2023.
8. The full "Baseball Heaven" event model projects an annual regional economic impact of approximately \$22.9 million. This is generated from an estimated \$3.2 million in total annual event income.
9. The trust indenture would require open, quarterly public financial reporting and would explicitly prohibit personal cash handling by directors. It would also mandate formal 1099 reporting for all umpires and contractors.
10. The Federal RICO feasibility memo identifies potential predicate acts including wire and mail fraud, money laundering, conspiracy, and honest services fraud across multiple Oklahoma facilities.

# Strategy for a Parks & Recreation Authority in Harrah, Oklahoma

## Essay Questions

1. Explain the "visitors vs. rooftops" fiscal argument in detail. Use specific data points and concepts from the source context (e.g., property tax allocation, "cost of community services" studies, and sales tax reliance) to support the conclusion that Harrah should pursue a visitor-centric strategy.
2. Analyze the proposed Harrah Parks & Recreation Authority. What systemic problems in youth sports finance is it designed to solve, and what specific governance, financial, and operational tools detailed in the document does it provide to address them?
3. Based on the source material, describe the "Oklahoma Youth Sports Business Plan." Synthesize information regarding revenue scale, payment practices (umpire tariffs), tournament structure (Sunday Profit), and lack of oversight to paint a complete picture of the system the document critiques.
4. Outline the four-phase implementation roadmap for establishing the Parks & Recreation Authority and its first flagship asset. For each phase, explain its core objective and the key actions or data points that would be used to advance it.
5. How does the argument position Harrah's lack of deep involvement in the existing USSSA network as a "strategic advantage" rather than a weakness? Connect this position to the specific proposals for building a new, transparent system and capturing revenue that is not dependent on existing contracts or operators.

## Glossary of Key Terms

**Baseball Heaven & Indoor Sports Hub:** Economic models used to project potential revenue and regional economic impact for sports facilities in Harrah. The Baseball Heaven model projects ~\$1.5M/year in entry fees and a 22.9M annual regional economic impact, while the Indoor Sports Hub model projects a 4.8M 5-year local economic impact.

**Cost of Community Services Studies:** Research, attributed to Crompton and others, which shows that residential development often costs a municipality more in services (over 1) than it generates in revenue (1), while commercial and visitor spending tends to produce a net fiscal surplus.

**Hidden Valley Dataset:** A core set of data, along with follow-on work, that shows over \$34 million in USSSA team entry fees flowing through Oklahoma tournament events from 2001–2025. This dataset is a key piece of evidence in the analysis of youth sports finance.

**Integrity of the Game Filings:** A collection of documents, including a letter to a state senator and a citizen complaint to the Oklahoma Attorney General, that formalize concerns about the youth sports financial system. These filings detail large sums of money in registration fees and untracked cash payments to umpires.

## Strategy for a Parks & Recreation Authority in Harrah, Oklahoma

**Parks & Recreation Authority:** A proposed public-trust entity for Harrah designed to operate independently from a standard city department. It would have the power to issue revenue bonds, contract with operators while controlling finances, and implement transparent, GAAP-compliant accounting for all park-related revenue streams.

**RICO Feasibility Analysis:** A memo that maps the financial patterns observed in Oklahoma's youth sports system to predicate acts under the Racketeer Influenced and Corrupt Organizations (RICO) Act. These acts include wire and mail fraud, money laundering, and conspiracy.

**Rooftop-Centric Strategy:** An economic development approach focused on building more houses. The document argues against this for Harrah, as new homes primarily fund schools through property taxes while increasing the city's long-term costs for services like roads, water, and public safety.

**Sunday Profit:** An economic concept derived from the Hidden Valley data showing that Sunday accounts for 28-35% of a youth sports tournament's total revenue. This incentivizes tournament directors to structure formats (e.g., 3GG/4GG) to ensure no teams are eliminated before Sunday, protecting gate and concession sales.

**Trust Indenture:** The legal document that would create and govern the Harrah Parks & Recreation Authority. The proposed indenture would mandate open financial reporting, prohibit personal cash handling, and require 1099 reporting for contractors.

**Umpire Tariff:** A term used to describe the system of paying umpires, typically 55–60 per game, in cash with no formal payroll, benefits, background checks, or 1099 tax reporting. The research estimates \$7.7 million was paid this way from 2016-2023.

**Visitor-Centric Strategy:** The recommended economic development approach for Harrah, focused on attracting visitors through assets like sports facilities. This strategy is favored because visitors contribute directly to the city's primary revenue source (sales tax) while requiring minimal municipal service expenditure.