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# The Impact Of New Downtown Sports Facilities On Urban Revitalization

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**THE IMPACT OF NEW DOWNTOWN SPORTS FACILITIES ON URBAN  
REVITALIZATION**

**BY**

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for the degree of Master of Arts in Corporate and Public Communication  
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## Chapter I

### INTRODUCTION

Upon reflection of the atmosphere surrounding NCAA basketball tournament games being held in downtown Buffalo, New York in March 2000, D.G. Frey, (personal communication, September 9, 2000) remarks "The bars and restaurants were hopping. There were people milling around everywhere. People were pouring out of the subway. It was the first time I saw the place truly alive."

Across the United States, new sports facilities are being built at an astonishing rate. Between 1990 and 1998, 46 facilities were constructed or renovated for major league sports teams (Siegfried & Zimbalist, 2000). With an average cost of \$200 million, new facilities do not come cheap. However, cost has not affected demand, and teams are increasingly requesting public money to subsidize stadium construction.

A common denominator in rationale for a new stadium is revenue. Older stadiums were not constructed with an abundance of luxury suites that now fill whole levels of modern sports facilities. These luxury suites produce a hefty income which is generally retained by the sports franchise. A team is at an economic disadvantage if they do not generate substantial luxury suite income as it does not have to be shared amongst other teams in the league, as does television revenue and portions of gate receipts in some leagues. Cramped conditions are also cited as why older facilities are inadequate. More spacious environs can provide more room for concessions, souvenir sales, and club level seating for fans; all of which are priced at a premium. Besides facility improvements that

generate income, teams also stand to benefit from an increased market value due to playing in a new stadium (Laing 1996; Rosentraub, 1999).

The recent trend in new stadium construction has been to build them in the downtown area of cities. A reversal of the trend to move out to the suburbs that lasted for over 30 years, teams now want their stadiums to be in the center of their metropolitan area. Because teams are frequently asking for public funds to build these downtown sports centers, the idea has to be sold to both community leaders and the public. Downtown stadiums are usually heralded as the key to downtown redevelopment and urban revitalization to enlist public support. Supporters typically hire firms to conduct impact studies that determine the economic impact that a new stadium will have on the downtown area. As many urban centers have deteriorated over the past 40 years, the promise of revitalization is exciting.

These studies usually offer encouraging examples of how the city could benefit from a new stadium. Job growth-- not only from the stadium but also at restaurants and bars that would sprout up as a result of the sports facility-- is one way that supporters describe the positive effects. Another, increased spending downtown, is seen as a key ingredient in economic spillover. Simply getting people to return to the urban core for recreational purposes has also been considered a positive effect. Additionally, increased tourism and new business development are counted as results of a new stadium being built.

For a city that is trying to attract a team with a new facility, the stature of becoming a "major league" city is alluring. Many believe that creating a professional sports identity can lead to business relocation, tourism, and other positive exposure.

Also, for a city that has suffered through urban decline, bringing their team back from the suburbs into downtown could be seen as a sign of brighter things ahead.

As teams cite the economic impact that a new stadium will create, critics vehemently deny that a substantial positive impact exists. Those opposed to new stadium construction are often in that position because they believe that publicly funding a new stadium based on the supposed economic impact is unwise. Furthermore, stadium detractors point out that the threats made by teams that say they will leave the city unless a new stadium is built are a result of the monopolistic nature of the professional sports leagues. This monopoly results in "extortion" as there are more cities who want teams than there are existing teams, and owners know they can pick up and leave the city and move to another one that will build a stadium for them.

Critics of publicly-financed stadium development also question the validity of the arguments made by supporters who tout the economic impact from stadiums in the form of jobs and new spending by consumers. These critics contend that most of the jobs created are seasonal and low-wage, and that the new spending created by the presence of a stadium is money that would have been spent elsewhere had the stadium not been built.

#### Research Question

Can the development of a downtown sports facility lead to successful urban revitalization? This study explores the relationship between new sports facilities and the overall impact they have on the cities in which they are built.

#### Subsidiary Questions

1. How does the public feel about subsidizing stadium projects?
2. What is the formula for a successful stadium project?

### 3. Who receives the greatest benefit from new stadiums?

#### Purpose of the Study

As new stadiums are increasingly being proposed as solutions for energizing urban revitalization, the need to examine this ideology also increases. In addition to the impact that these facilities have on the cities in which they are constructed, the factors leading up to new stadium development have to be considered as well. Politics and motives are as integral to the process as are job creation and tourism.

With public monies usually in the balance, the question of whether a sports facility will have a significant impact on a city has evoked a rancorous debate. With economists on one side and stadium proponents on the other, this debate rages on as new sports facility construction continues. This study will weigh both the economic impact and intangible effects of new stadiums on their respective cities to assemble a composite picture of stadium development and its results.

#### Objectives

By examining both the existing literature and case studies, this study intends to determine the overall role that downtown stadium construction has in urban revitalization. Additionally, this study will gather from the research a set of criteria to be applied to potential sports facility sites and cities to evaluate their propensity for success. The study will be specifically applying the criteria to the proposed downtown arena construction in the city of Newark, New Jersey, to assess that city's potential for significant results from new sports facility construction. A focus survey concerning sports facilities and urban revitalization will also be conducted to ascertain the attitudes of a group of participants.



## Definition of Terms

1. Sports facility: A structure built for the main purpose of housing sporting events. For this study the buildings discussed will be those that mostly host baseball, football, hockey, and basketball contests. These structures may be indicated as stadiums, arenas, or ballparks. For this study the term "stadium" may also be used to describe all types of the facilities mentioned, unless otherwise noted.

2. Economic impact: "The net economic change in a host community that results from spending attributed to a sports event or facility" (Howard & Crompton, 1995, p. 83).

3. Urban revitalization: A concerted community effort, utilizing a confluence of social, civic, and grassroots leadership and support, dedicated towards invigorating commerce and progressive development within a focused city setting.

4. Ancillary development: Supplementary commercial growth that may be attributed to presence of sports facility. May include bars, restaurants, office space, or other attractions.

5. Major league: Term will be used in this study to describe the uppermost level in professional sports, limited to basketball, hockey, baseball, and football.

6. Multiplier: The ripple effect of money spent in a local economy.

7. Opportunity cost: "The value of the best alternative not taken when a decision to expend government money is made" (Howard & Crompton, 1995, p. 79).

8. Leakage: Money that slips out of the local economy. An example is players or employees of a team living outside of the local area.

9. Rail transit: For the purposes of this study will include subways, trolleys, commuter rail, and light rail systems.

### Limitations

A limitation of this study is that it includes only sporting facilities where major professional league teams play. The leagues include: the National Basketball Association, the National Hockey League, Major League Baseball, and the National Football League. The author acknowledges the substantial sports facility construction that is occurring in the lower levels of professional sports, especially Minor League Baseball. Individual lower-level facilities may be employed in the study on a limited basis.

## Chapter II

### HISTORY AND PERSPECTIVES OF URBAN SPORTS COMPLEXES

#### Classic Urban Sports Complexes

At the closing of the twentieth century, there are several stadiums that are consistently considered "classic" sports facilities, with some of them still in use today. Wrigley Field, the home of baseball's Chicago Cubs, was built in 1914 and continues to draw crowds. Located in the middle of a residential neighborhood, Wrigley is the second smallest ballpark in Major League Baseball, seating 39,000 (Barboza, 2000). The stadium evokes a sentimental feeling from baseball fans nationwide, who associate the park with an era gone by. Described as a national treasure (Hoffer, 1999), and a "symbol of old-fashioned baseball" (Barboza, 2000, p.11), Wrigley Field owns a place in baseball history.

Like many stadiums of its era, Wrigley Field has unique characteristics that set it apart from today's modern facilities. Trademark brick and ivy and a manual scoreboard are all components of Wrigley's originality (Hoffer, 1999). The stadium also has the only ban on corporate advertising on the field in Major League Baseball (Barboza, 2000). This ban is an anomaly in the current climate of professional sponsorships that has permeated all of the major sports leagues. Another distinctive feature at Wrigley is the fans who sit on rooftops around the stadium, demonstrating the residential nature of the area surrounding the ballpark.

Wrigley is considered a vital part of the neighborhood in which it sits. In his 1995 study of stadium impacts, Melaniphy (1996) considered Wrigley Field to have the

most positive impact on the surrounding area compared to the other stadiums he studied. When the area went into decline in the 1950's, it was Wrigley Field which continued to bring fans into the neighborhood who supported the local establishments (Melaniphy, 1996). These fans also appear to come win or lose. In 1999, the Cubs had the third best percentage of tickets sold (92%), even though the team finished last in their division (Barboza, 2000). Conversely, the cross-town Chicago White Sox, who are playing in the new Comiskey Park, have had disappointing attendance despite fielding good teams (Bess, 1996).

Unlike many suburban stadiums, Wrigley is not surrounded by parking lots. Barboza (2000) illustrates this by pointing out that a local convent has one of the largest parking lots in the Wrigley area. Mass transit also serves the stadium to get fans to and from games. The Cubs' owners presently have no plans for any major alterations to the stadium in the future.

As Nack (1999) called it the "richest repository of memories in American sports" (p.100), Yankee Stadium is also considered a classic ballpark. Completed in 1923, and rebuilt in 1973, the stadium located in the New York City borough of the Bronx has been the home to countless remarkable moments in sports history. Serving the New York Yankees baseball team has been the stadium's main function, though it has also hosted football games and boxing matches in its history.

Yankee Stadium's original seating capacity was 70,000 and was considered "the last word in ballparks" (Nack, 1999, p.100). The stadium has remained an active part of the South Bronx neighborhood where it was built. Though the neighborhood is now in decline, the stadium continues to be one of the most popular tourist attractions in New

York (Nack, 1999). Like Wrigley Field, Yankee stadium is also not completely surrounded by parking lots. Augmenting parking, a subway station provides convenient access for fans coming from all over the city and beyond. Though the stadium has been modernized, there have been discussions concerning the construction of a new facility. Team ownership would like to see a plan for revitalizing the surrounding area of the stadium if a new facility were constructed at the current location (Herszenhorn, 1999).

Fenway Park in Boston also serves as an example of a classic urban sports facility. Constructed in 1912, Fenway is the oldest and smallest ballpark in Major League baseball, only seating 33,871 (Symonds, 1999). The stadium has also served as a "spiritual blueprint" for the many retro-style baseball stadiums that have been built recently (Hoffer, 1999 p. 94). One distinctive quirk that Fenway is known for is the Green Monster, the 37 foot high wall in left field, a symbol of the stadium itself. Fenway Park is set right into the fabric of the neighborhood and can be reached by Boston's mass transit system.

Despite its history and character, Fenway is slated to be replaced by a new, modern ballpark. Cramped conditions and limited seating has made the hallowed stadium outdated (Symonds, 1999). Planners intend to recreate the Fenway atmosphere, including the Green Monster, with 10,000 additional seats and luxury suites. "The park's heritage may be priceless. But in today's game, a new stadium is worth a lot more than even the most nostalgic shrine" (Symonds, 1999, p. 42).

Two classic stadiums that are no longer in existence are the Polo Grounds and Ebbets Field. The Polo Grounds, which was located in upper Manhattan, was primarily home to the New York baseball Giants but also hosted the Yankees, football Giants, Jets,

and the Mets for a short time ("Winter ball", 2000). Its distinctive horseshoe shape gave the stadium a unique layout which provided for interesting plays. The stadium, located on eighth avenue, drew the city's elite, much like Madison Square Garden does today (Reidy, 2000).

In 1957, the New York Giants departed New York for San Francisco. The stadium was used sparingly from time to time and demolished in 1964. A similar fate happened 4 years earlier to its "famous brother", Ebbets Field (Reidy, 2000, p. 4). The home of the Brooklyn Dodgers, Ebbets Field served as an icon for the borough of Brooklyn. The "bandbox charm" of the stadium would soon be lamented as the Dodgers moved to Los Angeles and Ebbets Field was razed to build housing. Now the stadium has come to symbolize Brooklyn itself (Reidy, 2000).

Many of the classic urban sports facilities have consistent commonalities. They are what Bess (1996) has termed "traditional urban ballparks" (p. 27). "This means they are ballparks in traditional urban physical and cultural settings, located within mixed-use, pedestrian-friendly urban settings (typically neighborhoods) that included residential, commercial, and civic buildings" (p.27). These facilities were also "built up to the street, to the edges of their property lines, subject to and shaped in part by the physical constraints of the urban block on which they sat" (p.27). This shaping is what created many of the quirks and memorable idiosyncrasies of traditional urban ballparks.

These facilities also share a link in that they were all served by mass transit, specifically rail transit. Being constrained by city blocks meant limited parking and access, however, mass transit enabled volumes of fans to arrive at the stadium with minimal hassle. By being woven into the urban fabric of their neighborhoods, these

classic stadiums were and are synonymous with the area in which they were situated, and participated fully in the economic and social activity of the neighborhood.

### Suburban Development and Urban Decline

During the period following World War II, the traditional American city structure was revolutionized. What resulted was the suburban expansion and migration that has taken place over the last 50 years. A major impetus in this expansion was the automobile. As automobile ownership became more affordable, people were no longer required to live in the high-density cities to be near their place of employment (Utt, 2000). With the promise of new larger homes and more space, the exodus began as urban residents left the cities in droves for the suburbs.

Assisting in causing this substantial migration was the development of infrastructure. New highways being built gave automobile owners the ability to live out in lower-density areas and commute to work (Middleton, 1992). As people moved out to live in the suburbs, the service sector followed them as well (Utt, 2000).

As American urban economies became decentralized, the focus on the city as the center for economic and social activity decreased. Shopping malls, industrial parks, general office space, and housing were all being developed rapidly in the suburbs, drawing city residents away from the urban center (Walkup, 1998). Many suburbanites no longer relied on the center city to provide for employment, shopping, and entertainment opportunities as these functions had mostly been relocated out of the urban core.

With the suburbs becoming "self-sufficient," urban population began to decline. Nine of the former largest 20 cities east of the Mississippi River lost 20 percent or more

of their population since 1950 (Utt, 2000, ¶ 20). The expansion in the suburbs “undermined the fiscal health and economic viability of our urban centers” (New Jersey State & Redevelopment Plan, 2000, ¶ 2). With middle-class residents deserting their cities, the urban center became clusters of poor and downtrodden people. Inadequate services, schools, and policing continued to make the urban core undesirable as a place to live or work (Utt, 2000).

Sports facilities had also followed the trend and new arenas and stadiums began to relocate in the suburbs. Rosentraub (1999) pointed to the 1974 construction of the Richfield Coliseum in suburban Cleveland (for the basketball Cavaliers) as not only a symbol of the growing focus on the suburbs, but also as a racial divider. “The move of the Cavs to the suburbs, as well as the relocation of one of the region’s prime sites for hosting entertainment and regional recreation events, did little to dispel the view that Cleveland was becoming two cities, one black and one white” (p. 194). This scene was repeated in many other cities and contributed to the perception that the urban core was a place to avoid.

The 1970s were characterized by the replacement of urban sports complexes with suburban facilities that were surrounded by parking lots and near highways. This construction trend may have been hastened by the riots that occurred in many American cities in the 1960’s. Racial tension and inequalities had led to mob violence. Newark, New Jersey was a site of riots in the summer of 1967 that led to 1,400 arrests and 23 deaths (Gale, 1996). These kinds of riots resulted in urban apprehension and served to only increase the continuing flight of both residents and businesses to the suburbs (Utt, 2000).



## New Era of Downtown Stadium Construction

### Construction Trends

The new trend of stadium construction has been re-focused downtown (Bess, 1996). This new focus has been followed with a stadium boom. Between the years of 1990 and 1998, 46 new stadiums were constructed; some of them being renovations, for teams in the four major sports leagues. Furthermore, 49 major league sports facilities were either under construction or being planned at the end of 1999 (Siegfried & Zimbalist, 2000). Siegfried and Zimbalist (2000) further point out that "\$21.7 billion will be spent on these 95 stadiums and arenas built or planned since 1990" (p. 95).

This "stadium mania" (Baade & Dye, 1990, p. 1) has even spread to minor league baseball, where over 70 new stadiums have been constructed since the late 1980's (Koerner, 2000). In their 1997 landmark work Sports, Jobs, & Taxes, Noll and Zimbalist contend that roughly half of all major league sports teams are playing in a new stadium or expect to be in the coming years (p. vii).

New stadiums differ from their earlier, traditional counterparts in that they are much larger and are more expensive to build by two or threefold (Bess, 1996). In major league sports facility construction, a baseball or football stadium can now cost at least \$200 million (Noll & Zimbalist, 1997). Some sports facilities' projected construction costs have skyrocketed past Noll and Zimbalist's 1997 figures, as the Boston Red Sox have proposed a \$545 million new Fenway Park, which would become the costliest ballpark ever built (Symonds, 1999). The New York Jets have even proposed a new stadium for Manhattan's West-side which is estimated to cost \$1 billion. With the

current construction trend showing no signs of waning, the underlying causes for this boom need to be examined.

### Role of Luxury Seating in Stadium Development

What was called “a great concept” and the “wave of the future” in 1988 (Baade & Dye, 1988, p. 268) has become a common reality through the 1990s and into 2000. This reality has been the advent of luxury seating. Because of revenue sharing in the professional sports leagues (mostly through television and gate receipts), team owners have been seeking out different sources of revenue that don’t have to be shared amongst other teams, and they have found this source in luxury seating (Baade & Dye, 1988; Laing, 1996; Noll & Zimbalist, 1997; Rosentraub, 1999). Bess (1996) says that “without exception” the driving force in the recent stadium construction boom has been the pursuit of luxury seating income by teams (§ 11).

Luxury seating can take the form of luxury suites—also called executive suites or skyboxes, and also club seats, which have special amenities (Howard & Crompton, 1995). A new stadium can “maximize opportunities for revenue generation” (Zimbalist, 1998, p. 17), including substantial income from luxury seating. This income can amount to as much as \$250,000 a suite per year, as is the case at Boston’s Fleet Center, home of the Boston Celtics and Bruins (Laing, 1996). On an annual basis, revenue can amount up to the staggering \$25 million per year that the Toronto Blue Jays receive from luxury box rentals (Howard & Crompton, 1995).

Because this substantial potential income is exempt from league revenue sharing agreements, stadiums without luxury seating are being called “inadequate” by their respective teams in order to justify the demand for a new facility (Siegfried & Zimbalist,

2000, p. 98). Relatively new facilities have already been slated for replacement because of their lack of revenue generating luxury seating (Laing, 1996; Siegfried & Zimbalist, 2000). Stadiums of recent vintage such as the Charlotte Coliseum, Reunion Arena in Dallas, and the Miami Arena are already considered obsolete because they are deficient in ample luxury seating (Laing, 1996; Rosentraub, 1999). Siegfried and Zimbalist (2000) stress that "although the existing facilities are not physically obsolete, they are economically obsolete" (p. 98, see also Baade & Dye, 1990, p. 5).

In the NFL, large disparities in team income have occurred as a result of the luxury seating revenue and other stadium income sources that some teams benefit from. This gap furthers the claim that some teams need luxury suites (and usually a new stadium) in order to remain competitive (Rosentraub, 1999).

Howard and Crompton (1995) have pointed out that while a few teams have not had success in filling all of their luxury boxes (particularly the Detroit Lions and Seattle Mariners), the trend of using luxury seating as a "revenue generating strategy" shows no sign of slowing (p. 150). As a result, this strategy continues to result in plans for new stadium construction.

As generating additional revenue through luxury seating is the major impetus in the recent stadium boom, the appeal of existing facilities has played a small role in the desire for new stadiums. Some of the words used to describe endangered facilities may be the best way to gauge the stadium's lack of appeal. Much of the emotion centers around the "cookie cutter" designs of the 1960s and 1970s (Zimbalist, 1998, p. 17; Siegfried & Zimbalist, 2000, p. 95).

### Appeal of Facilities and the Camden Yards Era

The multi-purpose cookie cutter facilities have drawn the ire of many new stadium proponents. When discussing the stadium architectural trend dating to the 1960s and 1970s, Coffey (2000) says “the result was a series of soulless, symmetrical bowls of concrete, covered in carpet, stuck by an interstate, suitable for a variety of sporting events and pleasant for virtually none” (§ 10). Coffey goes on to quote a Pittsburgh Pirates official describing recently demolished Three Rivers Stadium as having “the personality of an ashtray” (§ 10).

Coffey (2000) contends that “the nation’s ashtrays were unappealing almost from the time their paint dried” (§ 11). Araton (2000) calls the cookie cutter era Meadowlands Complex in New Jersey an “antiseptic drive-in” (§ 17). The sentiments conveyed about these sports facilities have increased as “enchanted alternatives” have been constructed (§ 11).

The enchanting alternative that sparked the recent nostalgic stadium construction boom was the Camden Yards baseball facility in Baltimore (Coffey, 2000). The retro design and success of the area surrounding the ballpark has in effect become a catalyst for old-fashioned stadiums throughout the United States. According to Tierney (2000), when politicians are considering a new stadium for their city it is “customary to make a pilgrimage here to Oriole Park at Camden Yards” (§ 1).

In 2000, retro baseball stadiums in San Francisco, Detroit, and Houston opened their doors for the first time (Coffey, 2000). Baseball isn’t the only sport whose stadiums are being influenced by the Camden Yards design trend. Conseco Fieldhouse is the new

facility for the NBA's Indiana Pacers, which is modeled after a "1930s Hoosier hoop barn" (¶ 5).

Perhaps most ironical is that Boston's Fenway Park provided the inspiration for Camden Yards, and now there are plans to tear down the original Fenway and build a "new" Fenway (Symonds, 1999). Consequently, some are critical of the new stadium boom. "If there were no Camden Yards, there would be no talk of a new Fenway Park" (Gee, 2000, ¶ 1). This statement is indicative of the "stadium arms race" that has been escalating in the past decade (Laing, 1996, ¶ 16). Also described as "stadium wars" (Murphy, 1998, ¶ 7), the municipal envy that results from new stadium construction has led to more demands for new stadiums.

#### Attracting and Retaining Teams

Many municipalities are getting involved in stadium construction in order to attract a new team or retain the city's current team (Blair, 1997; Coates & Humphreys, 2000; Johnson & Whitehead, 2000; Robertson, 1995; Zimbalist, 1998). Cities trying to attract new teams usually believe that having a professional sports team will bring their city "big league" or "world class" status (Baade & Dye, 1988, 1990; Blair, 1997; Laing, 1996; Robertson, 1995; Rosentraub, 1999; Rosentraub, Swindell, Przybylski, & Mullins, 1994; Turner & Marichal, 1998). This big league status is said to have an economic impact on the city in which a professional team locates. The economic impact of stadiums is reviewed in Chapter III.

For cities that already have a professional sports team, the threat of losing a team is serious. The loss of a team could be seen as a symbol of a city in decline (Howard & Crompton, 1995; Turner & Marichal, 1998). Baade and Dye (1988) quote a Minnesota

official saying “it’s almost worse for a city’s image to lose a major league team than to never have one at all” (p. 266). Mahtesian (1998) provides similar sentiment from a Pittsburgh official: “There’s a big difference between never having a team and losing one” (p. 26).

People have a strong emotional attachment to sports teams (Rosentraub, 1999). This affinity can put politicians in a tough predicament. Turner and Marichal (1998) point out that no politician would want to carry the responsibility of losing a sports team, which may be viewed as the first indication of a declining local economy (p. 33). “A mayor’s political stock rises substantially if the mayor secures a professional sports presence and falls just as rapidly if his or her name is associated with the loss of a team” (Baade & Dye, 1988, p. 266). Furthermore the official that is presiding when a team leaves can have their reputation permanently tarnished and could also be labeled as inept (Howard & Crompton, 1995).

#### League Monopolies and Stadium Demands

With all of the pressures on local politicians to contribute public funds to stadium projects, it is crucial to understand where teams get their bargaining power. The four major sports leagues are monopolies that control the number of teams that are in existence (Baade & Dye, 1990; Coates & Humphreys, 2000; Howard & Crompton, 1995; Noll & Zimbalist, 1997; Rosentraub, 1999; Siegfried & Zimbalist, 2000; Zimbalist, 1998). This market power ensures that there are more cities that want professional sports teams than there are teams. The demand created by this imbalance facilitates team owners to engage in extortion against cities to receive new stadium public funding, lease deals, and other concessions (Baade & Dye, 1988; Coates & Humphreys, 2000;

Rosentraub, 1999; Siegfried & Zimbalist, 2000; Turner & Marichal, 1998; Zimbalist, 1998).

Because there are more cities that want teams than there are existing teams, the cities without major league teams become threats to existing professional sports cities (Noll & Zimbalist, 1997). When a team threatens to leave, cities then fight against each other and become involved in a “bidding war” to determine whether the team will remain in the host city or relocate (Bachelor, 1998, p. 97; Bess 1996; Coates & Humpreys, 2000; Howard & Crompton, 1995; Rosentraub 1999; Rosentraub et al., 1994; Siegfried & Zimbalist, 2000; Swindell & Rosentraub, 1998; Turner & Marichal, 1998). As competing cities are used as leverage for a team owner’s demands, the owner can wait out the inter-city battle to determine who will offer the best conditions and terms (Howard & Crompton, 1995).

St. Petersburg had been consistently used as a threat for baseball teams looking to get new stadiums. Both the Chicago White Sox and the San Francisco Giants have used the \$130 million stadium built by St. Petersburg as leverage for new stadium construction—resulting in both teams playing in new stadiums in their respective cities (Howard & Crompton, 1995; Rosentraub et al., 1994; Turner & Marichal, 1998). Murphy (1998) points out that teams usually get what they want. As more new stadiums are constructed, the fierce battle between cities accelerates (Baade & Dye, 1990).

Cities have learned that if they don’t meet the team’s demands, the team will depart for another city that will meet those demands (Bryjak, 1998; Rosentraub, 1999). Many stadium deals include public funding for construction (partial or whole), infrastructure improvements, luxury suite revenue, advertising and concessions revenue,

“sweetheart” leases, naming rights income, and other agreements (Coates & Humphreys, 2000, ¶ 3; Laing, 1996; Siegfried & Zimbalist, 2000; Turner & Marichal, 1998).

Zimbalist (1998) has commented that the imbalance in the supply and demand of teams leads cities “imprudently to offer the kitchen sink in their effort to retain existing or to attract new teams” (p. 17). However, cities’ fears about their teams leaving have been validated by actual relocations (Baade & Dye, 1988). Recent moves by the Cleveland Browns, Los Angeles Rams, Houston Oilers, Hartford Whalers, Los Angeles Raiders, and others have made owners’ threats credible (Howard & Crompton, 1995; Laing, 1996; Noll & Zimbalist, 1997; Rosentraub, 1999; Siegfried & Zimbalist, 2000; Turner & Marichal, 1998).

Rosenraub et al. (1994) posit that part of the reason that Camden Yards was built in Baltimore was that they had already lost the football Colts, and did not want to lose the Orioles as well. Cities have also learned that if they refuse to pay up when a team is threatening to leave, they will pay even more if the team leaves and they try to obtain another one (Rosentraub, 1999).

Besides existing teams, cities also fight for expansion teams. As the monopoly power of the leagues enables teams to constrict expansion, when a team does become available there are multiple cities that desire the franchise (Baade & Dye, 1990; Noll & Zimbalist, 1997). Siegfried and Zimbalist (2000) note that the leagues have expanded slowly and usually because of competition from upstart leagues (p. 96-97). The sluggish expansion rate is underscored by the actuality that as 48 stadiums were constructed or considerably renovated in the 1990s, “only 16 expansion teams opened for business in the four major professional leagues” (Siegfried & Zimbalist, 2000, p. 97). The construction



trend demonstrates that two thirds of the facilities are built to replace existing stadiums, rather than for expansion teams.

Taylor (as cited in Swindell & Rosentraub, 1998) asserts that "the increase in the nation's population and wealth has led many economists and students of professional sports to conclude that as many as 25 additional franchises could be created by the leagues given the financial performance of existing teams" (¶ 6). Rosentraub (1999) argues that the shortage of sustainable teams increases the amount of subsidies that cities end up paying to attract or retain a team with a new stadium. Suggesting that the U.S. could support many more professional teams than currently exist, Rosentraub advocates the division of the major sports leagues to grow the number of teams and diminish the extortion capabilities that current teams possess.

#### Stadiums as a Tool for Downtown Re-development

As luxury seating and monopoly power of the leagues have fueled the demand for new sports facilities, stadium proponents have had to convince the public of the downtown re-development potential that a stadium will have in order to justify the public subsidization of that facility (Baade & Dye, 1988; Coates & Humphreys, 2000; Noll & Zimbalist, 1997; Rosentraub, 1999; Siegfried & Zimbalist, 2000; Swindell & Rosentraub, 1998; Turner & Marichal, 1998). As a result, stadiums are often incorporated into cities' re-development efforts, usually as a key element (Miller, 1998; Rosentraub et al., 1994; Turner & Marichal, 1998).

Swindell and Rosentraub (1998) review what political officials often champion as the benefits of teams and stadiums in that they "(1) generate economic growth through high levels of spending in a region, (2) create a large number of jobs, (3) revitalize

declining central business districts, and (4) change land use patterns" (¶ 2). Politicians attempt to sway public opinion that these benefits will occur and have a positive economic impact on their respective metropolitan area (Baade & Dye, 1988).

Baade and Dye (1988) note that "stadiums are often viewed as an economic tool for reclaiming urban activities that have been lost to the suburbs" (p. 266). Similarly, Siegfried and Zimbalist (2000) refer to the damage done by the exodus of city residents in the last 50 years as a cause for utilizing stadiums for downtown re-development.

Revitalizing the urban core of cities is of paramount concern as downtowns are the nucleus of every city and represent the identity of the metropolitan area (Robertson, 1995; Webb, 2000). Lauber (1995) asserts that "a strong, vibrant downtown is critical to the health and long-term economic future of the entire region" (p. 47). By the same token Webb (2000) concludes that the downtown area is the lynchpin of success in cities. Accordingly, cities and metropolitan areas have demonstrated their obligation to the revitalization of the urban core (Robertson, 1995). Therefore, stadiums are used as an anchor for urban revitalization efforts across the United States (Rosentraub, 1999). Chapter III will examine the claims of stadium proponents and consult with the economic studies that have been completed to evaluate the validity of these assertions.

## Chapter III

### ECONOMIC IMPACT STUDIES

#### General Findings of Academic and Economic Research

It has been the summary conclusion of most economists that new stadium projects do not have a statistically significant economic impact on the cities in which they are built (Baade & Dye, 1990; Bachelor, 1998; Blair, 2000; Coates & Humphreys, 2000; Ellen & Schwartz, 2000; Noll & Zimbalist, 1997; Rosentraub, 1999; Siegfried & Zimbalist, 2000; Swindell & Rosentraub, 1998; Turner & Marichal, 1998; Utt, 2000; Zimbalist, 1998). Most stadium critics point to the “growing body of research” that contends that stadiums have a “minimal impact on employment or economic growth” (Bachelor, 1998, p. 95). Similarly, Zimbalist (1998) likens the economic impact of a sports team to that of a new department store. By contrast, Johnson and Sack (1996) point out that a new department store can stimulate job growth and economic activity, but “do not compare with sport as a source of community pride and solidarity” (p. 377). Civic pride and intangible benefits as a result of professional sports teams will be reviewed later in this chapter.

Christian (2000) quotes Zimbalist as saying “there really is no evidence that building a new sports stadium resurrects a downtown or a city” (¶ 18). However, Melaniphy (1996) warns that stadium critics are looking for results too soon. It may take up to 20 years for a stadium to have positive effects in completely revitalizing a neighborhood (¶ 6).

As economists have failed to find a positive statistical association from the presence of a sports team (Rosentraub, 1999), they are further troubled by the economic impact studies produced by stadium proponents. Siegfried and Zimbalist (2000) maintain that the studies offered up by stadium advocates are in "distinct contrast" to the economic evidence (p. 103). These studies are usually commissioned by the sports teams or other groups, who stand to benefit from stadium construction (Bachelor, 1998; Siegfried & Zimbalist, 2000). Many economists note that these advocacy studies are usually flawed and reflect the point of view of stadium proponents (Baade & Dye, 1990; Coates & Humphreys, 2000; Johnson & Sack, 1996; Laing, 1996; Mahtesian, 1998; Noll & Zimbalist, 1997).

The flaws in these studies are usually related to substitution effect, multipliers, and generally improbable assumptions (Blair, 1997; Coates & Humphreys, 2000; Laing 1996; Noll & Zimbalist, 1997; Siegfried & Zimbalist, 2000; Zimbalist, 1998). Further in this chapter each alleged flaw will be examined. Despite the seemingly endless information on the biased nature of these studies, cities continue to ignore the economist's conclusions and go ahead with stadium projects (Swindell & Rosentraub, 1998).

Howard and Crompton (1995) complain that the impact studies are prejudiced and that they contain subjective motives. Similarly, in an interview Dr. George Fenich (personal communication, September 29, 2000) concluded that "a consultant never met a city that they didn't like". Although, Swindell and Rosentraub (1998) note that the economic community's consensus is beginning to gain "a level of acceptance" among some consulting firms (§ 14). As a result, many stadium projects are now sold on their

intangible benefits rather than direct economic returns (Bachelor, 1998; Fulton, 1999; Howard & Crompton, 1995; Zimbalist, 1998). Johnson and Sack (1996) agree as they argue that a stadium project should not be assessed only in financial terms.

### Stadium Funding

As the cost of stadium construction soars into the several hundred million dollar range, local and state governments are becoming progressively more involved in financing them (Olbermann, 1997, as cited in Swindell & Rosentraub, 1998). Howard and Crompton (1995) note that even cities that are in fiscal straits are joining in on the stadium financing fray. As described in Chapter II, the monopoly status of the sports leagues has put owners into a position where they can get attractive deals for stadium financing and lease arrangements (Siegfried & Zimbalist, 2000).

Rosenraub (1999) insists the subsidization of sports facilities by the public is a "welfare system" (p. 1) and that each year the public's share of stadium costs rises. By the same token Bess (1996) reflects that "it is ironic that the stadium boom is occurring at a time when (except for government subsidies to sports team owners) both socialism and public welfare are in retreat before public enthusiasm for the free marketplace and personal accountability" (¶ 19).

The increasing trend of public subsidy shows no signs of slowing as Blair (1997) concludes that because cities have agreed to dole out huge sums of money to build stadiums for new teams, it is now nearly impossible to draw a team without substantial public funding. In an era daunted by large public subsidies for stadiums, the recent construction of Pac Bell Park in San Francisco was seen as an immediate success by some as it was the first totally privately-funded Major League Baseball park built in 30

years (Bianco, 2000; Coffey, 2000). Laing (1996), however, soberly points out that privately financed facilities usually benefit from public subsidies as well, usually comprised of land and infrastructure improvements (§ 6).

Stadium projects weren't always subsidized by the public. Most economists conclude that before the 1960s stadiums were usually paid for by team owners with private funds (Bess, 1996; Bryjak, 1998; Johnson & Whitehead, 2000; Murphy, 1998; Siegfried & Zimbalist, 2000; Swindell & Rosentraub, 1998). Furthermore, Siegfried and Zimbalist (2000) have narrowed the number of publicly funded major league facilities built prior to 1953 to three (Los Angeles Coliseum, Soldier Field, and Municipal Stadium), and they note that these three stadiums were built to draw Olympic games to their respective cities (p. 96). Considering the trends of stadium financing, Baade and Dye (1988) have posited that "the more recent the construction, the greater the incidence of public ownership" (p. 265).

The move of the Boston Braves baseball franchise to Milwaukee in 1953 marked the beginning of the age where teams would move to other cities who offered a new, publicly funded stadium to play in (Siegfried & Zimbalist, 2000). That era continues today, as the monopoly sports leagues empower team owners to extract funding from local governments (Baade & Dye, 1988). The recent move of the football Rams sparked a deal that many team owners envy. The \$250,000 annual lease payment the team makes to St. Louis is less than the NFL minimum veteran salary of \$300,000 (Bryjak, 1998). Additionally, the team earns income from other revenue producing sources such as luxury seating, concessions, and tickets (§ 11).

Siegfried and Zimbalist (2000) observe that the public's share of stadium construction averages 70%. Subsidies usually derive from different forms of taxes, such as "general sales taxes, property taxes, hotel and motel taxes, personal and corporate income taxes, and 'sin taxes' on alcohol and cigarettes" (p. 101). Mahtesian (1998) notes that voters' response in stadium referenda hasn't been all positive. However, politicians rarely view a counter-stadium vote as a message that voters would want to lose the team (p. 22). Baade and Dye (1988) also add that politicians facing a stadium decision are in bind, as there are factions who want the city to acquiesce to the team's demands, and opposite there are the voters who do not support giving public funds to teams to build stadiums.

Siegfried and Zimbalist (2000) contend that stadium subsidies take the form of construction financing because lump sum cash payouts to team owners would not be a politically wise action for officials to take. They also claim that teams would survive without the subsidies, but there would be fewer, more "modest" new stadiums being built (p. 98).

Many economists have conceded that despite the fact that the public usually pays for stadium projects, taxpayers are usually still willing to pay to keep a team. Ellen and Schwartz (2000) even accept that people that don't even attend games may not mind paying tax dollars to attract or retain a sports team. Similarly, Baade and Dye (1988) reflect that the public may have an inclination to fund stadiums as they do parks and museums.

Indicative of the public's acceptance of stadium funding, Tierney (2000), describing the sentiment in Baltimore, quotes an economist as saying "if there had been a

referendum asking people in the Baltimore area if they were willing to pay \$15 a household to keep the Orioles from leaving, I think it would have passed" (§ 11). In the same manner, Siegfried and Zimbalist (2000) observe that "most voters do not find it in their interest to oppose actively a referendum that may cost them \$25 or \$50 a year in additional taxes" (p. 110).

The large subsidies paid to professional sports teams for new stadiums cause many to believe that the team owners and players are garnering the largest direct financial benefits (Baade & Dye, 1988; Bachelor, 1998; Bryjak, 1998; Coates & Humphreys, 2000; Laing, 1996; Murphy, 1998; Siegfried & Zimbalist, 2000). Both Laing (1996) and Rosentraub (1999) conclude that a franchise's value stands to increase as a result of playing in a new stadium, furthering the wealth of team owners and enabling them to pay players higher salaries.

Siegfried and Zimbalist (2000) and Swindell and Rosentraub (1998) deduce that fans of the sports teams who attend home games stand to benefit directly from public stadium subsidies. This notion has led many to agree that fans who attend games at a stadium should bear the costs of its construction. Furthermore, Swindell and Rosentraub (1998) propose that those who benefit directly from the presence of a stadium, such as owners, players, fans, concessionaires, and the media, should all share in the cost of constructing a facility (§ 41).

Nevertheless, Swindell and Rosentraub (1998) concede that "if a community benefits from the economic resurgence of a downtown area that follows a sports investment, the community should be taxed to sustain the team's presence" (§ 13).



Further justifications for public funding of stadium projects will be included at the conclusion of this chapter.

As controversy has erupted over public contribution to stadium projects, the opportunity costs of funding stadiums has become an issue for stadium critics. Detractors argue that money spent on stadiums is money that is not being spent on schools, bridges, or other public works and services (Howard & Crompton, 1995; Laing, 1996; Murphy, 1998). Bess (1996) contends that politicians answer the opportunity cost question with the notion that stadium funding is an investment, rather than a subsidy, because of the jobs, development, and spending created by the presence of a stadium.

In some cases, the choice of spending tax dollars on stadiums or other projects is decided by voters. In Denver, voters rejected a \$32,000,000 school bond issue while they approved a new sales tax to finance a \$215,000,000 new stadium (Melaniphy, 1996). Some may criticize appropriation of funds for a stadium instead of schools, but Melaniphy (1996) points out that the voters in Denver exercised their right to vote and their choice was to finance a stadium (§ 2). Still, Bryjak (1998) questions Maryland's public support of stadiums while Baltimore's schools are "rationing toilet paper" (§ 20).

Baade and Dye (1990) conclude that the case for public subsidies is contingent on a facility being able to generate economic returns that outweigh costs and at the same time they accept the importance of the role of intangible benefits derived from the presence of a team and its stadium (p. 1, 13).

#### Professed Benefits from Stadium Construction

Some stadium proponents and impact studies have said that a city can expect that a new stadium to increase tax revenue (Coates & Humphreys, 2000). Howard and

Crompton (1995) observe that cities believe that the “increased visibility and enhanced image” a city should receive from a new sports facility should lead to increased development and in turn, increased tax revenue (p. 41). Cities also expect that spending from the fans at stadium events will spillover to other business in the area, capturing tax revenue that has been lost to activity in the suburbs (Baade & Dye, 1988).

However, Siegfried and Zimbalist (2000) have argued that a city cannot expect a stadium to produce significant tax revenue. Similarly, Murphy points (1998) out that the 34% downtown tax revenue increase claimed by the Arizona Diamondbacks still does not cover the initial \$238 million public investment made for their sports facility (¶ 4). In analyzing the anticipated tax revenue for the Pittsburgh Pirates and their new stadium, Rosentraub (1999) finds the projected increase of new tax revenue “quite small” (p. 154). Moreover, when considering expenses and tax revenue directly from the stadium, Baade and Dye (1988) conclude there is a “net loss for the municipal treasury” (p. 270).

One of the most touted benefits expected to develop due to stadium construction is job creation. Economists agree that stadiums do create jobs, but they conclude that most of these jobs are low-wage and seasonal (Baade & Dye, 1988, 1990; Bachelor, 1998; Bryjak, 1998; Howard & Crompton, 1995; Noll & Zimbalist, 1997; Rosentraub et al., 1994; Siegfried & Zimbalist, 2000; Utt, 2000). Likewise, Rosentraub (1997, see also Rosentraub et al., 1994) found in a study of the Indianapolis economy that the presence of sports did achieve an increase in the number of service sector jobs. Melaniphy (1996) rebukes stadium critics and argues that while it is accurate that stadiums do create low-wage jobs, “numerous other jobs are created by vendors, restaurants, bars, stores, and

others. While most of the jobs involve overtime or are low paying, nonetheless these jobs feed, clothe, and house people" (¶ 15).

As presented earlier, stadium impact studies commissioned by teams and other stadium proponents claim unusually bright predictions for stadium benefits. Coates and Humphreys (2000) point out that a feasibility study completed for supporters of the construction of the Skydome facility in Toronto predicted the creation of 17,000 jobs. Other critics decry the amount of taxpayer money it takes to create stadium-related jobs. Murphy (1998) points to a study by Allan Sanderson who determined a ratio that \$100,000 of public funds is spent on a project per job created (¶ 3). Noll and Zimbalist (1997) demonstrate that the cost-per-job can be even higher, as concluded in the case of the Arizona Diamondbacks to be \$705,800 per job created (p. 101).

Contrary to what many believe, sports teams are not big businesses compared to a metropolitan area's other companies (Howard & Crompton, 1995; Rosentraub, 1999; Siegfried & Zimbalist, 2000; Zimbalist, 1998). Noll and Zimbalist (1997) assert that the cultural value of a team surpasses the economic importance of a team as a business (p. 56). Several studies have demonstrated that a team's economic output as a percentage of a city's economy is quite small, usually less than 0.05% (Rosentraub, 1999; Siegfried & Zimbalist, 2000; Zimbalist, 1998). Yet, Rosentraub et al. (1994) did conclude from their study of Indianapolis' sports-based strategy for downtown development that sports did have an effect on stabilizing employment in the downtown area.

Stadium proponents claim that economic growth will result from the spending done by fans at stadium events (Bryjak, 1998). Contrary to this belief, stadium critics and economists have observed that a great deal of the spending done as a result of a

sporting event is actually a transfer or substitution of spending that would have occurred anyway (Baade & Dye, 1988, 1990; Bryjak, 1998; Coates & Humphreys, 2000; Ellen & Schwartz, 2000; Howard & Crompton, 1995; Johnson & Sack, 1996; Laing, 1996; Rosentraub, 1999; Siegfried & Zimbalist, 2000; Swindell & Rosentraub, 1998; Zimbalist, 1998). The substitution effect is characterized by people spending money at a sporting event rather than on things like movie tickets or bowling (Bryjak, 1998; Zimbalist, 1998).

The notion of substitution is reinforced by Blair (1997), who notes that most spending attributed to sporting events is done by people who live in the local area. The problem with the pro-stadium impact studies is that they include funds that are already in the local entertainment spending cycle and label them as new dollars (Rosentraub, 1999). Therefore, taxpayers are told that there will be an increase in tax revenue when in reality a significant portion of the money is just being transferred from other forms of entertainment (Coates & Humphreys, 2000; Swindell & Rosentraub, 1998).

On the other hand, Rosentraub (1999) concedes that there is a true increase in spending when fans were going to spend their money out of the area on a sporting event and instead were able to spend it at a local stadium event. Additionally, when visitors come into the city and the original purpose of their visit is to attend the sporting event, this is also new spending "deflected into the local economy" (Howard & Crompton, 1995; Rosentraub, 1999, p. 137; Zimbalist, 1998). Siegfried and Zimbalist (2000; see also Howard & Crompton, 1995, p. 66) indicate another way that impact studies distort stadium effects is by defining the local economy in narrow terms as a way to increase the amount of spending by "visitors."

Stadium critics have also concluded that another fault in stadium economics is the use of unsound multipliers to determine the effect of stadium-related spending on the local economy (Baade & Dye, 1988; Coates & Humphreys, 2000; Howard & Crompton, 1995; Siegfried & Zimbalist, 2000; Zimbalist, 1998). The use of multipliers is a method to measure the “ripple effect” of money entered into the economy from spending (Howard & Crompton, 1995). Multipliers are used to determine how sales, income, and employment dollars affect the community.

Siegfried and Zimbalist (2000) claim that due to leakages that occur, a dollar spent in a locally-owned establishment has a greater multiplier effect on the economy than a dollar spent at a sporting event (p. 107). In the same manner, Zimbalist (1998) maintains that “the economic impact is often exaggerated by assuming that an unrealistically large share of executive and player salaries remains in the local economy” (p. 20). Furthermore, Coates and Humphreys (2000) argue that multipliers used by stadium proponents usually fail to exclude the factor of net spending, that is they ignore the substitution effect and consider all spending to be new.

Unlike stadium spending, the ability for stadiums to lure suburbanites back into the downtown area of cities has not been questioned by economists. Sports facilities have been used as an effective magnet to attract suburban residents to the urban core for recreation (Baade & Dye, 1988; Disher & French, 1997; Holt, 1998; Hutchcraft, 1999; Rosentraub, 1999). Furthermore, Baade and Dye (1988) comment that “stadiums are often viewed as an economic development tool for reclaiming urban activities that have been lost to the suburbs” (p. 266).

As entertainment options increase in the urban core, more people will have a motive to visit downtown and patronize local businesses (Walkup, 1994). As a result, Coates and Humphreys (2000) view the substitution from suburban to urban as suburbanites subsidizing city business. However, Rosentraub (1999) admits that "it may be true that a stadium in a downtown area shifts recreational patterns by moving some spending from the suburbs to a downtown area, and there may be a public purpose or value to such a shift" (p. 251).

The shift in entertainment spending to the downtown area can result in ancillary development related to the stadium. Rosentraub (1999) notes that the "true value" of sports may be its potential to drive up spending in restaurants, souvenirs, and hotels (p. 148). In spite of the potential, Rosentraub also suggests that this spending segment is too small to play a major role in driving the local economy (p. 150). Although it may be true that the segment of the local economy is small, changes taking place in cities like Cleveland demonstrate that sports can lead the charge in reinvigorating downtown dining, entertainment, and shopping (Walkup, 1998).

To determine an effect on ancillary business from sports facilities, some have analyzed trends during strike years. Hutchcraft (1999) detailed the loss experienced by restaurateurs during the NBA lockout of the 1998-1999 season. A restaurant near Chicago's United Center was losing \$30,000 to \$60,000 per month as another in Cleveland was losing \$8,000 every night that the Cavaliers did not play. These losses transcended into staffers such as part-time wait staff, bartenders, and kitchen help losing their jobs. Similarly, Melaniphy (1996) points out that businesses were "badly hurt" during the baseball strike of 1994, including restaurants, taxicabs, and parking.

These findings appear to be in contrast with Zipp (1996, as cited in Fainstein & James, 1998) who found that the premature ending of the 1994 baseball season did not affect the economies of U.S. cities (§ 54). Murphy (1998) explains that economies are not affected during strike years due to the transfer of spending to other entertainment options rather than a net loss.

### Intangible Benefits

As stadiums have not directly met their expectations economically, the role of intangible benefits has grown to become a considerable rationale for stadium construction (Bachelor, 1998; Howard & Crompton, 1995; Siegfried & Zimbalist, 2000). Civic pride, image and identity, and other consumption benefits make up the general category of intangibles. Many stadium critics have conceded that intangible benefits are a direct effect of a stadium and team (Baade & Dye, 1988, 1990; Coates & Humphreys, 2000; Johnson & Whitehead, 2000; Rosentraub, 1999; Siegfried & Zimbalist, 2000; Swindell & Rosentraub, 1998).

Baade and Dye (1988) contend that “the most significant contribution of sports is likely to be in the area of intangibles” (p. 273). However, it has also been pointed out that intangibles can be difficult to measure (Baade & Dye, 1988; Siegfried & Zimbalist, 2000; Swindell & Rosentraub, 1998). Furthermore, Johnson and Sack (1996) suspect that “measuring such intangibles...is, if not impossible, open to endless and inconclusive debate” (p. 370). Despite the difficulty in quantifying intangible benefits, Johnson and Sack stress that their importance should not be ignored or, on the other hand, overstated.

Because a team does not directly collect the monetary value of the intangible benefits bestowed upon a city, communities may find it sensible to subsidize a team in

order to gain or retain the intangible benefits the team creates (Siegfried & Zimbalist, 2000). Likewise, Johnson and Sack (1996) conclude that a stadium project may still be justified even if the revenues from a stadium do not cover the costs if measurable downtown redevelopment or significant intangible benefits are received by the city.

Intangible benefits can be substantial for a city because the benefits not only accrue to those who attend games, but also to others who may never attend an event (Siegfried & Zimbalist, 2000; Swindell & Rosentraub, 1998). One intangible result from the presence of a professional sports team can be an increase in civic pride felt by residents (Baade & Dye, 1988, 1990; Bachelor, 1998; Coates & Humphreys, 2000; Johnson & Sack, 1996; Johnson & Whitehead, 2000; Melaniphy, 1996; Rosentraub, 1999; Schwartz, 1999; Swindell & Rosentraub, 1998). The presence of a sports team not only can lift the spirit of the city in which it resides, but can also lead to a more defined or redefined image for that city.

Many cities such as Indianapolis, Cleveland, and St. Louis have turned to sports to redefine their images and downtown landscape (Rosentraub, 1999; Swindell & Rosentraub, 1998). In fact, Bachelor (1998) notes that an improved city image is an immediate result from new stadiums (p. 89). Conversely, Noll (as cited in Bai, 1998) claims that "there's no evidence that any kind of sports facility by itself can affect perception" (§ 7). However, Baade and Dye (1988) point out that a city's image is "certainly affected" by major league sports (p. 273). The case studies presented in Chapter IV will further explore the effect that professional sports teams and facilities have had on cities' images.



Another intangible benefit that can result from the presence of a team or stadium is psychic income, which Howard and Crompton (1995) define as “benefits received by many community residents who are not involved in organizing and who do not physically attend the event, but, nevertheless, strongly identify with the team” (p. 44). An example of psychic income could be the fan who enjoys following the team on the radio, in the newspaper, or on television, but may never attend a game (Coates & Humphreys, 2000). The fact that benefits do accrue to people who do not necessarily attend the games causes several economists to concede that it may justify the public subsidization of the sports facility (Coates & Humphreys, 2000; Howard & Crompton, 1995; Swindell & Rosentraub, 1998).

The label of being a “major league city” also falls into the arena of intangible benefits. Cities desire to have a major league status or garner an improved image through professional sports (Baade & Dye, 1988, 1990; Blair, 1997; Laing, 1996; Robertson, 1995; Rosentraub, 1999; Rosentraub et al., 1994; Turner & Marichal, 1998). By contrast, Siegfried and Zimbalist (2000) argue that if NFL cities like Charlotte, Jacksonville, and Nashville are considered major league, is a city like Los Angeles an “also-ran” because it lacks an NFL franchise (p. 103)? In spite of that point, Howard and Crompton (1995) demonstrate that cities such as Kansas City, Cincinnati, Oakland, and St. Louis are smaller cities that have bigger reputations because of sports.

Many believe that the major league image of a city will draw relocating companies and corporate expansions. However, many stadium critics have concluded that the presence of a sports team does not play a major part in the relocation decisions of corporations (Blair, 1997; Rosentraub, 1999; Siegfried & Zimbalist, 2000; Swindell &

Rosentraub, 1998). Other factors such as quality of workforce, accessibility to markets, and transportation infrastructure are usually more significant in location decisions, though Rosentraub (1999) concedes that the presence of professional sports can assist in closing the deal for companies to move to a city. Similarly, Laing (1996) considers the possibility that a major corporation may not choose a city for their headquarters that doesn't have major league sports. On the other hand, if a downtrodden city is using sports to improve their major league status, a corporation may not want to relocate there if the local economy is on a downward slide (Zimbalist, 1998).

For cities that have been in a downward trend, a new stadium can serve as a "visible symbol of resurrection" (Christian, 2000, ¶ 1). Teams have symbolic effects as well, most notably serving as a representation of the city itself (Howard & Crompton, 1995). Turner and Maricahl (1998) note that stadium projects may be "locally justified" by the short-term symbolic effect of a new stadium on the local economy (p. 32). The symbolic benefits generated by a stadium can be what convinces politicians to proceed with a stadium plan.

#### Conclusions from Stadium Research Experts

In summarizing his views, Zimbalist (1998) asserts:

To the extent that a new stadium (a) is a central element of an urban redevelopment plan and its location and attributes are carefully set out to maximize synergies with local business and (b) the terms of its lease are not negotiated under duress and are fair to the city, then the city may derive some modest economic benefit from a sports team. The problem, however, is that these two conditions rarely apply when dealing with monopoly sports leagues. Cities

are forced to act hastily under pressure and to bargain without any leverage.

Properly reckoned, the value of a sports team to a city should not be measured in dollars, but appreciated as a potential source of entertainment and civic pride.

(p. 23)

Nevertheless, Melaniphy (1996) stresses that although a facility may not pay for itself, the public is probably willing to subsidize its construction. Furthermore, Swindell and Rosentraub (1998) believe that if there are spillover benefits from a stadium and team, public support should continue in order to maintain these benefits. Despite the potential for a stadium project to generate ancillary benefits, Rosentraub et al. (1994) claim that a sports strategy for redevelopment is not a "prudent vehicle" to center revitalization efforts on. Still, Blair (1997) maintains that certain stadium projects can make substantial contributions to a city.

When considering all of the factors associated with stadium projects, it is the intangible benefits that critics and economists point to as the redeeming value of stadiums. Additionally, they note that the existence of intangible benefits such as enhanced image, civic pride, symbol for renewed development, and psychic income make for a possible justification for public funding of stadium construction (Coates & Humpreys, 2000; Ellen & Schwartz, 2000; Howard & Crompton, 1995; Johnson & Sack, 1996; Siegfried & Zimbalist, 2000; Swindell & Rosentraub, 1998). Moreover, Swindell and Rosentraub (1998) suggest that if a revitalized downtown results from the development of a stadium project, the public should be taxed to subsidize the facility for providing that benefit.

### Summary

The review of the literature has demonstrated that the conclusions about stadium projects are mixed. The sides are bitterly divided, however, the critics do make several concessions about stadiums having the ability to provide benefits to the cities in which they are built. The author concludes that the review of the literature illustrates that with the current climate of strong community support, the stadium construction trend will continue, regardless of the economic researchers' conclusions. Therefore, it is imperative to determine the best ways to develop stadium projects to maximize their potential to generate community benefits including the revitalization of the urban core.

Because of the inevitable nature of the continuing boom, the case studies need to be examined independently to understand what has worked best and to assemble a composite of the most successful strategies for developing a project that will produce positive results for a community.

## Chapter IV

### MODELS OF SUCCESSFUL SPORTS FACILITIES AND FAILURES

#### Successful Facilities

This section will appraise five recent stadium projects and discuss some of the positive results that have occurred in the cities in which these facilities were built. The first stadium reviewed is Oriole Park at Camden Yards, home of Major League Baseball's Baltimore Orioles. The ballpark was built in 1992 and replaced the former Memorial Stadium.

Baltimore, like many American cities, had experienced a decline after World War II and was a victim of suburbanization and urban decay. Baltimore's revitalization began with the development of the Inner Harbor project which has attracted hotels, a marketplace, an aquarium, condominiums, a science museum, and other attractions. In 1992, the new baseball stadium opened up to rave reviews. The retro design of the ballpark, built over abandoned freight yards, began the construction trend of old-fashioned stadium design nationally (Coffey, 2000). Camden Yards is now held up as the model for new stadium development and urban revitalization.

Although Camden Yards is deemed a success, it has been noted that the stadium cannot revitalize the city by itself. The ballpark has been an instrument in revitalizing the city along with the Inner Harbor project, which draws 15 million tourists year-round (Weigand, 1998). Camden Yards has received accolades for its ability to foster "strong civic integration by providing skyline views, incorporating an old warehouse and train station in its urban design, creating a festive pedestrian street, and being served by three

forms of rail transit as well as buses” (Pastier, 1999, ¶ 13). Others have also observed how Camden Yards blends into the city, a departure from the previous era of building multi-purpose cookie-cutter facilities.

The stadium in Baltimore has consistently drawn more fans than its predecessor, Memorial Stadium (Rosentraub, 1999). Additionally, the Orioles are one of the few ball clubs that draw a large number of fans from outside their local areas. The urban integration of Camden Yards has facilitated a stellar record of ancillary development. Coupled with the entertainment district of the Inner Harbor, the area surrounding Camden Yards-- which was once the site of abandoned warehouses-- is now a bustling and thriving living model of urban revitalization and the role that sports facilities can play in that turnaround.

Another city that has been looked to as a model for urban revitalization through sports facilities has been Cleveland. Cleveland also suffered through a nasty deterioration. The city lost half of its manufacturing jobs as heavy industry moved out, and residents fled the city and the core deteriorated. The lowest point came in 1978, when Cleveland became the first city since the Great Depression to declare bankruptcy (Austin, 1998). Changes began to take place when political and business forces came together to try to reverse Cleveland’s decline, and also to eradicate its reputation as the “mistake on the lake.”

One element of the focus on rebuilding Cleveland was the construction of new sports facilities: Jacobs Field for baseball’s Cleveland Indians, and also Gund Arena, for the NBA Cleveland Cavaliers-- both opening in 1994. These facilities jumpstarted the revitalization of downtown Cleveland. Downtown Cleveland is now home to five new

hotels, a renewed theatre district, The Flats entertainment district, the Rock & Roll Hall of Fame, restaurants, an aquarium and science center, and more. Two years after the stadiums were constructed (called the Gateway project), Cleveland had added 1300 jobs and an additional \$700 million in development had occurred downtown since 1991 (Swindell & Rosentraub, 1998). The area has also been the site for another stadium project, this time a new football stadium for the born-again Cleveland Browns.

Many believe that Cleveland's turnaround was a direct result of sports. A major reason for this belief is the image transformation that the city has had. The city that once had its river (the Cuyahoga) catch on fire due to pollutants turned to sports to redefine its image. Now, "downtown Cleveland is a source of pride and has become the destination for millions of people who avoided the city in years past" (Rosentraub, 1999, p. 209). Specifically, Austin (1998) notes that visitors increased 24% in just 2 years between 1993 and 1995. The tourism industry alone accounted for \$3.9 billion in 1996 in Cleveland.

While sports has served as the impetus for Cleveland's renaissance, the Mayor has pointed out that sports cannot solve a city's problems by itself. The vitality of a city's neighborhoods is integral to a complete turnaround. Mayor Michael White (as cited in Smothers, 1999) notes that for every dollar of public money that went into the Gateway Sports Complex, four dollars went to improving neighborhoods and related services.

Denver has also been the scene of a sports-related revitalization. From a low in the 1980s with vacant downtown office space at an all-time high, Denver began its revitalization in 1988 with a new convention center. Other projects such as arts and library facilities followed, and a new stadium for the baseball expansion team Colorado

Rockies opened up in 1995. The facility “launched a flurry of redevelopment activity in the historic warehouse district as bars and restaurants rushed to open for business, and lofts were readied for occupancy” (Holt, 1998, p. 55). The area, known as “LoDo” (lower downtown), has been the site for a renewed level of activity and prosperity.

Coors Field, the Rockies home, has been credited with driving the revitalization in LoDo. The stadium has been successful in drawing residents to the downtown area, however, as in the case of Cleveland, many have noted that the key to an enduring renaissance is the strength of surrounding neighborhoods in the city. Holt (1998) quotes the CEO of Denver’s development partnership as saying “we don’t want downtown to be an island of prosperity surrounded by a neighborhood in decline” (p. 113). A focus of Mayor Wellington Webb has been on strengthening neighborhoods and working together with the private sector to achieve their mutual goals.

Coors Field’s ability to spark the revitalization in LoDo was enabled by the projects that were already underway in Denver (Loyacono & Shilling, 1999). The momentum created enabled the stadium to attract even more business and activity to the lower downtown area and has resulted in a healthy and vibrant commercial and residential area.

A city that became the embodiment for urban decay is Detroit, which faltered into a downward slide for 30 years. However, the last 6 years in Detroit have been characterized by a steady revitalization process including over \$5 billion in new investments in the city (Gallagher, 1999). A component of this revitalization process has been the construction of Comerica Park, the new home of the Detroit Tigers. Additionally, a new stadium for football’s Lions is under construction downtown.



Detroit's revitalization efforts are bolstered by the mix in development that has occurred, not just in sports. Complementing the sports-related projects have been corporate office space, with tenants including automaker General Motors, the renovated Detroit Opera House and assorted arts development, casinos, new residential space, and others. Even with the varied development, sports are still expected to be a major magnet to bring people back to Detroit's center. The emblematic power of new sports facility development in Detroit is demonstrated by Christian (2000), who reflects "few major cities have talked more or waited longer for a visible symbol of resurrection than this one, the nation's poorest" (p. 18).

Ancillary development has also figured into Detroit's urban renaissance. The crowds drawn downtown by sports, casinos, and the arts have created a demand for restaurants and provided further fuel for business development in the urban core. As with the other case study cities, the mayor of Detroit has also stressed that the project is not done and there is still much to do to bring a complete revitalization to the city, especially with reinforcing neighborhoods and developing 24-hour communities downtown.

The last sports facility that will be reviewed in this section for its success is Pacific Bell Park, which opened in the 2000 Major League Baseball season for the San Francisco Giants. The most significant and most immediate element of success of this brand new stadium the day it opened was that it is the first major league ballpark to be constructed with private funds in 30 years (Bianco, 2000; Coffey, 2000). Considering all of the debate on public financing of stadium projects and subsidization of wealthy team owners and players, Pacific Bell Park's distinction of being privately financed elevates

the facility for the purposes of evaluation, as an expected return does not have to be as dramatic as in other cities to justify its construction.

Even while under construction, Pacific Bell Park was recognized for driving the residential construction influx in San Francisco's center-city (Pastier, 1999). Sometimes the most difficult part of redevelopment to achieve, drawing residents back downtown is a considerable accomplishment.

Like other retro stadiums, Pacific Bell Park has a brick facade to blend in with the city, rather than the unmemorable concrete of the previous stadium construction era. Pacific Bell Park replaced a stadium from that era, Candlestick. The former home of the Giants (and football's 49ers) has been described as "a wind-whipped cement bowl isolated on the city's outer fringes" (Bianco, 2000, ¶ 2). The new stadium facility is both aesthetically pleasing as well as functional for fans, as it is served by many different modes of public transportation for easy access.

#### Facilities Considered Failures

Five sports facilities that are currently operating or have closed recently will be presented to demonstrate some of the factors that can make stadium projects unsuccessful. There has been less coverage and documentation on failed sports facilities, hence, these descriptions are summarily more brief than that of the stadiums offered as examples of success. Additionally, when speaking about the success of a stadium, there are usually multiple factors that need to be present to warrant that status, such as ancillary development, housing, and possibly other attractions and general development. However, in the case of failed stadiums, it may be a singular factor or a confluence of a few events that cause the demise of a facility.

The Meadowlands Sports Complex in East Rutherford, New Jersey is a sports facility that has recently transformed from a once successful complex to one that now has its future in doubt. The complex is comprised of Giants Stadium (where both the New York Giants and Jets play, and a professional soccer franchise), Continental Airlines Arena, the site of New Jersey Nets and Devils home games, and a horse racing track. Currently, four of the five teams that call the Meadowlands home desire to leave for new facilities (Futterman, 2000). The facility most in danger of becoming abandoned is the Continental Airlines Arena, where both of the principal tenants, members of the YankeeNets organization, plan to move into a new arena in downtown Newark. Furthermore, the Jets would like to leave Giants Stadium to play in a proposed West-side stadium in Manhattan.

What has hurt the Meadowlands considerably is that it was built in the middle of swampland devoid of significant development. This stadium was also a member of the cookie-cutter generation when stadiums migrated away from center-cities, virtually surrounding themselves with parking lots. The complex's location bred most of the reasons for its failure. Many have complained that there is nothing to do around the Meadowlands, specifically a lack of bars and restaurants that other facilities have in their immediate vicinities. Furthermore, in an area of the state and region well-served by rail transit, the sports complex does not have access, which is a colossal void in the dense Metropolitan New York area.

As urban centers are now the place to build stadiums, the desire of the Nets and Devils ownership to play in a new facility in Newark has sounded the death knell for Continental Airlines Arena. Also, with the Jets clamoring to return to New York, Giants

stadium will be left with one principal "big league" tenant. This bleak future for the Meadowlands has led to its labeling as a failure, and as Smothers (2000) quotes a developer as saying that the Meadowlands is, "a suburban tableau, the antithesis of a vibrant city where energy is always flowing" (¶ 27).

Joe Robbie stadium, now called Pro Player Field, is another stadium where the results have been less than spectacular. This particular stadium was built with the intention of spurring development, which never occurred. Proponents had thought that the construction of the stadium would stimulate growth in the surrounding area, and were disappointed when it did not happen. Many have attributed this failure to the factor that the stadium was the sole component of the development plan, and cities have found it difficult to attract development with just one project.

The stadium project in Miami was also affected by economic conditions. A slowing of the economy contributed to the stalling of development around Joe Robbie Stadium, in addition to lawsuits that were brought about by opponents to the development (Baker, as cited in Howard & Crompton, 1995). Despite the stadium's failure to spur significant development, it must be mentioned that this facility was built with private funds, joining the small group of privately financed sports facilities built since the 1950s.

There are several recently constructed facilities that are slated for replacement because of a deficiency in luxury suites (see Chapter II, p. 8). The Charlotte Coliseum in North Carolina is one of those endangered facilities. Though only constructed in 1988, the suburban facility is now doomed because of the opportunities for new revenue through luxury seating that a new facility would provide and also because of the current trend of returning stadiums downtown, where Charlotte's NFL franchise has also located.

The story of the Charlotte Coliseum illustrates the role that owners have had in declaring recently constructed facilities inadequate, in order to get a new stadium with more revenue producing features. Charlotte has been threatened with the loss of the Charlotte Hornets basketball franchise if a new downtown stadium is not constructed. To enable the extortion process, New Orleans is seeking an NBA franchise to replace the one they lost to Utah, and they have a new facility with a vacancy (D'Alessandro, 2000). As of this writing, the Hornets and the city of Charlotte had agreed on a proposal to build a new stadium downtown with a significant portion of the funding coming from taxpayers.

The most recently constructed facility in this study to be examined as a failure is the New Comiskey Park in Chicago. Opened in 1991, the home of the White Sox replaced the original Comiskey Park and is considered to be the last of the "1960s era urban renewal type stadiums" (Bess, 1996, ¶ 4). Parking for the facility was enabled by partially wiping out a city neighborhood. This "slash and burn" type development ended in Chicago, as the next new baseball stadium to be constructed was Oriole Park at Camden Yards, which embraced the old concept of integrating the stadium with the urban environment.

Comiskey has earned a reputation as the only new stadium to be a failure, as its attendance has been terrible. Bess (1996) notes that the stadium has had "to compete with the both the memory of the old Comiskey Park across the street and the reality of Wrigley Field across town" (¶ 6). When the White Sox wanted a new stadium, they threatened to move to Florida if they did not get it. The team did get what they wanted from Chicago, but they appear to have built their stadium a year too early, before the trend of retro urban stadium construction began.

The Richfield Coliseum is a sports facility which has already been abandoned, replaced by the Gund Arena in downtown Cleveland in 1994. Richfield Coliseum was built during the 1970s for the Cleveland Cavaliers in a suburban area, strategically placed between the markets of Akron and Cleveland (Rosentraub, 1999). As discussed in Chapter II, the construction of the suburban arena became a symbol of suburban segregation in Cleveland, as whites fled the city for the developing suburban neighborhoods and the stadium followed them out of Cleveland's city limits.

The replacement of the Richfield Coliseum embodies many of the driving forces at work in the stadium building boom. The demand for luxury seating revenue is the prime mover, but the desire to return to the city center and get away from the lackluster environs of the suburbs also plays a role. These two factors also relate to each other, as being downtown gives the stadium greater access and proximity to the corporations and businesspeople that will pay for luxury seating (Rosentraub, 1999). Despite the financial advantage for the team to be in the urban core, team ownership in Cleveland was still able to negotiate favorable terms to move.

#### Summary

In this brief appraisal of 10 sports facilities, common threads are evident in the successes and failures. Being in a suburban location lacking supporting establishments is likely to end Continental Airlines Arena's tenure, and suburban Richfield, Ohio is no longer the home of the Cleveland Cavaliers. Also, the multi-purpose stadiums built during the cookie-cutter era are pre-destined to be replaced by single sport facilities that channel more revenue to team ownership. Luxury seating also is driving facilities to be

written off before their useful life expectancy has been reached, which has doomed the Charlotte Coliseum and a handful of other arenas.

With the facilities that have been considered successful, new development surrounding the stadium has been key to making the projects thrive. Chapter V is devoted to determining the critical elements of a stadium project that may precipitate a successful sports facility and urban redevelopment initiative.

## Chapter V

### CRITERIA FOR SUCCESS

#### Determining Factors

The existing literature has been examined to arrive at a formula comprised of 10 keys for a successful stadium and revitalization project. The factors selected are what the author believes are the most critical elements to making a sports facility's propensity for spurring revitalization the greatest possible.

#### Mass Transit Access

A common component of all of the traditional urban sports facilities that were reviewed in Chapter II was the presence of rail mass transit in close proximity to the stadium. The existence of mass transit, and specifically rail transit, at major sports facilities continues today to play an important role in stadium success.

Rail transit enables a large number of people to descend upon a concentrated area without having to provide parking space for all of those in attendance. Mass transit is often seen as a less stressful and more efficient means of getting to the game. Fans arriving by mass transit avoid the delays involved with traffic and the costs associated with parking. Additionally, many stadiums simply do not have the space to provide adequate parking, which makes mass transit a logical transportation solution for urban facilities. Rail mass transit allows for a more compact development scheme that is suited well for urban revitalization efforts.

It is also important to note that because in most instances public monies are being used to construct facilities, the stadiums should be planned so that they are accessible to



the tax-paying public, and this can be provided through mass transit (Araton, 2000; Fenich, personal communication, September 29, 2000). Frequently, the availability of rail transit has helped determine the site of a new sports facility. The site of the MCI Center in Washington, D.C. was chosen because of the presence of three metro rail lines beneath it and four additional rail stops nearby. It has been reported that 70% of the fans attending events at the MCI Center arrive by mass transit (Howland, 1998; Weyrich & Lind, 1999).

In addition to enhancing the appeal of a stadium project, rail transit also encourages high-density development that is conducive to cities that are trying to re-develop their urban cores. In some cases the transit systems already exist, as does the urban infrastructure, they just need a new invigoration of economic activity to fully employ their potential. In cities like Denver, Dallas, Buffalo, Portland, and others, rail transit has been added in an attempt to facilitate revitalization along with development projects.

Rail transit has also enabled cities to host major events that would have been considerably more difficult without it. The MARTA system in Atlanta facilitated the movement of massive amounts of people during the 1996 Olympics in Atlanta. Similarly, San Diego's transit system carried 1,000,000 riders the week they hosted the Super Bowl in 1998 ("Super Bowl fans score", 1998).

The lack of rail transit can pose an equally opposite effect on sports facilities. The Washington Redskins left Robert F. Kennedy Stadium a few years ago for a new, suburban stadium, that did not have a direct rail transit connection. In regards to the first game of the 1999 season, Middleton (1999) observed that it "produced a traffic jam of

legendary proportions, with many furious fans unable to reach their seats until halftime, and some who gave up and went home without seeing the game at all" (¶ 4).

Providing public rail transit access at sports facilities is not only integral to the success of the individual facility, it also assists in bolstering the urban core and redefining the center city as the vital hub of a metropolitan area. By the same token, the hours of operation of a transit system need to be suited for stadium events, as people will not stay downtown long after events if the transit system is closed (Miller, 1998). Experts have agreed that mass transit access is not only a benefit to a sports facility, but the responsibility of publicly financed facilities to provide public access for taxpayers.

#### Number of Events Held at Facility

In order for a stadium and redevelopment project to be successful, a significant number of events must be held at the facility to consistently draw crowds to the downtown area. Once built, a stadium needs to be maximized, being used for as many functions as possible. Blair (1997) indicates that the initial cost of a stadium presents a high fixed cost, but that additional events held at the facility would not represent a significant additional cost burden. Besides the sporting contests that are the original purpose for the facility, concerts, conventions, special sporting events, and other forms of entertainment should be hosted by the stadium as frequently as possible. As Miller (1998) notes, "the activity, or inactivity, of a venue affects surrounding restaurants, hotels, and retail businesses" (p 54).

The more days that a stadium sits vacant, the less of an impact that the facility will have on its community. The level of activity for a stadium is usually determined by the main sport that is played there. For instance, NFL stadiums host the least amount of

games, as there will only be eight regular season home games and any additional playoff games that may be held there. Therefore, stadiums that have a football team as their chief tenant have the least overall impact on their respective cities, besides identity and civic pride (Melaniphy, 1996). Baseball stadiums, on the other hand, stand to contribute the greatest overall impact, as they play 81 regular season games per year at their home venues.

Besides simply hosting the sporting events, the stadium must also be utilized from an attendance point of view. A team that does not draw enough fans still has a schedule to play, so the sheer number of games will be inconsequential if the turnout is dismal. The crucial factor of turnout leads to the next criterion for a successful stadium.

#### Community Support of Franchise

Essential to the prosperity of most teams is the support of the community in which they reside. Support may result from the team having a winning tradition, though it has been shown that winning is not necessarily a prerequisite for loyal fans and solid attendance. As discussed in the previous section, the consistent attendance of fans is required for the success of a stadium and its surrounding area.

Though many cities have teams that have less than stellar attendance when the product on the field, ice, or court is below par, some teams enjoy a fervent fan base that stays with the team through good times and bad. One such team is the Cleveland Browns, which has always had tremendous fan support, win or lose. This affinity was tested when the Browns left town for Baltimore, leaving Cleveland without an NFL team. Cleveland fought for the rights for the next available expansion team and to retain the

Browns name. There is a new Cleveland Browns team playing in a new stadium in the Gateway area, and the loyal Browns fans have returned to support them.

Fan loyalty cannot be discounted when discussing stadiums and urban revitalization, as it is the activity created downtown by the presence of sports fans that will assist in fueling the resurgence of an urban area. When activity is created, others are sure to follow creating opportunity for further development. As mentioned previously, baseball stadiums have the largest potential for having an impact on a city. Camden Yards has consistently drawn large crowds even though the Orioles have not always had great teams in the past 8 years since the ballpark opened (Gee, 2000). However, some owners do not have the luxury of fans that do not demand a quality team every year. In fact, Siegfried and Zimbalist (2000) assert that the provision of a stadium provides teams with potential, which should give the owners an incentive to assemble good teams to ensure high attendance.

While there may be teams such as the Chicago Cubs that constantly draw crowds without always having good teams, it still remains crucial for teams to vie for a winning tradition that will perennially lock in community support and spirit. This support is necessary to facilitate the attendance figures required to make a sports facility a vital component of an urban revitalization effort.

#### Stadium Alone Cannot Revitalize a City

Most stadium experts conclude that a stadium by itself cannot revitalize a city. A major flaw of some stadium projects like Joe Robbie Stadium has been using a stadium as the sole anchor of a redevelopment initiative. A stadium can act as a vital component of a revitalization effort, but being the sole component will not bring about revitalization.

Because a stadium is actually vacant for most of the time, there has to be other anchors to draw economic activity downtown as well as the stadium (Robertson, 1995).

A stadium can be a factor in urban revitalization when other destinations are included. Developments may include convention centers, hotels, arts facilities, retail stores, bars and restaurants, museums, aquariums, and other attractions. It is important for an entertainment district to have sustainable economic activity year-round, not just when the stadium is in use. City officials need to be cognizant that a stadium alone will not be enough to make a substantial impact, and that a complete plan has to exist (Rosentraub, 1999).

Baade and Dye (1988) conclude that "if a stadium is to have an economic impact on the city, it needs to be part of planned and balanced development. Good planning is still better than great promises" (p. 274). Success stories like Baltimore, Detroit, and Cleveland can all be attributed to having a plan that included a variety of attractions, rather than just a sports facility. The facilities in these cities have ensured that there is a magnet for activity throughout the year, which will support the service businesses that sprout up in entertainment-focused areas.

As virtually all of the stadium scholars mention that a stadium as the sole element of urban revitalization plan will not work, the onus is on city planners and stadium proponents to plan for mixed development and not for a stadium to be a cure-all for revitalization. Some point out that a stadium should be built in an area that is already undergoing urban revitalization, as was the case in Denver when Coors Field was built (Loyacono & Shilling, 1999). Regardless of when the process starts, the planning should

be done before construction starts, and there should be multiple components to the revitalization plan.

### Residential Element

Just as it is critical for a stadium not to be the only anchor for revitalization, it is also important that entertainment is not the sole focus of redevelopment. Revitalizing neighborhoods and bringing residents back to the city is the only way that a true renaissance will occur (Bissinger, 1997). Again, going back to the classic urban sports facilities, they were integrated into the neighborhoods in which they were built, surrounded by residential communities.

Having a residential population nearby a stadium and entertainment zone will support the businesses that develop around these anchors which need patronage all year, not just on game-days. The ancillary development that a stadium produces can be sustained by residential communities (Bess, 1996). The success of the supplemental businesses is crucial to the revitalization effort, and a 24-hour population will propel those establishments.

Many cities have recognized that the city is only as strong as its neighborhoods, and are working to improve neighborhoods and draw residents as well as develop major projects like stadiums. Denver renewed their focus on developing housing instead of retail, with the rationale that retail would follow a residential population that developed downtown (Webb, 2000). Denver's housing market is now considerably strong downtown, with apartments and loft space driving the boom.

The construction of a stadium and other entertainment venues may serve for some as a re-introduction to the city, and the vitality and excitement of the area could cause

people to consider moving downtown. As a master plan for revitalization is developed, there has to be a place for invigorating deteriorated neighborhoods and bringing the middle class back to live in the city.

#### Commitment of Team Ownership to Area

A downtown revitalization project will have a better chance for success if the ownership of the team(s) that play in the sports facility are committed not only to the city, but to the redevelopment of the urban core. Cities have found that when team ownership has a stake in revitalization efforts, the probability for positive results is strengthened.

The Jacobs family of Cleveland, who own the baseball Indians, are an example of how ownership's stake in the redevelopment can benefit both the city and the owners. With a considerable investment in downtown development projects, the Jacobs family has a personal interest in the revitalization of Cleveland. With vast holdings in the city, the family stands to benefit as long as the thriving development is sustained (Rosentraub, 1999). With a mutual interest in the city's future, the Jacobs family and the city of Cleveland are a good match for an owner-city relationship.

Similar situations also exist in Phoenix and San Diego, where team ownership has become directly involved in developing projects, including building hotels and reviving neighborhoods. Though motivation is primarily financial, the involvement of the sports teams in redevelopment plans enhances revitalization efforts and also reduces the risk of the team leaving town, as they have made a substantial investment in the cities in which the team resides (Fulton, 1999).

Detroit offers an example of how when team ownership is rooted deeply in a particular city, the reduced threat of the team leaving can also lead to a decrease in the

amount of public funding for a stadium project (Bachelor, 1998). The families that own the Tigers and the Lions are both strongly connected to the Detroit area, and though the new stadium projects in Detroit were partially funded with public funds, it could have been worse had their not been a commitment from the ownership to remain in Detroit.

Paul Allen, who owns the Seattle Seahawks, has also demonstrated how the involvement of an owner in revitalization can accelerate the forces of positive change downtown. Allen's development corporation has taken an active role in financing a portion of a new stadium for the Seahawks, building housing in the stadium district, and renovating Seattle's Union Station, which serves as the transit hub downtown (Olson, 1999). The partnership between the city's mayor and Allen serves as a model for effectively accomplishing redevelopment goals cooperatively through both the private and public sectors.

#### Restaurants and Bars Develop in Concert with Sports Facility

Another key to the success of a stadium development plan is the supporting business growth that should occur within the stadium district. Restaurants and bars account for a large portion of the ancillary development in an entertainment zone, and they usually are successful in drawing crowds before and after events. With most downtown redevelopment projects, the goal is to have people downtown all the time, not just on game-days, and an energetic restaurant and bar scene can assist in accomplishing this goal.

Restaurant operators have found that downtowns involved in revitalization can be a great business opportunity (Walkup, 1998). With large investments of private and public money being spent on downtown development, the potential for restaurateurs has



been realized. Downtown restaurants and bars are attracting visitors and residents, and keeping event-goers in the urban core longer. As more options for entertainment are offered, there are more reasons for people to come downtown (Walkup, 1994). Consequently, local residents who would otherwise be spending in the suburbs will be causing economic ripple-effects downtown. Spending recreational time downtown may also lead to additional residential demand in the energized urban entertainment areas.

Many cities have experienced pronounced development in the restaurant and bar sector in conjunction with their revitalization efforts. Detroit has been the scene of increasing restaurant and bar development as the renaissance of downtown has flourished. Stadium construction, new casinos, office space development, and other projects have provided a ripe environment for ancillary development (Walkup, 1999). Other cities have also had a successful experience with restaurants and bars supplementing the revitalization process, especially with restaurants, including often overlooked St. Louis and Indianapolis.

When sports facilities and restaurants and bars develop in concert with one another, it increases the probability that the stadium will have a prolonged effect on downtown redevelopment. It has been previously noted that a stadium cannot revitalize a city by itself, and ancillary development in a stadium's neighborhood can ensure that people are attracted to spend time and money in the area even when the sports facility is not in use. In conjunction with other entertainment anchors, restaurant and bar development can be the glue that holds the area together.

### Decentralized Parking

One of the paramount conditions that affects the surrounding development of a stadium area is the configuration of parking. A stadium that has parking centralized around the facility will not encourage fans to stay downtown and therefore will have a minimal impact on the city (Baade & Dye, 1988; Bess, 1996; Howard & Crompton, 1995; Melaniphy, 1996). Bess (1996) notes that decentralized parking “ensures a volume of stadium generated pedestrian traffic more likely to spend money at the retail establishments near the stadium” (§ 14).

The traditional suburban stadium has been characterized by the parking lots that usually surround them. This suburban model will not work in urban environments if neighborhood revitalization is desired, as it will diminish the potential for ancillary development, as the centralized parking facilitates the exodus of suburban fans (Baade & Dye, 1988). Comiskey Park is an example of where a suburban stadium was placed in an urban setting, and failure resulted. The key to making ancillary development a success is keeping the fans in the city after events. Parking needs to be carefully planned as to not sabotage the redevelopment potential touted by stadium proponents.

Baltimore’s Camden Yards started the trend of going back to the traditional urban ballpark design inspired by Fenway and Wrigley Field. These facilities blend into the city and are not surrounded by endless seas of parking lots. Having decentralized parking enables a new downtown sports facility to integrate with the neighborhood and encourages fans to stay in the area longer, rather than proceeding directly to their cars, which would be conveniently parked right outside a suburban stadium. Captivating this

audience with the additional entertainment and recreation options in the area is imperative to making the stadium project a success.

#### Stadium Located Where it Will Have an Impact

When a stadium is being planned, the site chosen should be one where the most positive impact can take place. As stadium planners consider locating the facility, it is critical for them to remember that the location does matter. Ellen and Schwartz (2000) note that “a basketball arena in downtown Washington, D.C. surely yields a different pattern of economic activity than one in suburban Maryland” (¶ 23).

Location decisions within the downtown area of a city are also important. Declining areas may offer the most potential for an economic and symbolic revitalization. Where a stadium is constructed can considerably affect the probability for success of a redevelopment project. Being near the waterfront has benefited sports facility projects in cities like Cincinnati, and Camden Yards serves as an example of the efficient utilization of a former railroad yard and warehouse district.

As mentioned in previous sections, residential development, decentralized parking, and mass transit access can make a stadium reach a higher level of success. Each component contributes to the site’s ability to be pedestrian-oriented, which is necessary in order to stimulate development and sustain the continued revitalization of the area. Shifting the focus to the pedestrian is returning to an earlier age in American cities, when pedestrian traffic and mass transit fashioned the city (Robertson, 1995). Downtown sites usually are laid out with a pedestrian framework, which will serve a stadium well, as long as the stadium is not surrounded by parking.

The existing pedestrian framework in a city is what can't be offered in a suburban site. The networks of streets, sidewalks, and passages in an urban setting are conducive to ancillary development, and the pedestrian connection to the stadium is what will facilitate event-goers to remain downtown and to patronize the businesses in the stadium district. Additionally, when coupled with residential dwellers, an urban location that is pedestrian-oriented will improve the chances that a stadium district will be a thriving scene even when games are not being played.

### Safety and Security

The final criterion selected by the author for this study is perhaps the simplest to describe, yet one of the hardest to automatically attain: The public must feel safe at the stadium location and its surroundings. If there is not feeling of safety and security, many people won't venture downtown for a sporting event, let alone for a night on the town. City downtown's have had a reputation for becoming dangerous places after the close of business. Many downtowns still carry this stigma, and it is a difficult task to overcome.

Stadium forces and downtown promoters have to tackle the issue of safety and security to combat the stereotypes that downtown is a dangerous place, a stereotype often felt by the suburbanites that promoters are trying to bring back to the city. Security at the facility and the area around the stadium has to be tight and visible. A strong presence by police and security personnel will project the image that events downtown are safe, and a continued sense of safety will entice people to return for more stadium events and for other forms of entertainment.

Linsalata (1996, as cited in Bachelor, 1998) notes the comments of a former St. Louis development director:

...Often the barriers to development and investment in a city are as mythical and hard to quantify as the direct economic benefit of the stadium itself. But as people come downtown and get comfortable there, they are more likely to come down again, hang out, and spend time. Eventually people may even choose to live there. (p. 97)

Detroit, a city that has had a negative image, has been fighting the notion that suburbanites were unsafe downtown. They point to the number of people attending sporting events on a regular basis, and also the throngs filling the casinos and concert venues (Muret, 1999). The crowds that return night after night represent a sign that indeed Detroit has shown that downtown is a safe place to go. The city of Detroit offers an example of how a city can demonstrate that downtown is a safe place to be entertained and also to bring family. As long as the level of safety and security is maintained, people will continue to come to the urban core for recreational spending.

#### Summary

The 10 criteria presented in this chapter are those that the author believes can have the most profound effect in influencing development, sustaining that development, and improve the general health and image of the city as a whole. The order in which the factors are introduced has no relevance, and most are comparable in significance, with the exception of perhaps just one.

The idea that a stadium alone cannot revitalize city cannot be stressed enough. All of the other nine criteria reviewed will assist in the success of a sports facility that is part of a larger development strategy. Relying on a stadium alone to solve a city's problems is misguided. A balanced plan that includes a stadium and other development

anchors is the way to derive the most civic and economic benefit possible from a revitalization initiative. The ten criteria proposed are what the author feels will enable a city to maximize the public and private investment made to revitalize the urban core.

## Chapter VI

### TAXPAYER ATTITUDE SURVEY

#### The Questionnaire

A questionnaire was developed in order to measure the attitudes of taxpayers concerning public funding of stadiums and revitalization projects. The goal of the survey was to determine how strongly the respondents felt about their tax dollars being used to redevelop urban areas. Because most new stadium projects are constructed with some form of public funding, it is important to gauge how the public feels about the allocation of tax levies to these projects and to redevelopment projects in general.

The survey document was comprised of 10 statements that completed the question: "Would you be willing to see a small percentage of your current taxes dedicated toward an urban development project that would... ." The 10 statements were developed from searching the literature for effects that should or may occur as a result of an urban revitalization project, including the construction of a new stadium. The complete survey document can be found in Appendix A.

#### Population and Sample

To measure the attitudes of taxpayers, the author distributed the survey instrument to 56 respondents, the majority of whom reside in the states of New Jersey and New York. Additionally, several participants inhabited other East Coast states including Florida, Massachusetts, North Carolina, Pennsylvania, and South Carolina. The sample included participants of varied occupations, incomes, and ages, though all aged 22 years and older. The data were collected over a one week period and tabulated to formulate

aggregate representations of the sample's attitudes towards public funding of urban revitalization projects.

### Survey Results

The data collected provide an insight into the sample's general attitude towards urban revitalization and sports facility construction. The complete table of results is located in Appendix B. In the literature, some authors have stated that most taxpayers would not object to a small portion of their tax dollars being used to build a stadium. The data collected in this research supports this assertion, as 34% of the participants noted that they were neutral on paying for the construction of a stadium, and another 34% of the respondents said they agreed with a small portion of their taxes going toward building a stadium. By contrast, only 16% disagreed and 9% strongly disagreed with paying for stadium construction.

Most of the statements related to the revitalization of urban areas had favorable responses from the survey respondents. There were only small percentages that disagreed with tax dollars being used to support projects that would stimulate business development, enhance the image of the city, and improve neighborhoods. Even fewer strongly disagreed with these revitalization project results, with some categories like enhancing the image of the city having not one respondent strongly disagreeing.

The topic statement that drew the most respondents to strongly disagree was increasing profits for sports team owners and players. Forty-eight percent strongly disagreed with their tax dollars being used to support a project that would drive up the profits for the owners and players. Furthermore, 16% disagreed while 27% were neutral on the subject. The strong sentiment against the subsidization of the profiteering for



these individuals substantiates much of the criticism generated by the anti-stadium economists who maintain that new stadiums increase the bottom lines for owners which in turn enables them to pay athletes even more.

Improving the civic pride of residents is also important to the survey participants, as 36% strongly agreed and 39% agreed with funding a project that would boost the civic pride of area residents. In fact, only 5% disagreed with the civic pride statement and no participants indicated that they strongly disagreed.

#### Anecdotal Comments

Some participants elected to contribute their personal comments regarding the issues they were queried on in the survey. Certain comments of interest are contained herein to demonstrate the opinions of some of the survey participants. One respondent commented:

I believe that a public investment in something as costly as a sports complex should only be made if sizable financial returns on that investment are projected for the entire community. A privately owned sports complex only serves as entertainment value to a relatively small percentage of the regional community and would be financially discriminative to people of the community who cannot afford to use it. A publicly funded investment should either directly benefit the entire community through open and indiscriminate availability, or it should indirectly benefit the community through a broadly distributed increase in regional wealth.

This respondent also notes that if increased civic pride is the only benefit to the community at large than he would not go along with such an investment. Another

respondent holds similar views in regards to the availability of a publicly funded facility to the people. She comments, "I would like the project to ensure that the average working class family could enjoy the facility. Too often sports venues are taken over by large businesses and people of wealth."

Another survey participant expressed their discontent with building new sports facilities when there are currently existing facilities. As discussed in previous chapters, new facilities replacing existing stadiums has become the status quo, even with relatively modern existing stadiums. However, not all of the comments received were negative regarding stadium construction. In speaking of downtown Miami, one said "I think it would greatly serve the city to clean up the downtown area to attract more tourists who no longer visit in fear of being robbed." Another said "Buffalo, New York once had a very busy downtown social and shopping district which has died off in previous years. It should be a priority of our city government to revitalize that district. Sports are one of the many ways to stimulate that growth."

One survey respondent pointed to the role of a winning team, as they conclude "obviously new facilities would have an important effect, but the quality of the team itself may even be a larger factor. Clearly as fickle as sports fans are, no one enjoys watching a loser." Other comments mentioned that if public money was used to revitalize an urban area, they should not let it fall into decay again. Still other statements contained disdain for team owners and players receiving more money.

In effect, the survey proved to be a useful tool to understand the sample's attitude towards new sports facilities and urban revitalization. The qualitative comments enabled the author to get a glimpse into many of the respondents' views towards urban areas in

general, and the specific cities in which they reside in or near. The comments also revealed that many of the respondents have a keen sense of the issues surrounding stadium projects and professional sports.

## Chapter VII

### CONCLUSION AND RECOMMENDATIONS

An initial scan of the literature related to the recent boom in stadium construction would give the reader the overall impression that stadium projects are not successful for the cities that support them. However, after taking a more in-depth look, as this author did, the reader would find several weaknesses and concessions beneath the critics' arguments.

An observation by several stadium critics is that new stadiums and the ancillary development that surrounds them will not bring in new money to the local economy, rather, there will just be a switch in recreational spending from the suburbs to the downtown area. The author concurs with this assessment, but the shift in spending can be a powerful force. When Rosentraub (1999) states that the shift may serve a "public purpose," he is understating the importance of the redirection of recreational spending (p. 246).

While the money being spent downtown may not be new money to the local economy, it can have a greater effect when it is spent downtown rather than in the suburbs. A prime example of this effect is the image of the region. The major city in a region usually defines the region as a whole. The entire State of New Jersey has been characterized by the plight of its cities, particularly its largest, Newark. Outsiders generally associate the state with urban blight, crime, and filth. While there may be miles and miles of thriving suburbs, the city defines the region. Therefore, it is likely that if the city of Newark made an economic and social comeback, in time the identity of the region

would change. In order for the revitalization of the economic and social spheres to take place, some of the activity lost to the suburbs over the last four decades has to be returned.

In response to the usual stadium critics, the author does agree that a new stadium and ancillary development will draw existing spending from the suburbs. But the negative consequences in the suburbs will not be anywhere close to offsetting the positive impact that the spending will have on a city and the image of its entire region.

The major point of contention for the critics of new stadium development is the sources of funding for stadium development projects. The public funding of such projects is what has created the stadium debate and brought it to the forefront. While the author does find the subsidization of rich team owners disturbing, when the end result is a stadium that plays an important part in the revitalization of a city, it appears to be a worthwhile investment. Several authors alluded to the idea that most taxpayers do not object to spending a small amount of money to fund a stadium that would attract or retain a professional sports team. Furthermore, when the stadium constructed is a component of a revitalization project, the public funding for the facility can be viewed as being for the greater good of the city and region.

Additionally, the survey findings presented in this research found that the sample polled generally agreed or were neutral with the public funding of sports facilities. This finding was consistent with the conclusions of several stadium economists who, as mentioned previously, gathered that the average citizen would not object to a small portion of their tax dollars being spent on a new stadium. Also, in the survey conducted

by the author, the respondents had generally favorable feelings toward urban revitalization projects that would stimulate business and social activity downtown.

Furthermore, most participants were agreeable toward developing and revitalizing city residential neighborhoods and also found favor with projects that would increase the civic pride of residents. Similar to stadium critics' and the author's opinions, the survey respondents did not agree with team owners and players capitalizing on a publicly funded project.

The area where critics make the most concessions in terms of stadium benefits is in intangibles. The intangible benefits like civic pride and improved image are difficult to measure yet are certainly byproducts of the presence of a professional sports team and stadium. A team's ability to generate intangible benefits provides some rationale for the public subsidization of their facilities, as intangible benefits are received by more people than just those that attend the sporting events.

Summarily, the author finds that new stadium construction can have a positive effect on urban revitalization, provided that the criteria presented in Chapter V are maximized. While a project may not fully qualify under each criterion, the more that fully apply to the project the greater the probability is that the stadium project will be successful in its role in the revitalization of a city. Whether it's providing mass transit access or safety and security, the ten factors are integral to the stadium's success as a component of an urban redevelopment plan and therefore to the city's overall hopes of revitalizing the urban core.

## Newark Arena

The final objective of this research is to assess the proposed new sports arena to be built in downtown Newark. This assessment will be achieved by applying the 10 criteria for success presented in Chapter V. The new arena will be the home of the New Jersey Nets basketball franchise and the New Jersey Devils hockey team. At the time of this writing, the public funding contribution to the project was still being determined by New Jersey lawmakers.

In terms of mass transit access, the site proposed for the arena is the idyllic model for providing mass transit. The site for the new arena will be next to Pennsylvania Station, the transportation hub of Newark. Penn Station offers access to New Jersey Transit's Raritan Valley Line, Northeast Corridor Line, and North Jersey Coast Line. Additionally, there is PATH (Port Authority Trans Hudson) rail service from Hoboken, Jersey City, and lower and midtown Manhattan. Newark Penn Station also serves as the last stop before Manhattan on Amtrak's Northeast Corridor Line.

Also, the Newark City Subway's terminus is located at Penn Station and a rail connection to the Newark Airport is under construction. Furthermore, a few blocks away is Broad Street Station, a New Jersey Transit station serving the Gladstone, Morristown, and Montclair branches of the Morris and Essex Line. The site for the new arena is fully optimized for rail transit, which will be conducive to bringing large volumes of fans directly to the stadium with ease, without the hassle of driving and parking in a congested area. Additionally, Penn Station is also served by numerous bus routes.

The number of events held at the arena per year is an indicator of how often large crowds will be coming to downtown Newark for games and other events and ideally

spending time and money in the downtown area. Because the arena will host the Nets and the Devils, there will be over 80 regular season games played, plus any potential playoff games. It had been reported that former New Jersey Governor Christine Whitman would only support a facility in which both teams played, adding that the state could not support two arenas in the same area of the state (Sandomir, 1999). With both teams playing home games at the site and other special events being hosted, the facility will have enough nights of activity to draw people downtown and hopefully spur them to come back when games are not being played as well.

In order for the stadium and redevelopment to be successful, the teams need to have the enlisted support of the community. Recently, the Devils have had considerable success on the ice, winning the Stanley Cup in 2000 and 1996. The team has a solid fan base and draws supporters from across the state. Conversely, the Nets have not shared in the same success that the Devils have had. Lackluster teams and mediocre records have made a winning tradition elusive for the Nets. Overshadowed by the Knicks across the Hudson River, the Nets are still trying to define themselves as a team.

While a new arena will draw fans, a winning team will eventually be necessary to sustain fan interest. The Devils and the Nets present a mixed bag of success and disappointment, and playing in a region dominated by New York City to the north and Philadelphia to the south can make it difficult to garner attention. The Devils have proved themselves in recent years to New Jersey fans, and a new arena in Newark will change a lot of things, however, the Nets must win to claim their share of the spotlight.

The likelihood for the new arena to play a large role in the revitalization of Newark is strengthened because of the redevelopment strategy already in place. It has



been established that a stadium by itself will not revitalize a city, and Newark has made a commitment to a multi-faceted redevelopment, initially driven by arts. The New Jersey Performing Arts Center (NJPAC) drew over a half million people in its inaugural year in 1997 (Smothers, 1999). The center has continually drawn crowds to downtown Newark for concerts and other events. Downtown Newark also features Riverfront Stadium, the home of the minor league Bears. The stadium opened to rave reviews during the 1999 season.

The mixture of arts and sports has been a winning combination in other cities like Detroit, and it is expected to drive the revitalization of Newark. The success of the NJPAC has indicated a willingness of patrons to return to Newark for entertainment, and the presence of a new sports facility will only increase the number of visitors to downtown who would be exposed to a new and burgeoning entertainment district.

A significant challenge for Newark's supporters will be the revitalization of residential living in the city. As discussed in Chapter V, a true revitalization involves drawing residents back downtown and strengthening its neighborhoods. While the downtown office space market has been heating up for Newark, residential development is lagging behind. Besides the notably strong Brazilian and Portuguese Ironbound section, residential communities have deteriorated in Newark, which was devastated by riots in 1967.

A plan for revitalizing Newark with a stadium and other entertainment attractions must include provisions for rebuilding Newark's residential areas, along with developing more housing downtown. If Newark can reclaim its role as the center for entertainment

and social activity, the demand to live near the center will increase and provide a sustaining population for the development that occurs around the entertainment venues.

One of the driving forces behind the Newark project is Raymond Chambers, a co-owner of the Nets. Chambers has demonstrated a "singular devotion" to the revitalization of Newark, where he was raised (Smothers, 2000, ¶ 20). With the commitment of team ownership being essential for success, Chambers' personal interest in seeing Newark's renaissance take hold is as admirable as it is critical. Chambers also had a part in the development of the NJPAC, the cornerstone of Newark's revitalization.

Nets ownership, which includes another local, Lewis Katz, has been instrumental not only in orchestrating a move for the Nets to Newark, but also in purchasing the Devils in order to bring them to Newark as well, instead of a separate arena in Hoboken where their previous owner had intended. This commitment to the city, not just an arena, is what Newark needs in order to realize a city-wide resurgence.

Once the stadium is constructed, ancillary development should follow. The development around the arena will be supplemented with the already existing ethnic restaurants of the Ironbound section, which will provide an anchor to further development. It is difficult to predict beforehand how well the restaurant and bar scene will flourish in the stadium district, but the success will rely on event-goers spending time and money at the establishments before and after events.

It is critical that the stadium does not simply become an island where people come for the event and leave without patronizing the local establishments in the area. In a dense area such as Newark there is great potential for the growth of ancillary

development, and it will be up to the fans and residents as to how well these supporting businesses will fare.

The success of the ancillary development is also dependent on the structuring of parking facilities around the arena. Because the arena will be served by an abundance of mass transit, there does not need to be nearly as much parking as the Nets' and Devils' current facility in the Meadowlands. Furthermore, the dense nature of downtown Newark will not be conducive to expansive parking lots. These are all positive factors for the arena, as decentralized parking will facilitate more street activity and business patronage.

As it is now, the streets by which cars would arrive at the stadium from the major highways into downtown Newark are not conducive to a large sporting event crowd, and the tie-ups at the site would be of dramatic proportions. The author concedes that there will have to be significant highway improvements to facilitate automobile access to the stadium, though still insists that parking lots should be kept to a minimum to encourage the utilization of the mass transit that is already available. Decentralized parking will curtail some fans from immediately going to their cars after events, and instead spending more money and time downtown, which will help sustain the revitalization effort.

The location of the stadium site has been the subject of debate, and it should be, as the location of the stadium affects the development of other business and activity. The first right step already made was the selection of downtown Newark for the stadium site. The stadium's potential effect on the city is made greatest when the stadium is located downtown.

The plan to build the stadium next to Penn Station has drawn both applause and criticism. The proximity to Penn Station grants convenient access to fans from all over

the region on mass transit. The MCI center has been used as an example of the potential utilization of mass transit by fans, as it has been shown to be used by 70% of Washington fans. The portion that is drawing criticism is the plan to build covered walkways directly from the station to the stadium. These walkways will reduce the possibility that fans will interact with the city. If people are diverted through "umbilical cords" to the stadium rather than on to the street, many feel that it would be a missed opportunity (Smothers, 2000, ¶ 23). The author agrees with this sentiment, as a stadium should promote street activity rather than discourage it. The stadium planners need to capitalize on the access to Penn Station without stifling the opportunity for fans to be part of the pedestrian environment around the facility.

The final analysis of criteria for the Newark site is safety and security. The city is already at a disadvantage as Newark has a national reputation for urban blight. Locally, the city will be fighting a reputation that it is a dangerous place to be. Crime is down in Newark, but it will take a while to change stereotypes. The city will have to demonstrate that it is a safe place to be at night by providing visible security at and around the sports facility.

There may be some who will not be willing to trek into Newark to attend a sporting event, but the belief is that people will try it and if it is safe, they will come again. As Detroit and Newark both share a similar past, many are looking to Detroit as an example; that people will try Newark like they tried Detroit and enjoy it (Araton, 2000).

In conclusion, the new arena in Newark appears to have the necessary ingredients to assist in the revitalization of the city. A concerted effort will have to be made to

incorporate residential development into the plan, as well as promoting street life and pedestrian-friendly development. Penn Station provides a transportation solution and opportunity that most cities do not have. The extensive reach of the transit system will give the arena a link to communities throughout the region.

The continued revitalization of Newark will be aided and bolstered by this sports facility, and the region stands to benefit from a vigorous downtown business district with an improved image that affects the entire area. As Araton (2000) declares, "Newark, above all, makes sense" (¶ 18).

#### Future Study

Finally, the author has found through the research that much more work can be done on the effect of sports facilities on urban revitalization. Specifically, the minor leagues present an opportunity to study mid-sized and smaller cities and the role that minor league stadiums have in those communities. Minor league stadiums are being built at a faster rate than their major-league counterparts, and could provide an insight into the dynamics on a micro-level that are involved with sports teams and the cities in which they play.

Further study could also be done on image-- both locally and nationally-- and how a new stadium, new team, or revitalization of the urban core changes the perception of a city. The image of a city can affect tourism, business development, and overall growth. Because the stadium boom has shown no signs of slowing, the author believes that these facilities and their environs should continue to be studied to produce the best practices in order to deliver the most efficient and pronounced effect on urban revitalization.

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## Appendix A

### Survey

## Sports Facilities and Urban Revitalization Master's Thesis Survey

**Please respond to each follow-up statement to the following question by circling the number that most closely indicates the degree of your support.**

*Would you be willing to see a small percentage of your current taxes be dedicated towards an urban development project that would:*

	Strongly Agree	Agree	Neutral	Disagree	Strongly Disagree
1. –build a new professional sports facility in your city's downtown.	5	4	3	2	1
2. –stimulate the downtown business district as the economic center of the region.	5	4	3	2	1
3. –re-establish downtown as the center of cultural and social life of the region.	5	4	3	2	1
4. –enhance the overall image of the urban center and region.	5	4	3	2	1
5. –cause a shift in some recreational spending from the suburbs to the city.	5	4	3	2	1
6. –redevelop currently existing infrastructure to attract commercial and tourist activity.	5	4	3	2	1
7. –increase urban residential development and revitalize existing neighborhoods.	5	4	3	2	1
8. –increase the number of service-sector and seasonal sports related jobs.	5	4	3	2	1
9. –improve the civic pride of residents.	5	4	3	2	1
10. –increase profits for professional sports team owners and players.	5	4	3	2	1

**Please add any additional comments:**

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Thank you.

**Appendix B**  
**Survey Results**

Survey Results

Statements 1-10 complete this question: *Would you be willing to see a small percentage of your current taxes dedicated toward an urban development project that would:*

	Number of Respondents					Largest Percentage
	Strongly Agree	Agree	Neutral	Disagree	Strongly Disagree	
Total number of respondents: 56						
1. -build a new professional sports facility in your city's downtown.	4 7%	19 34%	19 34%	9 16%	5 9%	Agree- 34% Neutral- 34%
2. -stimulate the downtown business district as the economic center of the region.	12 21%	31 55%	7 13%	4 7%	2 4%	Agree- 55%
3. -re-establish downtown as the center of cultural and social life of the region.	22 39%	22 39%	8 14%	4 7%	0 0%	Strongly Agree- 39% Agree- 39%
4. -enhance the overall image of the urban center and region.	20 36%	27 48%	4 7%	5 9%	0 0%	Agree- 48%
5. -cause a shift in some recreational spending from the suburbs to the city.	11 20%	21 38%	14 25%	8 14%	2 4%	Agree- 38%
6. -redevelop currently existing infrastructure to attract commercial and tourist activity.	16 29%	21 38%	17 30%	2 4%	0 0%	Agree- 38%
7. -increase urban residential development and revitalize existing neighborhoods.	15 27%	28 50%	9 16%	3 5%	1 2%	Agree- 50%
8. -increase the number of service-sector and seasonal sports related jobs.	8 14%	24 43%	18 32%	5 9%	1 2%	Agree- 43%
9. -improve the civic pride of residents.	20 36%	22 39%	11 20%	3 5%	0 0%	Agree- 39%
10. -increase profits for professional sports team owners and players.	2 4%	3 5%	15 27%	9 16%	27 48%	Strongly Disagree- 48%