High Stakes

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Sports Facilities, Public Funding, and Community Conflict

The Red Sox are asking for $275 million in public financing for their $627-million ballpark plan—$140 million from the city to purchase and clear land for the new ballpark by the current Fenway Park and $135 million from the state to build parking garages and improve roads and subway stations.

Residents said at a City Hall hearing Monday that it is unfair for the city to consider spending so much on a baseball park, when other plans to build new schools, community centers, and other city improvements have been put off for financial reasons.

“We have a housing crisis, we have a healthcare crisis, we have a transit crisis, we have an open space crisis,” said Helen Cox, a resident of the Fenway neighborhood since 1958. “We do not have a baseball crisis.”

City Councilor Maura Hennigan, from the Jamaica Plain section of Boston, agreed. “This is a terrible deal for taxpayers,” she said.

The Associated Press
June 6, 2000

The Boston Ballpark issue is not an isolated event. In the last fifteen years, many U.S. cities have debated the topic of publicly funded arenas and stadiums. In many cities, sport facility issues have set off a remarkable amount of political conflict, and these conflicts—their own—are interesting to observe. However, the explosion in sport facilities construction in American cities—along with the public’s investment in them—reflects larger trends in American society.

The Explosion in Sport Facility Construction

In recent years the public has spent more than $17 billion on the construction of more than one hundred new arenas, football stadiums, and baseball
parks in the United States. In most cases voters agree to spend tax dollars on the construction of these facilities to support privately owned, major-league sports franchises. In many cases, teams, investors, and politicians make a deal that will combine tax dollars with private funds to pay for a project, and the public usually picks up the tab for more than half of the costs. Upon completion, governmental entities usually lease the facility to the professional franchise that operates it as a for-profit enterprise. The franchise collects the parking and concession revenues and rents for other uses of the facility. New facilities typically contain luxury boxes and suites catering to the business community and wealthy individuals, families, and groups. They also feature season-reserved, well-positioned seats that require a license fee to purchase (see Chapter 2 for more discussion of this topic). These arrangements provide the franchise with far greater revenues than were possible in the old facilities that lacked such luxurious accommodations.

Most major-league sports entrepreneurs desire new facilities for their organizations. They claim that they cannot operate profitably without a new facility and a favorable lease arrangement. They also claim that they cannot afford to build these facilities, so the public must provide most of the funds. Team owners argue that this is only fair because the public greatly benefits from the presence of a major-league team in the local community. In addition to this advantage, team owners claim that the public also benefits from the presence of a new, first-rate facility that will attract a wider range of entertainment to the community than was possible with the old facility. In the end, if the public resists these appeals, many team owners threaten to relocate their teams to a more “hospitable city.” In fact, numerous entrepreneurs have actually moved their teams to other cities, demonstrating to local sports fans that they should not dismiss such a threat as a bluff.

In most cities, local pro-growth coalitions attempt to mobilize support for stadiums, arenas, and ballparks by framing sport facility issues in terms of urban redevelopment. Formulated as such, sport facility construction often competes for scarce public dollars with more conventional redevelopment efforts, such as transportation improvement, environmental cleanup, infrastructure modifications for people with physical handicaps, housing for low-income residents and the homeless, crime deterrence and law enforcement, and neighborhood development and renewal. By framing arena and stadium funding as a form of redevelopment, governmental entities try to justify spending funds from the public redevelopment budget. Even so, there are many other city projects that could use the $250 million to $375 million that is required to construct a typical sports facility.
In many cases—to avoid public dissent—city, county, and state governments advance money for sports facilities from funds that do not require direct public approval. These funds go toward tasks such as site preparation, transportation improvements, and land acquisition. For example, June 2000 marked the middle of the construction of the “privately funded” Nationwide Arena in Columbus. At that time the city government had spent a total of $29.7 million for street widening, sewer relocation, and increased labor costs.5

However, without voter approval for bonds, loans, subsidies, or other financial instruments, local governments are unlikely to appropriate the hundreds of millions of dollars required for the construction of typical arenas, stadiums, and ballparks. Once a sports facility project becomes dependent on voter approval, the usual processes of political contention come into play.6

The public funding of sport facilities is an issue in every major city in the United States and in many second-tier cities as well.7 Many citizens groups simply are not willing to watch politicians spend their tax dollars on the construction of arenas, stadiums, and ballparks for privately owned professional teams—especially when those same dollars could fund projects with greater priority. Often the opposition groups couch their arguments in terms of opposition to “corporate welfare.” Increasingly, a large segment of voters has shown its opposition to this concept. At its most basic level, the pro-development groups and the opposition groups have the same goal: mobilizing voters to support their side of the issue.

One City’s Battle over Public Funding

These two sides fought such a sport facility battle in Columbus. Pro-development supporters wanted the public to pay an increased sales tax to fund two projects: an arena to house a new major league, hockey expansion franchise and a stadium to house a relatively new major league soccer franchise. However, the results of the Columbus battle became a turning point in the national debate over public funding. The pro-development group argued that the franchise investors needed a tax increase for their arena and stadium for two reasons: to win the competition among cities for the hockey franchise, and to prevent the Columbus soccer franchise from relocating to another city. In contrast, the opposition group argued that the public was being asked to underwrite the local elites’ ego trip. In the end, the pro-
development group lost the vote when 56.3 percent to 43.7 percent of the voters rejected its demand for a new tax that would support construction of both the arena and stadium.

Within days of its defeat at the ballot box, the group of hockey team investors secured private funding from a major corporation to build an arena. In addition, within months, the soccer team’s investors provided the private funding for their stadium by cutting a deal for property with a state agency. The speed with which these two groups of sport entrepreneurs gained private funding completely undercut their original claim that the only profitable way to have these sports in Columbus was to force the county’s residents to pay increased taxes.

Opposition groups in other cities took note of the Columbus owners’ about-face and used it to illustrate the potential duplicity of sport owners who demand public financing. Indeed, some have suggested that the victory of the opposition in Columbus will deter future sport entrepreneurs from gaining public funding that requires voter approval. If team owners go to the public too often, voters may be likely to lose trust and confidence in them and question their intentions, motives, and promises. Furthermore, voters might be more likely to accuse them of using the public to bear the costs and risks that owners could and should bear themselves.

The Columbus arena and stadium issue is a story of a major community conflict that includes several pursuits: local pro-growth decision makers and their dream of sport entrepreneurship, big time professional sports owners seeking wider markets for their product, and local politicians and developers grasping at opportunities to turn a brownfield into a profitable, urban redevelopment showplace. This is also an account of social class, race, gender, and not-in-my-backyard (NIMBY) politics. It covers unexpected but strategic oppositional alliances, backroom deals, disputes among elites, public vilifications, lawsuits, and the tainting of trust for subsequent public-funding issues.

Nor is that all, for community issues do not occur in a vacuum. Rather, they take place in a snapshot of time that is but a part of a longer stream of time. What happens in that snapshot affects a city’s current set of issues, and the outcomes of these issues affect matters that will follow. In addition, specific issues and actions themselves become embedded in the overall social tapestry of a community’s structure. Thus, important local events are best understood by the role of the event in that area’s specific tapestry. This perspective helps explain the outcome of events that come after Columbus’s hockey arena and soccer stadium conflict.
Furthermore, aspects of the Columbus story can be generalized to other cities. After all, community issues mirror societal issues—such as poverty, unemployment, crime, welfare, education, housing, resources, energy, and finances—that are all salient both at the national and local levels. Yet these matters filter through a community's particular social, economic, and political system in ways that often make similar concerns unfold differently in other communities. So it is with stadium, arena, and ballpark issues, and understanding their resolution requires a consideration of both outside actors, opportunities, and action triggers, as well as a consideration of local history, social organization, and personalities. In other words, one must understand three crucial factors: the urban connection, the importance of place, and the convergence of trends.

**The Urban Connection**

Unlike a century ago, contemporary American cities are integrally tied into national and global hierarchical networks of communities. These networks encompass flows of commerce, people, information, opportunities, influence, issues, power, and culture. Local communities are nodes in a grand network of places, both large and small. Some are more powerful than others, and they control and mediate what happens in their network segment. Severe economic, social, environmental, or political problems in these powerful nodes can disrupt the normal functioning of the entire network. For example, when the economy declines in Chicago, communities throughout the Midwest experience the shock. Conversely, positive advances in important cities can enhance the quality of network flows and thereby improve the well-being of community network members. When conditions are positive in Chicago, conditions tend to be positive throughout Chicago's Midwestern sphere of influence.

Cities at the apex of the global system, such as New York, London, and Tokyo, serve as headquarters to the organizations that control the global economy. These leading cities are also home to the key financial and specialized-service firms that have replaced manufacturing as the most important sector of the economy. It is no accident that the headquarters and home offices of the major professional sports leagues are in these cities, along with the headquarters of the media networks that transmit games to communities across the country. By headquartering in these leading cities, the big time sports entities have become integrated with the worlds of mass media, advertising and marketing, corporate and contract law, and informa-
tion services. The influence of sports flows down the hierarchy of cities, as does that of other commodities, information, and social control. The decisions about stadium specifications that are made in New York by major-league baseball (MLB) can have a bearing on whether towns such as Waterloo, Iowa, will have professional minor-league baseball teams in them. Such less powerful cities sit further down the urban hierarchy and are on the receiving end of the effects from more important cities. These second- and third-tier cities understandably exert less influence on cities above them. Life in Waterloo is greatly shaped by decisions made in Chicago, but life in Chicago is rarely shaped by decisions made in Waterloo.

As the sheer scale of American society has increased, so too has the local community’s permeability. More than ever before, the local community has become open to issues and trends from afar. Teenagers in Beaufort, South Carolina, now copy the dress, attitudes, and lingo of teens in Los Angeles, as transmitted by the media, often to the consternation of their more traditional, coastal “low country” parents. Indeed, in most ways, Beaufort teens, given especially the influence of the Internet and TV, are more like teens of similar social class in Los Angeles than they are like their hometown parents.

Another example of the local connection to the larger society is the case of the “art cows.” Beaufort residents were treated to public art from Chicago with the “Cows on Parade” fiberglass sculpture installation in the Windy City in spring of 2000. In this instance, several cows from the Chicago display during the summer of 1999 turned up in Beaufort and were called “Cows on Vacation.” As a result, the art world of Chicago shaped the discourse of the low-country’s art world for a significant portion of that year.

In sum, the urban connection means that an almost endless variety of influences enters the community every day—people, commodities, information, opportunities, and triggers for change. The degree to which communities are exposed to these outside stimuli has much to do with the niche in which they are located in the network of cities. Some locations are more central than others. Cities in the most central network locations have the greatest range of influence on other cities.

The Importance of Place

Place also matters in how national trends become local issues. Although impulses for change enter the local community through a variety of avenues, they still filter through the social system of the community that
influences their expression. Ultimately, life is lived at the local level and not at the national level. In the local community people obtain food, shelter, and clothing; children are born, socialized, schooled, age, become sick, and die. It is also at the local level that people organize for mutual support, protection, and coordination; allocate performance rewards and punishments; join together to explore the greater meanings of existence, purpose, and self-expression; and develop a history, traditions, and conventional ways of treating each other. Because of all of these activities, a local culture develops that sets one community apart from others. To be sure, trends, issues, and events emanating from the outside world influence local culture, but local culture is rooted in local history, tradition, and custom.

Local cultural differences among communities are observable. Life in Salt Lake City differs from that in Chicago, and life in Chicago is not the same as that in Little Rock. Likewise, Broken Arrow, Oklahoma, and Johnstown, Pennsylvania, are about the same size but display different social worlds in many important ways. In addition to the effect of isolation from each other—they are twelve hundred miles apart—their distinctiveness stems from long-standing differences in economy, region, ethnic mix, and history. The outside world sends impulses for change to both Broken Arrow and Johnstown, but each place interprets the impulses differently and responds in ways that are consistent with the local sociocultural system. Just because matters play out in a particular way in Cleveland, there is no guarantee that they will manifest themselves in the same way in Cincinnati.

**The Convergence of Trends**

Finally, recent sports-facility battles in cities result from the convergence of three important societal trends. The first of these is the growth of professional sports as a powerful institution. Big time sport institutions control billions of dollars, attract tens of millions of fans, and employ hundreds of thousands of workers. They successfully lobby Congress for legislation to secure their economic position in society. These sports enter nearly everyone’s home every day through newspapers, television, radio, magazines, and the Internet—even the homes of those that have no interest in sports at all. They have become socially ubiquitous and culturally anointed as a teacher of life lessons. Their games and demands on participants have become cultural metaphors for how human affairs should run and how people should live their lives. They have provided an avenue of economic and social mobility for members of marginalized, racial and ethnic minorities.
that possess athletic prowess. For many people, big time sports function as a civil religion with beliefs, codes of conduct, regularized rituals, appeals to the transcendental, and opportunities for emotional catharsis.

The sports-facilities craze also draws momentum from the decline of the inner city and the desperate attempt of local leaders to redevelop the urban core with projects that are beneficial to both the city and the local leadership. Over the past fifty years, there has been an out-migration of people, jobs, shopping, and entertainment from the downtown core of America’s older cities to the growing metropolitan fringe. Suburbs of various kinds have prospered while the old urban core has declined. In fact, the social and economic distress in large cities has increased greatly since the 1970s. The core’s infrastructure has fallen on hard times as well. Old and deteriorating buildings, outmoded water and sewer systems, inadequate public transportation, and an increasingly precarious fiscal position have severely challenged the city’s downtown interests. Adding to these problems are air, water, and transportation concerns. The latter is especially true in large and sprawling metropolitan centers that have few alternatives to cars.

Federal involvement in solving city problems has also tapered off. This decline has been so steep that local governments and private sector developers must find and fund solutions to the growing problems in the urban core. Some cities have been successful at this. In fact, so much rebuilding has gone on in Chicago’s core that some have suggested that the construction crane should become the city’s logo. This redevelopment has spilled beyond Chicago’s Loop into adjacent inner-city neighborhoods. Because other cities have not done so well, they are willing to grasp at even the most limited of projects.

Pro-development interests in most cities have tried several strategies to reinvigorate the core. These include the construction of new office complexes and upscale shopping malls and the conversion of warehouses and other older buildings into residential loft-style dwellings. In addition, pro-development interests have attempted to replace brownfields with complexes that combine shopping, entertainment, and residences. Also, downtown interests have become involved in attracting new stadiums, arenas, and ballparks or in rebuilding the old ones. They argue that these venues serve as magnets for entertainment dollars that will spill over into the city center’s restaurants, bars, and hotels. They also claim this will help downtowns become new entertainment centers for the metropolitan area. For that same reason, developers have refurbished old theaters, built convention centers, and encouraged the emergence of weekend festival activi-
ties that take advantage of attractive downtown sites, such as river and lake fronts and large municipal parks. As one expert on core city change put it, “[W]hat we’re seeing now is a major shift in the idea of what a downtown should be. It’s a more holistic point of view that a downtown is not just a collection of office buildings, but a place where people live and work and play, as well.”20

As successful as some of the Chicago type of redevelopment has been, it has done little for the major problems facing the city, such as unemployment, crime, health care, and poverty. The greatest benefit has gone to the professional, managerial, and middle-class people of Chicago. They are the ones that have the time and resources to take advantage of such changes.

The third major trend that is converging with the others in contemporary American cities is the emergence of a populist, oppositional social movement. This movement aims to stop the public funding of projects that benefit mainly the private sector. Their cry is “stop corporate welfare.” This sentiment resonates with the beliefs of many people who think that today’s political economy ignores the problems of average people, while advancing and supporting the causes of the economic elite and big business. This is especially true in the era of the Enron debacle.

Populist opposition activists are educated, articulate, and knowledgeable about the way the urban system functions, who makes decisions, and how they make them. They know how to use the media and how to reach sympathetic city officials. They know the law and how far they can carry their objections. They know how to organize rapidly when there is an issue that runs counter to their ideology. They know how to mobilize voters to action. In fact, many of these leaders were schooled in campus protests of the late 1960s and early 1970s, and they often link their urban development concerns to broader issues of the environment, women’s liberation, and racial equity.

These opposition leaders come from a variety of political ideologies ranging from the far left to the far right, and they willingly set aside major ideological differences to focus on a single issue on which they all agree. They lack power and massive resources, however. In these areas, they cannot match the elites and pro-development coalitions who push redevelopment projects. The opposition leadership is most likely to have a chance of winning if it can force an issue onto the street and set the stage so that “elite-advanced” projects require voter approval. The opposition leaders are great street fighters, but once the decision makers retreat behind closed doors, opposition groups are at a major disadvantage. The challenge for the
opposition is to force public issues to the ballot; the challenge for the pro-
development coalitions is to secure public funding from sources that do not
require voter approval.

What does the convergence of the growth of big time sports, inner-city
decline, and populist opposition mean for sports facility issues? It means
that most large cities have become sites for the expansion of the big time
sports empire. Local elites are eager to get on board because sport facilities
contribute to the elites’ redevelopment strategies. In some cities, big time
sports provide the opportunity for local elites to become players in the pro-
fessional-sports ownership game. However, redevelopment through sport is
often fractious. Increasingly, citizens’ groups oppose the spending of pub-
lic funds for facilities that they think benefit sport franchise owners dispro-
portionately. To them, public money for sports facilities means that less
public money is available for other community projects.

Taxpayer wrangles with local politicians and owners of sport franchis-
es is part of a nationwide competition. Given that (1) professional sports
leagues want profitable markets for their product, (2) the number of avail-
able franchises is finite, and (3) many cities seek professional sports fran-
chises, a highly competitive game has emerged as to where to locate these
franchises. This game focuses on the availability of new and potentially
profitable venues—stadiums, arenas, and ballparks. Cities that provide such
venues are “rewarded” by receiving a franchise or retaining one they have
had for a long time. Cities that do not are “punished” by either not receiv-
ing a franchise or having an existing one moved to another city. This game
is played not only by the established professional sports of baseball, foot-
ball, and basketball, but also by the more recently emerging professional
sports of ice hockey and soccer. We call this the “stadium game,” and we
take it up in the next chapter.