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Garrett Johnson
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Over the last twenty years the sports industry has grown exponentially and become a major source of revenue. Alternatively, players' salaries have increased, television contracts have soared to unprecedented levels and dozens of new stadiums have been built. The advent of free agency has helped propel professional sports leagues into multi-billion dollar industries.[1] When contracts expire, players are free to go to whatever team offers them the most money. Long gone are the days of a player staying with one team his entire career, *a la* Cal Ripken Jr. or Larry Bird. In an attempt to stay ahead of the economic curve, team owners are constantly looking for new revenue streams that will increase their bottom line. This paper will examine one of these methods- new stadium construction. Owners, and politicians alike, promise the citizenry that these new multi-million dollar facilities will have a huge economic impact on the city because of the added exposure of being a "big league city." They assure the population that new jobs will be created and the aggregate income of the city will substantially increase.[2] But can these promises be fulfilled? Do these newly constructed stadiums and arenas really have a positive economic impact on the cities? Do new stadiums really help revitalize and rejuvenate downtown areas like politicians and lawmakers claim? And most importantly, how do cities actually attain the land where stadiums are built?

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[1] David E. Cardwell, *Sports Facilities & Urban Redevelopment,* 10 MARQ. SPORTS L.J. 417 (2000).
[2] Robert A. Baade & Allen R. Sanderson, *The Employment Effect of Teams and Sports Facilities,* in *Sports, Jobs & Taxes: The Economic Impact of Sports Teams and Stadiums* 92 (Roger G. Noll & Andrew Zimbalist eds., 1997).

This paper will attempt to answer these questions by surveying the vast amounts of research and economic studies that have been conducted on this topic, as well as looking to the courts to see what they have concluded concerning the topic of eminent domain *vis-à-vis* stadium construction. It is important however to begin this paper with a brief history of stadiums in America and the role they have played in American society.

I. Stadiums' Location: Then & Now

> There is a need today to provide the public with facilities for recreation, sports and enjoyment of outdoor athletic competition. Even passive participation as an onlooker in competitive sports stimulates a desire for physical exercise. In any event it takes the spectator into the open air and provides him with exuberant escape from the cares of the day and arms him with recharged energy to meet the responsibilities as a citizen. All this helps to build up a healthy community.[3]

Stadiums and arenas have been around as long as individuals have competed against one another. The Roman Coliseum, built in 80AD, was the first of its kind and a place where Romans could gather and watch Gladiators fight to the death.[4] In America, stadiums and arenas have been around as long as teams have been in existence. Teams would play in one place for decades, and the two often became synonymous with each other: the Polo Grounds and the New Giants (baseball), Old Yankee Stadium and the New York Yankees, the Boston Garden and the Boston Celtics, Madison Square Garden and the New York Knicks, and Soldier Field and the Chicago Bears. However, in the past twenty years the number of newly constructed facilities has risen to an all-time high, especially in

[3] *Conrad v. City of Pittsburgh,* 218 A.2d 906, 914 (Pa. 1966) (Musmanno, J., concurring).
[4] THE COLOSSEUM, www.roman-colosseum.info/colosseum/index.htm (last visited Apr. 28, 2011).

the downtown area. It seems like every year there is at least one professional franchise from one of the "big four" leagues (football, baseball, basketball and hockey) moving into a new sports complex. Statistics show that since 1990, ninety-five new facilities have been built, or are in the planning stages, with more than $21.7 billion being spent on these projects.[5] Compare that to the $850 million spent on construction in the 1970's and 1980's, and $500 million spent in the 1960's.[6] Why has there been such a sharp increase in the amount of construction over the past couple decades, and more specifically, what factors go into the decision making process of choosing a location? Most scholars conclude that the rapid growth of new facilities is due to changes in the economics of sports and a need for owners to create more revenues in order to pay the extremely high salaries of the modern-day athlete.[7]

Early sports facilities were nothing more than a place where fans of the same allegiance could gather and watch their team play.[8] These steel and concrete structures lacked many of the luxuries and creative comforts found in modern stadiums today.[9] Stadiums also did not have the concessions areas that are often found today and many of the sightlines for fans were often obstructed. What early stadiums lacked in amenities, they made up for in convenience. In the early twentieth century, stadiums and arenas were usually located in the heart of a city, near train stations or within walking distance for the general public. This

[5] Brian P. Yates, *Whether Building a New Sports Arena Will Revitalize Downtown and Make the Team a Winner*, 17 U. MIAMI BUS. L. REV. 269, 271 (2009).
[6] *Id.*
[7] Cardwell, *supra* note 1, at 417.
[8] *Id.* at 418.
[9] *Id.*

was ideal since most people lived in or around the central city.[10] Most individuals did not own automobiles, so city planners did not have to worry about excessive parking spaces to accommodate large crowds.

The locations of stadiums and arenas began to change in the 1950's and 1960's as the automobile came to prominence.[11] Stadiums that had once been rather easy to access had now become virtually inaccessible because of the flood of automobiles to downtown areas.[12] Over-crowding pushed many Americans from the cramped confines of downtown, to a new life in the suburbs. In an effort to remain profitable, owners of professional franchises were willing to move their teams closer to the majority of the paying fan base, the working middle class.[13] New facilities were being constructed all over the place, and especially near interstate highway exchanges, which were crucial determinants in where a new stadium was located. [14]

One of the best examples of the shift in location from the central city to suburban American was the Truman Sports Complex in Kansas City.[15] Opening in 1973, the complex was one of the first in America to have two stadiums located on the same property.[16] Arrowhead Stadium, home of the Kansas City Chiefs, and Royals Stadium, home of the Kansas City Royals, were located side-by-side surrounded by hundreds of acres of parking spaces, and situated right next to

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[10] *Id.*
[11] *Id.*
[12] *Id.*
[13] Tim Chapin, *The Political Economy of Sports Facility Location: An End-of-the-Century Review and Assessment*, 10 MARQ. SPORTS L.J. 361, 363 (2000).
[14] Cardwell, *supra* note 1, at 419.
[15] *Id.*
[16] *Id.*

Interstate 70.[17] This location, which was miles from downtown, made getting to the stadium very accessible for patrons.

Because of the mass exodus of citizens from city to the suburbs, neglected downtown areas often became dilapidated. Many cities became nothing more than a skeleton of a once vibrant body that was the center of arts and entertainment. Crime rates in downtown areas steadily increased, causing many people to avoid the area at all cost. However, over the past couple of decades there has been a nationwide movement to invest into these blighted areas in hopes that revitalization will bring back the golden age of urban sporting events. State and local officials often use a new stadium or arena as the centerpiece of the city's plan for economic revival, which has in turn led to the construction of many new downtown facilities.

The new trend of relocating sports facilities to the inner city began in the 1990's.[18] Camden Yards in Baltimore and Jacobs Field in Cleveland were two of the first ballparks to be constructed downtown and they made a significant economic impact on what had been impoverished, desolate or abandoned tracts of land.[19] These ballparks were incorporated into the cityscapes and looked as if they had been part of the areas for decades. This transformation helped local officials across the country to realize the impact of having a new facility as the focus of any urban renewal project.[20] Although building downtown is considerably more expensive than building in the suburbs, and in spite of the fact

[17] *Id.*
[18] Yates, *supra* note 5, at 280.
[19] *Id.*
[20] *Id.*

that downtown stadiums are not located near the majority of ticketholders, public officials strongly believe that new urban construction is a positive thing for the citizenry.[21] They want downtown areas to become something more than just a place where people come to work and then leave; they want the workforce to have a reason to hang around after work, and then come back on the weekends.[22] This is a particular concern for cities that are home to NBA, MLB, or NHL teams. Because of the numerous home games of each professional franchise, local leaders argue that the amount of traffic generated by the games will have a substantial economic impact on restaurants, bars, and other businesses located in the arena.[23] In fact, fifteen of the last seventeen arenas built in the United States were located in metropolitan areas.[24]

Scholars cite several other explanations for why new sports facilities have made a return to downtown/metropolitan areas over the past twenty years. One possible reason is the increasing influence that the public sector has in determining where the new facility is located.[25] Before any new stadium or arena is built, public officials and local leaders will debate the issue, the proposal will usually go before public hearings, and studies will be publicly commissioned to determine the best location, and whether construction of a new facility will even benefit the city.[26] Public officials need a voice in where a ballpark or arena is placed because of the impact it will have on a downtown area and the growing

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[21] *Id.*
[22] *Id.* at 281.
[23] *Id.*
[24] *Id.*
[25] Chapin, *supra* note 13, at 375.
[26] *Id.*

environmental concerns associated with it.[27] The public sector has also had an increasing amount of influence because public financing of new facilities has become prevalent.[28] It is very rare, if not unheard of, for new construction projects to be completely privately financed by the team or team's owner. Public monies are mostly used to build new stadiums in an effort to entice an owner to bring his/her team to a city.[29] In fact, it was estimated that the public sector has invested approximately $7 billion over the past twenty years in new construction projects.[30] Because of this sizeable investment, the public sector has a major influence in determining where stadiums would be located.[31] Moreover, team owners are often amenable to relinquishing control of where the stadium is located, in return for not having to spend as much personal resources on the construction of the stadium.[32]

Another possible explanation given for the return of sports venues to the downtown area is the correlation between facilities and economic developmental initiatives.[33] Proponents argue that building a stadium or arena in the central city will have a positive economic impact on the area by creating jobs and producing large amounts of revenues for the city.[34] These contentions, while often

27 *Id.* at 375.
28 *Id.*
29 *Id.*
30 *Id.*
31 *Id.* at 376.
32 *Id.*
33 *Id.* at 377.
34 *Id.*

questioned, have been very successful in relocating teams to downtown areas, with Baltimore's Camden Yards being the best example of this.[35]

Maybe the most critical reason for the influx of new construction in central city is the change in the economics of sports.[36] Over the past couple of decades, professional teams have begun to tap into a new core fan base-corporate America.[37] This newfound client is generally located, not in suburbia, but in downtown areas.[38] Realizing that it is in their financial interest to return downtown, professional teams now insist that new venues be located in metropolitan areas, which are easier for the new core fan base to access.[39]

Businesses also have more revenue than the working middle class and naturally can invest capital in teams, with much of it going toward luxury suites.[40] Luxury suites have become the new fad in professional sports and owners constantly desire new facilities for their teams with as many corporate boxes as possible.[41] With each suite costing anywhere from $50,000 to $500,000 annually, suites generate hundreds of millions of dollars for professional teams and owners, and more importantly, the revenues generated do not have to be shared with other teams in the league.[42] Selling suites has become critical to the vitality of a professional franchise and is now what owners rely on for their financial success.

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[35] *Id.*
[36] *Id.* at 378.
[37] *Id.*
[38] *Id.* at 379.
[39] *Id.*
[40] *Id.* at 378.
[41] *Id.*
[42] *Id.*

The shift in the location of stadiums and arenas has mirrored the changes in locations of the population over the last century. Before the advent of automobiles, sports venues were located in urban areas where most individuals lived. This provided convenient access for patrons who wanted to walk to a game or ride a train. Once automobiles became more popular in the 1950's and 1960's, citizens decided to leave congested downtown areas and move to the suburbs. In an attempt to be more accessible to their core fan base - the middle class - stadiums shifted to suburbia as well. In recent years however, professional organizations have found a new core fan base in corporate America. Businesses have more money and are not afraid to spend it, and conversely, have caused team owners to want to relocate back to downtown and metropolitan areas.

II. Stadiums as a Source of Urban Revitalization?

The economic impact of professional sports on local economies has become a very important issue over the past couple of decades. Because the sports industry is a multi-million dollar industry, politicians believe that having a professional franchise located in their city is vital to the local economy. As the former mayor of Nashville, Phil Bredesen, once said concerning the local benefits of construction a new stadium:

> First, the economic impact, which does not totally justify the investment [sic] but justifies a piece of it. Second, the intangible benefits of having a high-profile NFL team in the community at a time when cities are competing for attention is positive. Third, it is an amenity that a lot of people want. We build a golf course and parks and libraries and lots of things because people in the community want them, and certainly there are substantial numbers of people who want this. Fourth, the location of the stadium represents the redevelopment

> of an industrial area close to downtown, [sic] certainly a positive in its own right and a significant factor in the public's mind. Taken together, it makes a very compelling argument for going ahead with this.[43]

Accordingly, new stadiums are constructed to either attract one of these franchises, or to retain the one they already have. Local lawmakers try to lure teams to their cities by making their bids as enticing as possible to team owners. They often try to "sweeten the pot" by promising owners that they will not have to use their own funds to build a stadium. Lawmakers will then go to the public and defend the increase in taxes by explaining the positive benefits that come from having a team located in the city. They assure taxpayers that there will be an influx of new spending which will provide new revenue streams and job opportunities. The increase in exposure will attract new business investments to the city. But does building a stadium in order to attract a team really have a positive economic impact on the city or region? Most studies conducted by scholars conclude that it does not.

A couple of questions must be considered by local officials and lawmakers when determining whether constructing a new sports facility will be a profitable enterprise that a city should undertake.[44] One is whether the project promotes the general economic development of the metropolitan area?[45] Another question that should be contemplated is whether the new facility can substantially help in

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[43] Rodney Fort, *Direct Democracy and the Stadium Mess,* in *Sports, Jobs &Taxes: The Economic Impact of Sports Teams and Stadiums* 146, 147 (Roger G. Noll & Andrew Zimbalist eds., 1997) (quoting National Football League, *National Voters Say "Yes" to NFL,* NFL REPORT, Summer 1996, at vol. 45).
[44] Roger G. Noll & Andrew Zimbalist, *Sports, Jobs, and Taxes: The Real Connection,* in *Sports, Jobs & Taxes: The Economic Impact of Sports Teams and Stadiums* 496 (Roger G. Noll & Andrew Zimbalist eds., 1997).
[45] *Id.*

maintaining the life of the city?[46] If these questions cannot be answered affirmatively, then there is a strong possibility that the new stadium or arena will not be a financial success.[47]

Scholars give several reasons why economic development will not occur as a result of having a professional franchise or building a new stadium/arena. The first is that consumer spending on professional sports is by and large a substitute for spending on other entertainment related activities.[48] Because of this, there is not a great deal of new spending or income produced.[49] A second explanation given is that there is a relatively small multiplier effect concerning spending at sporting events.[50] The money spent at these venues typically goes towards the salaries for players, many of whom only live in the host city during the season.[51] Studies show that wealthy individuals spend a smaller fraction of their income than individuals with less money, and much of the spending by professional athletes occurs in places other than the city in which they earned it.[52] A final reason given by scholars is that stadium subsidies tend to reduce the net spending spawned by construction of a new facility.[53] Imposing new taxes can cause the economy to run less efficiently and may actually reduce the number of

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[46] *Id.*
[47] *Id.*
[48] Dennis Coates, *A Closer Look at Stadium Subsidies,* J. AM. ENTERPRISE INST. (2008), *available at* http://www.american.com/archive/2008.
[49] *Id.*
[50] *Id.*
[51] *Id.*
[52] *Id.*
[53] Coates, *supra* note 48.

visits by tourists or visiting fans if taxes on hotels or rental cars become too excessive.[54]

Those who support building a new stadium will generally assert the same basic arguments: the new facility will bring more people/tourists, as well as more money to the downtown area, which will in turn improve the local economy; a new facility should be built in order to draw a professional franchise to the city or to keep the one they already have; and having a professional team located in the city will create heightened exposure for the city and is an important "status symbol" for the community.[55]

Politicians first cite the increase in jobs that will be created by building a stadium or arena to house a professional franchise.[56] The theory goes that new facilities will bring people to the area around the stadium where they will ultimately spend their money on food, lodging, souvenirs, etc.[57] Thus, this demand will increase the need for lower income and part-time jobs such as waitresses, hotel staff, and sales associates.[58] However, scholars are quick to rebut this by citing the lack of evidence over the past twenty-five years, showing that a professional franchise in a city leads to a substantial increase in new jobs.[59] They also point out that the increase in demand will only be minimal and that most of the created jobs are indeed part-time, and not full-time employment since

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[54] *Id.*
[55] Yates, *supra* note 5, at 270.
[56] Kevin McDonough, Do Professional Sports Franchises and New Sports Facilities have a Positive Impact on the Local Economy? 27 (2005) (unpublished Master's thesis, Seton Hall University) (on file with author).
[57] *Id.*
[58] *Id.*
[59] Baade, *supra* note 2, at 93.

professional sports are seasonal.[60] If a football stadium is used strictly for football games and is not a multi-purpose facility, then it might not be used more than fifty hours a year.[61] Additionally, the owners, administrators, and players usually receive most of the revenue produced from spending on sports events.[62] If players and owners only live in the city during the season, there can actually be a decrease in net spending and in theory job losses in the service and trade sectors.[63]

Not only is it rare for many new jobs to be created from building a new stadium or arena, it can also be extremely expensive for taxpayers.[64] In July 1990, the Arizona state legislature authorized the construction of a retractable roof stadium for the expansion Arizona Diamondbacks.[65] The Arizona Office of Sports Development commissioned Deloitte & Touche to conduct a study to estimate the total number of full-time jobs that would be created by the team being in town.[66] The firm concluded that only 340 jobs would be created and that each job would cost the taxpayers of Arizona approximately $705,800.[67]

Much of the optimism exerted by local officials is the belief that an increase in revenues from sports events has a direct impact on the growth of the local economy, but this contention is misguided.[68] Studies prove that spending money on sports events is usually offset by reductions in spending in other areas

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[60] McDonough, *supra* note 56, at 27.
[61] Baade, *supra* note 2, at 96.
[62] *Id.* at 100.
[63] *Id.*
[64] *Id.* at 101.
[65] *Id.*
[66] *Id.*
[67] *Id.*
[68] *Id.* at 92.

of entertainment by consumers.[69] Therefore, much of the sales generated from team paraphernalia, food, and alcohol are a substitute for some other kind of entertainment on which individuals would normally spend their discretionary funds.[70] This is commonly referred to as the substitution effect.[71] Research indicates that people and/or families tend to set aside a certain amount of money in their budget that will be spent on entertainment related activities.[72] Individuals who choose to attend sporting events will spend less money on other entertainment activities, such as going to dinner or the movies.[73] If the absence of spending on these alternatives has a greater effect on the local economy than the impact of spending on sporting events, economic levels will drop and individual's income will become less.[74] Merely realigning the amount of money spent on leisure activities would not cause a substantial enough economic change to create the need for a multitude of new jobs.[75]

It should also be noted that many new stadiums and arenas are built simply as replacement facilities for teams that are already located in a city.[76] Replacing a sports venue does not produce growth in the local economy, but generally maintains the status quo on economic activities.[77] In situations where

[69] *Id.* at 93.
[70] McDonough, *supra* note 56, at 27.
[71] *Id.*
[72] Robert A. Baade, *Professional Sports as Catalysts for Metropolitan Economic Development,* 18 JOURNAL OF URBAN AFFAIRS 1 (1996), *available at* http://vnweb.hwwilsonweb.com.
[73] Dennis Coates & Brad R. Humphreys, *The Stadium Gambit and Local Economic Development,* 23 REG. ABSTRACTS 15, 19 (2000), *available at* http://www.cato.org/pubs/regulations.
[74] *Id.*
[75] Baade, *supra* note 72, at 1.
[76] Baade, *supra* note 2, at 94.
[77] *Id.*

replacing infrastructure is necessary, jobs are not created simply because the workplace relocated.[78]

Generally, studies do not produce evidence of a positive connection between professional franchises and the creation of jobs.[79] Jobs will only be created if there is an increase in aggregate spending on goods located within the city, but this is usually the exception and not the rule.[80] On this premise, new stadium construction might not be a sound economic investment for a city.

Another argument that proponents make for building a new stadium is the intangible benefits gained from being considered a "big league city."[81] As Mayor Bredesen once quoted, "I can't justify building a football stadium on direct economic impact . . .[b]ut there are a lot of intangible benefits that make it more than easy to do."[82] Local leaders believe this is a great asset for a city to have, which can affect the psychological well being of the citizens. Can you imagine the emotional impact it would have on the citizens of Pittsburgh if a team like the Steelers were to leave? There is a huge emotional attachment between that team and city.

These intangible assets are known as indirect benefits, or externalities, because they are not something taxpayers pay for directly.[83] Direct benefits and

[78] *Id.*
[79] *Id.* at 112.
[80] *Id.*
[81] McDonough, *supra* note 56, at 128.
[82] Raymond J. Keating, *The NFL Oilers: A Case Study in Corporate Welfare, How Houston's Struggle Against Stadium Subsidies Failed,* THE FOUNDATION OF ECONOMIC EDUCATION: THE FREEMAN, April 1998, at vol. 48.
[83] Jeffrey W. Moore, *How Sports can Benefit Communities Burdened by Brownfields,* 8 VA. SPORTS & ENT. L.J. 1, 4 (2008).

indirect benefits are very different, but are both important assets when trying to determine the economic impact that new facilities have on a community.[84] One scholar described direct benefits as the value consumers attach to the outputs that are generated from the sports venues, such as ticket sales, broadcasts, concessions, souvenirs, and parking.[85] Indirect benefits, which are non-monetary and more difficult to quantify, are not outputs from the contract between the team and the city when the stadium is built, but nevertheless provide enjoyment for patrons.[86] Civic pride and prestige are noted examples of indirect benefits, but so are any other benefits that arise from attracting a new business to a city that can increase the quality of life for the community.[87] Indirect benefits can unify a once splintered city because they give citizens a common interest, they can read about their teams in national publications, and can brag about their teams to outsiders.[88]

But much of the debate concerning indirect benefits is whether "bragging rights" are worth the hundreds of millions of dollar to taxpayers. Opponents will argue that these benefits are misleading and that most of the studies conducted prove that having a professional team or new stadium fail to increase significant job growth and can have an overall negative impact on a city.[89] It is absurd to them to justify spending taxpayers' dollars to finance construction of a new

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[84] *Id.*
[85] Roger G. Noll and Andrew Zimbalist, *The Economic Impact of Sports Teams and Facilities,* in *Sports, Jobs & Taxes: The Economic Impact of Sports Teams and Stadiums* 55, 59 (Roger G. Noll & Andrew Zimbalist eds., 1997).
[86] Moore, *supra* note 83 at 4.
[87] *Id.*
[88] *Id.* at 5.
[89] *Id.* at 6.

stadium or arena.[90] Challengers feel that taxpayers' money should go to more useful alternatives that will have a more direct and positive impact on the community as a whole.[91] These would include things like maintaining infrastructure and providing better schools, roads, and public health.[92] Proponents counter by asserting that these benefits are immeasurable and that monetary value should not be part of the equation when determining the economic impact.[93] Even if new stadiums and professional teams do not have a positive impact on job growth, they are still important to the overall character of the city.[94] Local leaders and officials believe this "status symbol" plays a critical part in luring new businesses and investments to the city.[95] One economic scholar noted that if local officials, as well as the general public feel strongly enough about these non-monetary benefits, then they should use public funding to construct a new venue, so long as it is not justified on the grounds that it will increase the economic welfare of the citizenry.[96]

Academic and economic scholars who study the economic impact of professional teams and stadiums on cities downplay the so-called benefits that politicians and local officials say will be created. A major reason for this is because of the flaws in the economic studies that are commissioned by these individuals, which create the false impression of greater public benefits than, in

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[90] *Id.*
[91] Coates, *supra* note 73, at 19.
[92] *Id.*
[93] McDonough, *supra* note 56, at 33.
[94] *Id.*
[95] *Id.*
[96] Keith Law, *The Imbalance Sheet: The New Stadium Fallacy,* Baseball Prospectus (2001), *available at* http://www.baseballprospectus.com.

fact, a team really creates.[97] Most studies use incorrect factors in determining whether a new facility will have a positive economic impact on the city.[98] Studies do not usually perform cost-benefit analysis, which would take into account the costs of raising taxes to pay for construction expenditures.[99] Those in favor of building new stadiums use impact studies to predict how the local economy will be affected, and are typically amenable to the redistribution of economic activity from suburban America to the central city.[100] Critics tend to compare the financial well being of a city before and after stadiums are constructed and generally resist the redistribution that takes place.[101]

Scholars note that because of the political environments in which stadium proposals are often debated, many economic impact studies are flat out wrong.[102] Typical impact studies will generally produce what those who commission them want them to produce, by relying upon input-output models of regional economies where professional franchises are located, which will in turn exaggerate the fiscal impacts.[103] Opponents also point out that the multipliers, which are used in every study to determine the direct result of money spent on sports on the local economy, overestimate the impact that professional sports has on an economy because they do not properly differentiate between net and gross spending or the effects that taxes have on a community.[104] Economists argue that the heart of the

[97] Coates, *supra* note 73, at 17.
[98] Coates, *supra* note 48.
[99] *Id.*
[100] *Id.*
[101] *Id.*
[102] Noll, *supra* note 85, at 85.
[103] Coates, *supra* note 73, at 17.
[104] *Id.*

study should center on net benefits, which are benefits that would not exist in the absence of the stadium (i.e. the substitution effect).[105] If the spending that occurs on professional sports and stadium related activities realigns the spending that would have occurred otherwise, then net benefits are not generated.[106]

Cities that have experienced the most financial success constructing new stadiums in the central city built them as part of a larger revitalization plan for the entire downtown area, rather than simply building a new venue on whatever piece of land it will fit.[107] One economic scholar noted that if the new facility is incorporated within a "complete local redevelopment plan," including housing and stores, then the new stadium might be beneficial to the local economy.[108] Downtown Detroit experienced some positive results in its urban redevelopment project using this approach with the construction of Ford Field for the NFL team Detroit Lions and Comerica Park for the Tigers of Major League Baseball.[109]

Another success story includes the Verizon Center in Washington D.C.[110] In D.C., the Verizon Center is home to the NBA's Washington Wizards, the NHL's Washington Capitals, the WNBA's Washington Mystics, and the Georgetown Hoyas men's basketball team, hosting approximately 220 events per year.[111] Before the arena was built the surrounding area was a slum, where the

[105] *Id.*
[106] *Id.*
[107] Yates, *supra* note 5, at 284.
[108] *Id.* (quoting Jennifer V. Hughes, *Newark Arena's Economic Impact Unclear,* N.Y. TIMES, Nov. 4, 2007, at 14NJ).
[109] *Id.* at 285.
[110] *Id.* at 286.
[111] *Id.*

general public dared not venture.[112] Since then the city has received over $1 million in tax revenues because of the development and created several thousand new jobs.[113] Visitors to the area have substantially increased, as well as the number of new restaurants and bars, all leading most to agree that the Verizon Center has had an enormous economic impact on the downtown area.[114]

History shows that building a new arena is more likely than a new stadium to have a positive fiscal impact on a city.[115] Stadiums are much larger, take up more space in an often times cramped downtown area, and are typically more expensive than arenas.[116] Moreover, arenas are more versatile in their use with their ability to host multiple sports teams, such as hockey and basketball, as well as concerts and other entertainment activities.[117]

If city officials and local leaders want their newly constructed venue to boost the local economy, they should keep several things in mind.[118] First, they should create a plan for a stadium before the request of a team owner, keeping in mind what is within the city's means.[119] They should also ensure that the new facility compliments the surrounding area, and not let the team's owner have the final say on where he/she wants it to be located.[120] A final piece of advice for officials to keep in mind is that there is a strong public interest in urban

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[112] *Id.*
[113] *Id.*
[114] *Id.*
[115] *Id.* at 291.
[116] *Id.*
[117] *Id.*
[118] Cardwell, *supra* note 1, at 423.
[119] *Id.*
[120] *Id.*

redevelopment.[121] If local leaders are willing to work with community members and the team, a stadium can be designed that will meet the needs of all involved.[122]

III. Public Subsidies for Stadium Construction

"The collection of any taxes which are not absolutely required, which do not beyond reasonable doubt contribute to the public welfare, is only a species of legalized larceny."[123]

At its core, the debate concerning the proposition of a new stadium or arena and the fiscal impact it will have on a city centers on the topic of public subsidies-using taxpayers' money to finance construction.[124] Publicly subsidizing sports facilities is a relatively new phenomenon that was non-existent in the early days of professional sports.[125] Most stadiums and arenas today are both privately and publicly funded, but the taxpayer bears the majority of the burden.[126] A recent study evidenced that the financing split is generally 57% to 43% in favor of public financing.[127]

Opponents argue that using public funds to finance stadiums and arenas is a poor use of taxpayers' money because there will likely not be a positive return

[121] *Id.* at 424.
[122] *Id.*
[123] Keating, *supra* note 82 (quoting President Calvin Coolidge).
[124] Dennis Zimmerman, *Subsidizing Stadiums: Who Benefits, Who Pays?* in *Sports, Jobs & Taxes: The Economic Impact of Sports Teams and Stadiums* 119 (Roger G. Noll & Andrew Zimbalist eds., 1997).
[125] Yates, *supra* note 5, at 277.
[126] *Id.* at 274.
[127] *Id.*

on the investment,[128] while proponents assert that public subsidies are needed in order to attract a professional franchise to their city or retain the one they already have.[129] As Mario Lemieux, current owner of the Pittsburgh Penguins said, "[p]ublic funding for an arena is essential. If funding isn't found I might have to sell the team to somebody who might move it."[130] When a team wants a new stadium, the owner will start complaining about the current stadium's inadequacies and the team's need for either a new facility or a new location where an acceptable facility can be attained.[131] Owners seeking to relocate their teams want to move to cities that will be the most fiscally advantageous to them.[132] The more public funds that are used to build a new facility, the less money owners have to shell out of their own pockets.[133] But is this a sound economic investment for a local municipality?

In order to generate the maximum amount of revenues and profits for themselves, professional sports leagues keep the number of franchises far below the number of cities that are actually practical economic locations for a franchise, which is the main reason why public subsidies have become such an intensely debated topic and why the cost of new stadiums has become so expensive.[134] This simple supply and demand method ensures that owners will always have an

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[128] *See* Philip Weinberg, *Eminent Domain for Private Sports Stadiums: Fair Ball or Foul?,* 35 Envtl. L. 311, 321 (2005) (stating that studies have shown that very few cities earn a return on its investment in recently built stadiums).
[129] Peter A. Groothuis et al., *Public Funding of Professional Sports Stadiums: Public Choice or Civic Pride?,* 30 E. ECON. J. 515, 516 (2004).
[130] *Id.* at 515 (quoting Mario Lemieux, PITTSBURGH POST-GAZETTE, 2001).
[131] Scott A. Jensen, *Financing Professional Sports Facilities with Federal Tax Subsidies: Is it Sound Tax Policy?,* 10 MARQ. SPORTS L.J. 425, 426 (2000).
[132] Fort, *supra* note 43, at 147.
[133] *Id.*
[134] Noll, *supra* note 44, at 494.

option to relocate their team to a city that is willing to build a better stadium or arena at the lowest cost to them. Because of this, a bidding war usually breaks out between competing cities with prices growing higher and higher for the amount it will pay for a new facility.[135] Expansion franchises in Charlotte, North Carolina and Jacksonville, Florida paid extremely high league fees in order to join the NFL, and the majority of the subsidy they received did not even benefit the team, but was instead used as payment to the league to create the franchise.[136] The biggest impact this new wave of public subsidies has had on the sports landscape is that stadiums and arenas, which are in great condition, are now vacant, or worse yet, torn down in favor of new, high-tech facilities with all the modern amenities.[137]

An interesting story arose in Miami when Florida Marlins' executives began exploring the possibilities of either building a new ballpark for the baseball team or relocation. Team officials believed the team needed a new stadium for its survival and asked Dade County officials for $360 million to help fund construction.[138] However, many citizens and county leaders were skeptical about the request because they did not believe the team was as financially strapped as they claimed.[139] Local leaders asked the team to hand over their financial records, but were declined the request.[140] When asked why they refused to give the city

[135] *Id.*
[136] Noll, *supra* note 85, at 84.
[137] *Id.* at 88.
[138] *Team Seeks Millions to Stay in Sunshine State*, ESPN.COM (Jan. 21, 2005), http://sports.espn.go.com/mlb/news/story?id=1970948.
[139] Sarah Talalay, *Tallahasee Turnaround on Ballpark Legislators Seem Receptive to Helping Finance Stadium*, SOUTH FLORIDA SUN-SENTINEL, Mar. 10, 2005, at 1B.
[140] Charles Rabin, *Miami-Dade Megapplan: Economist backs Marlins' view*

their books the president of the team, David Samson, said that throughout the history of baseball the financial records of a team were something that was always kept private.[141] A short time later the books were leaked to the media by Deadspin.com, where it was revealed that the team was in fact making approximately $50 million a year despite asking the county for money.[142] Samson was also asked about the fairness of the public generating the funds to construct the ballpark, but not being allowed to keep the revenues produced by it.[143] Samson said the citizens do get something; they get to watch a big league team in a big league city.[144] Begrudgingly, construction on the ballpark began in July 2009 with completion expected in the spring of 2012.[145]

One commonly used form of federal public financing is tax-exempt bonds.[146] When a city satisfies the requirements for exemption, the municipal bonds will become exempt from Federal Income Tax.[147] Although this may seem like a great deal for the issuer of the bond, it actually results in significant lost tax revenues that would normally be paid.[148] Other forms of subsidies are available at the state and local level, such as property tax abatements, state income tax rebates, and special taxes.[149] Many cities use what is known as tax incremental financing

A former advisor to Jeb Bush said a new stadium for the Marlins would serve a public purpose., MIAMI HERALD, July 22, 2008, at B3.
141 *Team Seeks Millions to Stay in Sunshine State, supra* note 138.
142 *Id.*
143 *Id.*
144 *Id.*
145 *Id.*
146 Jensen, *supra* note 131, at 429.
147 *Id.* at 430.
148 *Id.*
149 *Id.*

to finance the construction of a new stadium or arena.[150] The theory is that the revitalization of deteriorated areas will raise property values and will produce other forms of revenues.[151] The purpose of tax incremental financing is for a local government to create an incentive in which the increased tax revenues from a certain project are set aside for the specific purpose of paying for infrastructure and other cost derived from the project.[152] In stadium construction, the specific tax revenues would be used to pay the debt service on the new facility.[153] Local municipalities can also create new revenues from surrounding restaurants and bars by selecting a certain "area" or "district" in order to pay off debts using tax incremental financing.[154] Many oppose this, however, on the grounds that tax incremental financing shifts the tax burden from the upper class to middle and lower class individuals because as the costs grow, the amount of taxes paid by those in the selected "areas" or "districts" does increase proportionately.[155] Furthermore, the increased tax revenues generated by these designated "areas" from a construction project do not benefit other parts of the city.[156]

A major concern that has been created by the rampant spending of local politicians and public officials is what can be done to reduce such subsidies. Congress tried to restrict the use of tax-exempt bonds when it passed the Tax Reform Act of 1986.[157] The purpose of the act was to limit the exemption status

[150] Yates, *supra* note 5, at 276.
[151] *Id.*
[152] *Id.*
[153] *Id.*
[154] *Id.* at 277.
[155] *Id.*
[156] *Id.*
[157] Jensen, *supra* note 131, at 431.

of Private Activity Bonds, thereby eliminating federal subsidies for sports facilities.[158] Bonds will only be tax-exempt if they satisfy the Private Activity Test, which consist of two tests.[159] The first test is the "business use" test, which states that no more than ten percent of a bond's proceeds may go to any non-governmental entity.[160] The prong is rarely satisfied because stadiums and arenas are typically used by private business.[161] The second part of the Private Activity Test is the "security" test, which allows for tax-exemption only when no more than ten percent of the debt service on the bonds is secured directly or indirectly by a private business.[162]

Nevertheless, Congress left huge loopholes in the 1986 Tax Reform Act that allowed supporters of public financing to get around the "security" test.[163] Proponents began to characterize the bonds in new ways that would allow payments on the debts to be made with other forms of revenues from taxes and lottery receipts.[164] Because the "business use" test is rarely met, the "security" test prong has been changed, and has unfortunately caused stadium leases to become less favorable for the citizens and more favorable for the teams due to the fact that so little of the bond repayment can come directly from the revenues

[158] *Id.* at 432.
[159] *Id.*
[160] *Id.*
[161] *Id.*
[162] *Id.*
[163] Yates, *supra* note 5, at 275.
[164] *Id.* at 276.

generated from the stadium/arena.[165] Therefore, the taxpayers are left to bear the brunt of having to pay off the debt service.[166]

Attempts to curtail enormous subsidies have also included the ballot box (i.e. voter referenda and initiatives).[167] However, these referenda might not accurately express the "will of the people" because like all democratic elections, a major determinant in deciding the vote is who shows up to vote and what type of information is available in order for them to make their decision.[168] Economic scholars argue that those who are in favor of subsidizing new stadiums greatly outspend those who oppose it.[169] In 1997, both San Francisco and the state of Washington held a referendum to determine whether to subsidize a new NFL stadium.[170] Proponents in San Francisco outspent opponents by twenty-five to one and opponents in Washington were outspent eighty-to-one, with both referenda barely passing in favor of the subsidy.[171]

A last ditch effort employed by opponents of public financing for construction of stadiums and arenas is to litigate, using the "public purpose" argument.[172] This doctrine mandates that public funds generated from taxes cannot be spent for reasons other than "public purposes."[173] This is generally not a strong argument (it has only been successful twice) because the "public

[165] Jensen, *supra* note 131, at 433.
[166] *Id.*
[167] *Id.*
[168] Fort, *supra* note 43, at 146.
[169] Noll, *supra* note 85, at 85.
[170] *Id.*
[171] *Id.*
[172] Jensen, *supra* note 131, at 435.
[173] *Id.* at 436.

purpose" can be easily satisfied by applying the "public benefit" test.[174] Courts will overwhelmingly give deference to the state legislatures in determining what an economic and recreational benefit is.[175] Conversely, using public subsidies for stadium and arena construction is something that is not likely to go away in the near future.

IV. The Houston Oilers' Move to Nashville

The Houston Oilers' move to Nashville was a prime example of a professional sports team owner relocating a team when the mayor of a city did not meet his wishes for a new stadium were not met. The Oilers had been located in Houston since 1960 and remained there for more than thirty years.[176] Started by oil tycoon Bud Adams, the team was a charter member of the American Football League (AFL), which was established to compete directly with the NFL.[177] In 1965 the team moved into the newly constructed, publicly funded Houston Astrodome, which at the time was called the "Eighth Wonder of the World."[178] Adams spent very little of his own money on the construction of the dome, and continually asked taxpayers for more money when certain renovations were needed for the facility.[179]

In 1987 Adams asked the Houston taxpayers for $67 million in order to put new turf down, expand the seating capacity, and add new luxury boxes;

[174] *Id.* at 437. See, e.g., In re Opinion of Justices, 250 N.E.2d 547 (Mass. 1969); Brandes v. City of Deerfield Beach, 186 So. 2d 6, 12 (Fla. 1996).
[175] Jensen, *supra* note 131, at 437.
[176] Keating, *supra* note 82.
[177] *Id.*
[178] *Id.*
[179] *Id.*

threatening the city that he would relocate the team if his demands were not met.[180] The city leaders capitulated and generated the revenue through an increase in property and hotel taxes. Never satisfied, Adams began discussing plans in 1993 to build a new stadium, dubbed the "Ninth Wonder of the World," which would be state-of-the-art and have hundreds of luxury suites that would produce millions of dollars in revenues that would not have to be shared with anyone.[181] The stadium's proposed cost was approximately $235 million, with taxpayers on the hook for sixty-five percent of that.[182] Mayor Bob Lanier, however, opposed using more public funds to finance the new stadium.[183] Frustrated by the opposition, Adams summoned then NFL commissioner Paul Tagliabue to Houston to campaign for a new stadium, promising that Houston would host a Super Bowl in the coming years if construction was completed.[184] Surprisingly, Mayor Lanier was not persuaded disclaiming that he would not, "tak[e] Joe Sixpack's money and put it into supporting a stadium for owners with one hundred million dollar assets and players making one million dollars plus on salary."[185] Left with no other option, Bud Adams once again threatened to move the team from Houston; this time to Nashville.[186]

Adams began negotiations with the Nashville in 1995, a city that had desired a professional franchise for quite some time.[187] Nashville's mayor and

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[180] *Id.*
[181] *Id.*
[182] *Id.*
[183] *Id.*
[184] *Id.*
[185] *Id.*
[186] *Id.*
[187] *Id.*

city officials assured Adams that a new football stadium would be fully financed by state taxpayers and that he would not have to spend a dime of his money throughout the entire process.[188] Not only would Adams not have to spend any of his money, he was set to receive $28 million from a relocation fee and would earn one hundred percent of stadium related revenues.[189] Moreover, the state would provide $55 million worth of construction bond and $12 million for road improvements, while the city would pitch in $144 million.[190] Naturally, Adams jumped at this proposition, but the project had to clear a couple of stumbling blocks: a referendum and two years remaining on the lease with the Astrodome.[191]

Opponents in Nashville had enough signatures to require a vote on the new stadium campaign called, "Yes for Nashville."[192] Supporters sunk a great deal of money into the campaign, outspending opponents sixteen to one, which ultimately helped pass the resolution with fifty-nine percent of the vote.[193] Bud Adams promised to play out the two years remaining on the lease, but with fewer than thirty thousand attending the games and fewer than one hundred showing up for Houston's "Save the Oilers" rally, Adams decided that he had had enough and negotiated a buyout.[194] In the end Adams got what he wanted, a new stadium with a seating capacity of 67,000, 120 luxury boxes, and 9600 premium seats.[195]

188 *Id.*
189 *Id.*
190 *Id.*
191 *Id.*
192 *Id.*
193 *Id.*
194 *Id.*
195 *Id.*

At this Adams commented, "[w]hen Bud Adams tells you we will come if you live up to your end of the bargain, that's binding."[196]

V. Nashville Sports Facilities: LP Field & Bridgestone Arena

Over the last ten to fifteen years the Nashville sports landscape has seen a dramatic change with two professional sports franchises coming to the city; the Tennessee Titans of the NFL and the expansion Nashville Predators of the NHL, both in 1998. The facilities that these two teams call home are both located in the downtown area. The arena is situated right in the heart of the tourism district on lower Broadway, while the stadium sits just across the Cumberland River, which runs through the city. The two facilities are versatile multi-purpose venues, with the ability to host a variety of events. On days when a major event is being hosted at one of these venues, thousands of people flock to the lower downtown area and fill restaurants and bars. But how much of an economic impact have these two facilities had on the city? The following is a study conducted by the Nashville Convention and Visitors Bureau between 1997 and 2005 to determine the direct impact of events other than Titans' and Predators' games at these two venues.[197]

The Nashville Convention and Visitors Bureau believed that direct spending gave the most accurate way to determine new and outside dollars that enter the local economy.[198] The direct impact is calculated by two different methods: a meetings/convention formula and a leisure spending formula.[199] The

[196] *Id.*
[197] Nashville Convention and Visitors Bureau (2005).
[198] *Id.*
[199] *Id.*

meeting /convention formula is calculated by the total number of out-of-town attendees times the average amount of nights they stayed in the city (3.6 nights) times the average daily spending ($238).[200] The leisure spending formula is calculated by the total number of out-of-town attendees times main event days times the average each person spent on leisure.[201] Both facilities, especially the arena, host numerous events each year. Between 1997 and 2005, approximately eighty-five groups or events with one thousand or more attendees have used the stadium or arena, with thirty-two of those events exceeding fifteen thousand in average daily attendance.[202] All totaled, an estimated 1.3 million people attended major events at the two venues between 1997 and 2005 outside of Titans' and Predators' games.[203] Major events include: the CMA Music Festival, the Music City Bowl, SEC Men's and Women's Conference Tournaments, and the U.S. Figure Skating Championships.[204] The average out-of-town attendance at these events was well over fifty percent, with the average total attendance at the arena being 11,777 and average total attendance at the stadium being 25,723.[205] The average total spending from out-of-town visitors was approximately $3.5 million.[206] The study found that between 1997 and 2005, an estimated $301,818,000 was spent directly on the eighty-five major events held at these two venues.[207]

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[200] *Id.*
[201] *Id.*
[202] *Id.*
[203] *Id.*
[204] *Id.*
[205] *Id.*
[206] *Id.*
[207] *Id.*

This study avoids some of the flaws that were previously pointed out in this paper concerning impact studies. It did not look at the substitution effect on spending, but did not need to because the focus of the study was on the amount of money spent by individuals from out-of-town. Presumably, they were only in town for the specific event and would not have been in town otherwise. Because of this, they would not have spent their money on something else in the city instead of the event they attended. The arena and stadium in Nashville have been a success to the local economy due to the willingness of public officials to use the facilities for multiple events.

VI. Eminent Domain and Stadium Construction

With the increase in construction projects over the last couple of decades, comes the growing need to find suitable land on which to locate these facilities. Property owners, as well as governments, have faced several issues related to this, most notably eminent domain. Local governments increasingly use the power of eminent domain to take land from private citizens, and give it to developers to build stadiums and arenas.[208] The "takings clause" of the Fifth Amendment, which is applied to the states through the Fourteenth Amendment, states that, " nor shall private property be taken for public use, without just compensation."[209] The "takings clause" prohibits the government's power to take property if it is not

[208] Tyson E. Hubbard, *For the Public's Use? Eminent Domain in Stadium Construction,* 15 SPORTS LAW. J. 173, 173 (2008).
[209] U.S. CONST. amend. V; *See also* United States v. 50 Acres of Land, 469 U.S. 24, 25 (1984) (concluding that just compensation be measured by "the market value of the property at the time of the taking contemporaneously paid in money.").

for public use.[210] But what exactly constitutes "public use?" Is taking land in order to construct a stadium or arena a valid public use?

The courts have broadly construed the term "public use" in the context of sports and recreation, but generally defer to the state legislatures when trying to formulate a justification and intent.[211] Although the United States Supreme Court has never heard a case which specifically dealt with a new stadium and its public use, a couple lower courts have and consistently recognized the significance of stadiums to a community.[212] The court in *Meyer v. City of Cleveland* had to determine if a newly planned stadium was a "lawful municipal purpose."[213] The court concluded that it was, stating a municipality's duty to "please and amuse their inhabitants . . . is unquestioned."[214]

As mentioned earlier in this paper, local officials will sometimes use a new stadium or arena as the centerpiece of their urban renewal efforts. They argue that they have eminent domain powers for these projects and cite several United States Supreme Court cases to support their assertions.[215] In *Berman v. Parker*, the Court opined that it supported the taking of commercial property

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[210] U.S. CONST., *supra* note 209.
[211] Vanessa Bovo, Comment, *Keeping the Public in the Public Use Requirement: Acquisition of Land by Eminent Domain for New Sports Stadiums Should Require More Than Hypothetical Jobs and Tax Revenues to Meet the Public Use Requirement,* 16 SETON HALL J. SPORTS & ENT. L. 289, 291 (2006).
Hubbard, *supra* note 208, at 177. *See also* Citizens for Leaders with Ethics and Accountability (CLEAN) v. State, 928 P.2d 1054, 1065 (Wash. 1996) (concluding that if a baseball team improves the economy of the state, then it is within the police power of the state to build a ballpark in order to promote those interest).
[213] Meyer v. City of Cleveland, 171 N.E. 606, 608 (Ohio Ct. App. 1930) (arguing a baseball stadium is a public use).
[214] *Id.*
[215] Aaron Mensh, Note, *Upon Further Review: Why a Sports Stadium Can Justify an Eminent Domain Taking,* 40 CONN. L. REV. 1623, 1648 (2008).

within an area designated for urban renewal.[216] In *Berman*, Washington D.C. officials attempted to revitalize certain areas of town that were designated as blighted.[217] The plaintiff's store was located in one of these areas and was condemned by the local government.[218] The plaintiff challenged this condemnation on the grounds that it was unconstitutional for the government to take his land and give it to a private developer.[219] The Court stated, "[i]f owner after owner were permitted to resist these redevelopment programs on the ground that his particular property was not being used against the public interest, integrated plans for redevelopment would suffer greatly."[220] The condemnation action was upheld by the Court because the redevelopment of the blighted area served a public purpose and was a legitimate taking.[221]

In *Kelo v. City of New London*, the Supreme Court held that economic development was a valid purpose to satisfy the public use requirement.[222] *Kelo* concerned an economically depressed area of New London, Connecticut and local officials' efforts to revitalize the area by placing a $300 million Pfizer facility in it.[223] Susette Kelo was among several people whose residence was located in this area, and refused to give up their land in favor of the new development, arguing that the city's taking was a violation of the public use requirement of the Fifth

[216] Berman v. Parker, 348 U.S. 26, 35 (1954).
[217] *Id.* at 28.
[218] *Id.* at 31.
[219] *Id.*
[220] *Id.* at 35.
[221] *Id.*
[222] Kelo v. City of New London, 545 U.S. 469 (2005).
[223] *Id.* at 479.

Amendment.[224] The Court concluded that the use of eminent domain in this situation was a legitimate use noting, "[p]romoting economic development is a traditional and long accepted function of government."[225] These two decisions show just how broad the meaning of "public use" can be. If those who support the construction of a new facility can couch their argument in terms of it serving a public purpose, courts will have a difficult time determining that it is not a valid public use.

VII. Conclusion

Stadiums have come a long way since the early twentieth century and play a crucial role in the sports industry because of the amount of revenue they generate for teams and owners. They are no longer simply a place where fans come to watch a game, but a one-stop shop where fans can buy food, alcohol, and souvenirs. Owners want their stadiums to be state-of-the-art with all the amenities and with the most luxury suites as possible. Because of this desire, owners constantly look for new locations for their team, whether it is a new spot in the current city, or a new city all together. Local politicians understand this and try to get the best possible deals in order to keep or attract teams. Officials go to the taxpayers and ask for public funding for new projects, assuring them that new jobs will result. However, as fiscal impact studies show, this is often the exception and not the rule. Taxpayers usually do not get a positive return on their investment. The main benefits that comes from having a professional team are intangible, such as civic pride and prestige, but these do not justify using public

[224] *Id.* at 475.
[225] *Id.* at 484.

money to subsidize such ventures. Price tags on new stadiums and arenas will continue to increase as sports industries become even larger. Unless subsidies can somehow be restrained, or owners decide to start spending more of their personal assets on the cost of new facilities, opponents of publicly financed stadiums will continue to face an uphill battle.