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Baseball's Bounty

District Boosters Believe Downtown Stadium Would Outperform Suburban Stadium

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John Acree might well be the very fan sports team magnates and Washington area planners dream about when they envision what a Major League Baseball team might mean to the region in cold hard cash, someone who pumps more than a little money into the local economy when he's out on the town to enjoy a ball game.

Acree owns Premier Window Coverings in a suburb of Portland, Ore., but his sports passion is rooted in all things Michael Jordan. He will pull up his sleeves proudly to show you the Air Jordan tattoo on one of his upper arms and the "Flight" silhouette of M.J. on the other.

When he visited Washington recently to see a Wizards basketball game, he had with him his 5-year-old son, Jordan, his mother, Marilyn, of Baltimore, and his brother James from Sacramento. Before the night was out, they dropped \$ 85 on a pre-game dinner at the District ChopHouse & Brewery on Seventh Street NW near MCI Center, another \$ 200 on game tickets, \$ 40 for a picture of Jordan, and \$ 20 for food at the game.

"It was a quite enjoyable evening," Acree recalled after returning home.

In all, a \$ 345 night out.

Acree's free spending makes the prospect of a Major League Baseball team here financially appealing. A team would attract fans and their money and boost revenue for restaurants and other businesses around a stadium -- and, of course, generate tax dollars for whatever municipality hosts a new ballpark.

"We have the greatest population base, the greatest per capita income, more than anyone else," said Frederic V. Malek, head of Washington Baseball Club, which is seeking to buy a team and build a stadium for it in the District of Columbia with private and public money. Economists who say it is a "wash" economically to have a major league team "are ignoring the 30,000 who show up, who dine in the area. A lot of our fan base will come from the south. We're going to be the middle-Atlantic South major-league team."

Were it that simple.

A sports franchise might provide a sense of community, perhaps pride for many residents, especially if the local team wins. But Malek's optimism aside -- a major league franchise in Washington is far from certain -- the economic impact of a baseball team would make in the area is debatable. How a baseball stadium affects tax receipts and spending by fans depends on a many factors, not the least of which is its location. A downtown ballpark would, according to

experts and the experiences of new sports venues here and dozens of other cities, have a much better chance of having a positive economic effect than a suburban stadium.

Robert A. Baade, an economics professor at Lake Forest College near Chicago, said his studies of municipalities and their pursuit of sports franchises shows that a local government can expect - at best -- a 1 percent annual return on money it puts up to build a stadium. Various economists have concluded that even in Cleveland and Baltimore, two cities recognized as having successful city revitalization related to new stadiums, the financial benefit to the public is dubious.

Baade and others say the tax benefit and overall economic impact of a team are difficult to quantify but what evidence there is indicated they are neutral, sometimes even negative. They also agree that the difference usually boils down to where a stadium is built.

"You should anticipate no economic benefits to the area for having a team," said Andrew S. Zimbalist, a Smith College economist who has studied the financial impact of sports franchises on their communities. "Teams are pretty much neutral for the local economy. Sometimes there can be special circumstances that would make it slightly positive."

The benefit of having a local team, he said, "is the cultural and social enhancement that it provides for the area, something to enjoy." On those grounds, public investment might make sense. "But you cannot anticipate that a sports team or a new stadium will bring you any economic benefits."

Baade said "you have to think about net spending in the economy," not just the revenue from ticket, souvenir and concession sales, parking and hotel revenue, restaurant tabs and other game-related purchases. "Sports fans are notorious for walking past all sorts of stores, jewelry stores, art galleries, clothing shops" as they walk to and from games.

"Rather than adding to spending, sports reallocates spending," Baade said. "Fans usually come not farther than from 25 miles away. There are very few franchises that draw from much farther than that."

A lot of money from sports franchises leaks from local economies, "mostly to high-income players who live elsewhere," he said.

Retailers emphasize that a store's location can determine its success. The nationwide spree of building baseball stadiums, set off by the construction of Oriole Park at Camden Yards in the early 1990s, led to a consensus about where and how baseball stadiums work best for teams and their communities.

Sports economists and researchers say that arenas and stadiums by themselves do not generate new revenue for local governments. A stadium will not create a retail or restaurant center where there is none, nor will it revitalize a blighted or commercially bleak neighborhood. Evidence is found in the lack of development around the now-demolished Capital Centre in Prince George's County and, nearby across the Capital Beltway, FedEx Field, home of the Redskins.

Baade noted that replacements for suburban stadiums recently have been built in or near city downtowns, such as in Houston, Detroit and San Francisco. The new stadiums often complement civic ventures already in place or planned, such as convention centers, museums and shopping centers.

"The lesson we've learned in sports in the last couple decades is that it was a mistake to locate sports facilities in the suburbs near highways where we've created no ancillary development," said Christopher S. Dunlavey, president of Brailsford & Dunlavey, a sports facility consultancy in Washington.

That bodes well for those who want to put a baseball team and a new stadium in the District.

Dunlavey, whose firm has suggested five possible stadium locations in the District, said a stadium would provide as much as \$ 10 million a year in direct economic aid to the District. The benefit from nearby development could be nothing or as much as \$ 15 million a year, depending on where a stadium is built, he said. Mayor Anthony A. Williams has pledged \$ 200 million in D.C. financing for a stadium.

Dunlavey conceded that sports franchises may not generate more money for a metropolitan area as a whole, but said "the District of Columbia is a unique case."

"A tremendous part of your fan base will come from Maryland and Virginia," he said. "For the District, that's a win."

Proponents of a stadium in Northern Virginia think it would attract as many fans as one in the District, despite evidence that suburban stadiums generally do not support ancillary development as well as downtown arenas.

Nonetheless, William Collins III, a Northern Virginia businessman who for eight years has attempted to buy a baseball team and move it to Northern Virginia, said he is convinced that any one of three undisclosed stadium sites he likes in Fairfax and Arlington counties would be preferable to any in the District. His main argument is that most fans would want to drive to the ballpark.

"I don't see any roads in there with eight to 12 lanes," Collins said of the D.C. sites. "You go where the families are, the population, the infrastructure. There is a significant difference if you are concerned about the long-term economic viability of a team."

"This all breaks down to filling a stadium on a Monday night, a Tuesday night, a Wednesday night, a Thursday night," Collins said, contending that a Northern Virginia location, because of the suburban population base, would outdraw a downtown stadium on weeknights and equal it on weekends.

The Virginia Baseball Stadium Authority says it plans soon to release an updated economic impact study of a prospective team in Northern Virginia.

A local case study of the city vs. suburban question exists.

The eastern end of downtown Washington might have been revitalized without the construction of MCI Center, home of the basketball Wizards and the hockey Capitals. But the arena was part of a broad economic development plan for the East End that helped spawn new restaurants, housing and even offices.

At the moment, 23 construction projects valued at \$ 2.8 billion are in progress downtown, including the soon-to-open convention center, and 36 projects worth \$ 2 billion have been completed since January 2000, said Gerard Widdecombe, director of economic development for the D.C. Business Improvement District. While it is impossible to determine how much of that growth can be attributed to MCI Center, Widdecombe said there is anecdotal evidence that the arena has indirectly helped revive that part of town.

"MCI [Center] allowed a lot of the restaurants to pop up and some of the law firms to move east," Widdecombe said. "Over the last 36 months, we've had about a restaurant a month open."

Widdecombe said whether a new downtown baseball stadium would also generate development nearby would depend on the site. If, for example, a stadium were built near Mount Vernon Square, it might not lead to other new development because it is so near the Convention Center and MCI Center. A North Capitol Street site might lead to new development, he said.

MCI's effect is obvious to Richard P. Tamulewicz, 25, manager of the District ChopHouse, part of a small chain of Colorado-based restaurants located mostly near stadiums and arenas. "It's definitely our bread and butter," he said of MCI Center. Business goes up a third on game nights. The restaurant was packed before a recent game between the Wizards and Indiana Pacers.

"We start serving at 4:30 on Caps nights," he said. "Wizards fans are a different crowd; they come in about 5:30. On game nights you do see a nice little pop. Caps fans are great, win or lose, especially if they win, they'll fill up this bar. Caps fans drink beer, Wizards fans more liquor."

Downtown developer Douglas Jemal, who owns buildings across Seventh Street from MCI Center, said MCI Center "certainly helped bring this whole area back."

Conversely, FedEx Field, the Landover home of the Redskins, provides about \$8 million a year in taxes for Prince George's County, but it has not inspired much development nearby. Neither did Capital Centre.

"There's been none," said Arthur A. Turner Jr., president of the Towns of Kettering Homeowners Association, which opposed building the stadium in the mid-1990s.

"There's no restaurants, no shops, no boutiques, no corporate offices.

"It was built for fans from Virginia so they could get on the Beltway, go cheer, get back in their car, get back on the Beltway and get home," Turner said. "It was not designed to have an impact on Prince George's County. If you want to have a cocktail after the game, where do you go? I maintained all along it would not create an economic boon and I've been proven right."

Baade agreed: "I don't see a suburban stadium that has done much for its neighborhood. What kind of spillover would you expect from that?"

Even Dunlavey said a downtown stadium "shouldn't be relied on to revitalize a blighted area. You can't expect a stadium to do all the heavy lifting by itself."

He added, however, that unless a baseball stadium is part of a bigger development, "there really aren't enough dates -- even 81 home games -- to make these dramatic blockbusters for a city putting up [public] money."

Dorn C. McGrath, a George Washington University urban planning professor who opposed building MCI Center, said he is only marginally impressed with what the arena has done to the East End.

"MCI, within its very limited objective, has spurred some development at a considerable cost," he said. "It continues to make money for a few people, restaurants and bars."

"It makes other people want to repeat it," he said, but not him. "You make a mockery out of the downtown historic sites. This city has lost sight of planning. We've lost some perspective in the name of the great god of economic development. That's the battle cry.

"Very soon you lose sight of downtown as the nation's capital," he concluded. "I'd look for a better site. It might be in the suburbs."

In the meantime, the debate over the economics of baseball in the Washington area remains largely academic. There will be no Major League Baseball in Washington next summer and baseball executives, who have denied Washington a team for 31 years, say it will be next summer at the earliest before a decision on moving the Expos or any other team is made.