

The Record

Bergen Baseball Stadium Faces Official Skepticism

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By Shannon D. Harrington, Staff Writer

By this time next month, the sound of balls cracking off bats will break the silence at Commerce Bank Park, the stadium Somerset County built three years ago for the minor-league Patriots.

Moms and dads with kids in tow will stroll through the gates.

Ballplayers with dreams of returning or making it to the big leagues will file out of the dugouts. And team owner Steve Kalafer will likely settle into a seat behind home plate, look back toward the crowd, and dream of a future opening day 45 miles to the east, in Ridgefield Park.

If Kalafer has his way, the Bergen Cliff Hawks, his hypothetical second team in the independent Atlantic League, will be swinging for the fences of a 6,000-seat ballpark in a few years.

"It will be the most successful minor-league team in all of the United States," said Kalafer, a car dealer in his day job, who says Bergen County -- bustling with young families hungry for a cheap place to take the kids and a healthy corporate community willing to advertise -- is ripe for a team.

But Kalafer must first persuade Bergen County officials to build the estimated \$22 million stadium on top of vacant industrial land next to the New Jersey Turnpike. And some on Bergen's legislative body are asking this hardball question: Why should county officials be willing to risk taxpayers' wallets for the sake of a private enterprise?

"If it's that good a deal, you don't need us," said Freeholder Vice Chairman James Sheehan, one of the most vocal critics of the ballpark proposal. "That's what business and free enterprise is all about.

"We have enough trouble doing things that we have to do to provide for the county." Ridgefield Park officials also want to know what the township would get out of the deal, other than potentially more traffic and more work for its Police Department.

Perhaps the biggest booster of minor-league ball in Bergen so far has been County Executive William "Pat" Schuber, who two years ago posed in a Cliff Hawks cap and announced his desire to build a ballpark. His first attempt -- to build it in a section of Overpeck County Park was rebuffed by the freeholders -- but Schuber is confident this second attempt will fly.

He calls the ballpark a good investment with minimal risk.

"From the studies I've seen, it's the strongest market in the entire state, and it's untapped at this point," said Schuber, who wants to get the deal rolling before he leaves office in January.

He understands why some would question the county government's role.

But "affordable family entertainment" is sorely needed in the region, said Schuber, a Yankees fan who often bemoans the ever-rising cost of tickets at Yankee Stadium. Tickets to see the Cliff Hawks would range from \$5 to \$9. And for the team to come to Bergen, he said, "it does need some type of government push." As for Ridgefield Park, Schuber said the county would include town officials in the discussions, even though Mayor George Fosdick said in a recent letter to the freeholders that the last time he was briefed on the plans was in June 2000.

The Schuber administration recently hired the Teaneck law firm of DeCotiis, Fitzpatrick, Gluck & Cole to help the county negotiate a deal to buy the Ridgefield Park land from the Turnpike Authority and to finance construction of the stadium with some type of government bonds.

Three financing options have been discussed so far. One is asking the state Economic Development Authority to float the bonds for stadium construction, as the authority did with Bergen's new \$62 million administration building in downtown Hackensack. The county is leasing-to-own that building over a 24-year period.

Other options are to have the Bergen County Improvement Authority issue bonds, or for the county to issue its own bonds, as Somerset County did for its ballpark in Bridgewater. County officials like the idea of having another agency float the bonds so that it doesn't add to the county's debt load.

Kalafer's feasibility study used the latter model to show how the finances for a Bergen ballpark could work. It assumed construction costs would be about \$21 million, that financing would be stretched over 25 years, and that annual payments would be about \$1.9 million.

The DeCotiis firm will be looking for potential grants that could reduce the debt load, said Jerrold Binney, an attorney with the firm and Schuber's former chief of staff. The Casino Reinvestment Development Fund, for example, has contributed to minor-league stadiums in Trenton, Newark, and Atlantic City.

But the real risk comes after the debt is incurred, and the county is relying on the baseball team to pay it back.

Bergen officials want something like the revenue-sharing model for Somerset's ballpark. Somerset gets 30 percent of the team's ticket sales up to \$4.5 million, then a much smaller cut beyond that.

With the average game bringing in more than 5,100 fans, nearly 85 percent of the stadium's capacity, Somerset officials say they have made more than enough to pay the annual \$1.3 million payments on the \$17.7 million in general obligation bonds they issued.

After three seasons, the revenue-sharing deal has generated a surplus of about \$600,000, which was put into a fund for major ballpark repairs and renovations.

"I wouldn't be surprised if by the end of [this year's] season we hit the \$1 million mark," said Somerset Freeholder Ken Scherer. "There's no disappointment on our end, I'll tell you." Similar stories are coming from Long Island and Bridgeport, Conn., where successful Atlantic League teams have found homes in recent years.

But not every minor-league stadium story in New Jersey has had such rosy results.

At Newark's three-year-old Bears and Eagles Riverfront Stadium, the Atlantic League's Bears have on average attracted crowds that filled a little more than half the stadium's 6,200 seats. Revenue hasn't been enough to cover the \$1.5 million debt payments owed each year by the Essex County Improvement Authority and city of Newark.

The Atlantic City Surf, another team of the independent league, has attracted even smaller crowds to its home, The Sandcastle.

And another Atlantic League team, the Lehigh Valley Black Diamonds near Allentown, Pa., filed for bankruptcy before its ballpark could even be completed. The team, which has played in a temporary location, was taken over by the league and renamed the Pennsylvania Road Warriors.

Observers of baseball economics say that when elected officials are sizing up the prospects of a team, they must also consider the health of the league as a whole.

"You need at least five other successful operations to have a league," said Steve Resnick, a Blue Bell, Pa., baseball accountant and a former part-owner of the double-A ball Harrisburg Senators, a Montreal Expos affiliate. "It's hard to pitch against yourself." Baseball economists have long questioned the ability of such independent leagues as the Atlantic to survive in a market dominated by teams affiliated with Major League Baseball.

But Kalafer says that after four seasons, and now with eight teams, the league has proven its detractors wrong. Atlantic League teams have brought out more fans than some established Major League farm teams.

About 100 players have left the Atlantic League for Major League organizations since 1998. And big-name players such as Jose Canseco and Tim Lincecum spent rehabilitation stints in the Atlantic.

"If they're asking that question today, they're not doing their due diligence," Kalafer said. "It's not a fair question." As for those Atlantic League teams that have had sparser-than-expected attendance, Kalafer chalks it up to market demographics.

"It's about demographics, demographics, demographics," Kalafer said.

"We simply have a superior demographic, and Bergen County has a superior demographic." Specifically, he means the roughly 1.3 million people in the Bergen-Passaic area with their median \$47,000 incomes and buying power that a consultant Kalafer hired recently said ranks among the 12 strongest markets in the country. "Demographics in Bergen go off the chart," Kalafer said.

Based on those figures, a consultant hired by Kalafer last year projected that the Cliff Hawks would attract at least 4,750 people every game, or about 80 percent of the stadium's capacity. That would mean some \$6 million in profit from ticket sales, concessions, advertising, and stadium naming rights, according to the consultant, Brailsford & Dunlavey of Washington, D.C. An accountant hired by the county Freeholder Board last year said that even at 60 percent capacity, the team would generate enough revenue to pay the annual debt payments.

The Schuber administration will continue to work on a potential deal for the ballpark, but with Schuber leaving office at the end of the year, it could become an issue in this year's race to succeed him.

Dennis McNerney, a Democratic freeholder vying for Schuber's seat, said the deal will have to come with a guarantee that county taxpayers won't be left holding the bag, though he could offer few specifics of what such a deal could look like.

"Maybe the state should pick it up," he said. "The way I see it is the current county executive has come up with this plan, and he said it would be no cost to the taxpayers. That's the threshold they have to meet." State Sen. Henry P. McNamara, the Republican candidate, said it would be unfair to condemn the ballpark without seeing a financing proposal.

But, in general, the senator has been opposed to governments paying for sports stadiums, including the plan to build a new home for the Nets and Devils in Newark and failed proposals to build a major league baseball stadium in the Meadowlands.

"You can't be putting taxpayer dollars at risk, especially in the economy we 're in," McNamara said. "It's just not a good practice."

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