Costs: The Rest of the Economic Impact Story

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Economic impact studies are frequently commissioned to justify investments in sport projects. However, decisions also should include a consideration of a project's costs since it is the net return on investment that should drive decisions. Whenever taxpayer funds are expended on a sports project there is an opportunity cost. Three types of opportunity cost are discussed. Explicit costs are those for which a government entity "writes a check." They are comprised of event costs, land and infrastructure costs, and operations and maintenance costs. Implicit costs are those which remain "hidden" from most taxpayers: foregone property taxes, strategic underestimation of capital costs, displacement costs, and an inequitable nexus between payers and beneficiaries. External costs are those incurred by taxpayers beyond the boundaries of a local jurisdiction.

Over the past 20 years, widespread skepticism toward the results of economic impact studies has emerged (for example, Noll and Zimbalist 1997, Rosentraub 1997, Crompton 1995, 2007, Hudson 2001, Porter 1999, Baade & Matheson 2000, 2001, 2004, Coates & Humphreys 2008). However, the conceptual rationale for economic impact studies is sound and their function in evaluating sports' contributions to residents' prosperity is legitimate. Their notoriety is attributable to the studies not being done with integrity. Because the motivation for commissioning them usually is to demonstrate the legitimacy of a project's economic case, the temptation to engage in mischievous practices designed to enhance and exaggerate that case is substantial.

However, even when an economic impact study is done with integrity, it represents only the economic benefits associated with a facility or event. If there is an increase in economic impact in a local economy, it is probable that there also will be an increase in costs associated with it. Thus, to ascertain whether the project is a good investment, its costs also have to be identified.

It is estimated that investment in new stadiums and arenas for teams in the four major leagues between 1990 and 2013 (measured in 2013 dollars) was $25.5 billion and $12.9 billion, respectively. Of these amounts, $14.5 billion (57%) and $6.7 billion (43%), respectively, were contributed by public tax funds. (Howard & Crompton 2014) However, the costs paid by taxpayers are likely to be much greater than the widely publicized contributions to the cost of a building. Thus, for example, if city A contributes a relatively small amount of funds to build a new facility compared with city B, it does not necessarily mean that city A provides fewer taxpayer dollars to its franchise. Indeed, the outcome may be the reverse of this when all costs are considered.

This was well illustrated by the State of Connecticut's effort to induce the owner of the New England Patriots to relocate his NFL-franchise from the Boston-area to Hartford. The Governor of Connecticut signed a bill committing taxpayers of the state to pay not only $374 million for a downtown riverfront stadium which would be turned over to the owner on a rent-free basis for 30 years, but also for: all property taxes, and the team's annual casualty and disability insurance which were estimated at $250,000 per year; preparing the site and any needed infrastructure; any shortfall in revenue under $13.5 million a year incurred by the owners from the sale of suites and club seats; $15 million for a practice facility; 25,000 parking spaces, 5,000 adjoining the stadium, 1,000 within a mile and the rest within a reasonable distance; a land parcel adjacent to the stadium site on which the owner would be free to build a hotel; a capital replacement costs fund of $115 million to pay for renovations to the stadium over the 30-year period; and one-off payments of $800,000 for the owner's legal fees and $750,000 to move the team to Hartford (Greenburg 2001).

While the owner of the Patriots ultimately rebuffed Connecticut's generous offer, this example illustrates the many costs in addition to venue construction which can substantially increase the public's total investment in a new stadium or arena. Many of these additional costs are subtle and nuanced, so they remain "under the radar." Their inherent lack of visibility is reinforced by...
the likely lack of interest in articulating them among projects’ advocates and boosters who typically only want to publicize the benefits. It has been observed:

For a number of reasons, the task of estimating costs is not best left to those directly involved in the subsidy negotiation. Subsidy advocates—including team owners, players’ unions, trade unions, local media, businesses, and real estate developers—have an interest in underreporting the cost of a new facility to ensure favorable and rapid public approval. Politicians and other public officials aligned with the interests of subsidy advocates can be complicit in keeping the real public cost out of the debate. (Long 2006 p 140)

Hence, too often only positive economic benefits associated with sport are reported, and costs of negative impacts borne by a community beyond subsidizing the cost of facility construction are not considered. It has been suggested that “ignoring these costs is roughly equivalent to a certified public accountant omitting a balance sheet’s liabilities and then touting the success of the company.” (LaFaive 2009 p 1) Clearly, if costs exceed the benefits then, even if there is a relatively high gross economic impact, the project likely would not be a good investment for the community.

Incorporating costs into a study changes it from an economic impact analysis to a benefit-cost analysis. While an economic impact analysis is designed to study the economic effect of additional spending attributable to a sport facility or event, a benefit-cost analysis is designed to identify the net return on the investment. There is often an inadvertent or mischievous blurring of the distinction between economic impact and cost benefit analyses. For example, with reference to the city’s proposed $325 million investment on a new stadium for the Dallas Cowboys, the mayor of Arlington was quoted as saying the city “won’t proceed unless an outside consultants’ cost-benefit study affirms that a Cowboys’ stadium would be a municipal plus” (Shah & Brown 2004 p 2). The phrase benefit-cost analysis was used consistently to describe the study in the local media. However, the consultants’ study made no reference to costs, focusing only on purported economic and fiscal benefits (Economic Research Associates 2004).

Whenever taxpayer funds are invested in a sports project there is an opportunity cost since those resources could have either been redirected to other public services or retained by the taxpayer. Thus, the issue of opportunity costs is the fundamental social issue associated with government spending on sport facilities.

However, there are two important caveats relating to the source of funds that need to be inserted into a discussion of opportunity costs. First, while ostensibly it may be conceptually obvious that resources invested in sport projects have an opportunity cost, the political reality is often different. If those resources are not spent on the sport project, then the probable political alternative is to cancel increases in the proposed concomitant taxing source(s), rather than to authorize the increase and allocate those funds to pressing community needs. A second caveat is that ostensibly facility advocates seek funds for capital investments, whereas funding for such needs as hiring more teachers or police officers, or developing new health or welfare programs originates from cities’ operational budgets. This implies that choices between sport projects and social needs may be viewed as being more rhetorical than real because capital and operating budgets are not directly substitutable. However, public commitments to franchise owners usually extend beyond initial capital costs to include ongoing costs over the life of a project and these costs do adversely impact governments’ operating budgets.

The opportunity costs associated with sport projects can be classified into the categories shown in Figure 1, which provides the framework for this paper (and we thank the anonymous reviewer who suggested this framework to us). Explicit opportunity costs are those for which the government “writes a check.” They are comprised of event costs, land and infrastructure costs, and operations and maintenance costs. Implicit costs are those which are “hidden” so most taxpayers remain unaware of them. These are of four types: foregone property taxes, strategic underestimation of capital costs and overestimation of revenue streams, displacement costs, and an inequitable nexus between those paying for a sport facility and those benefitting from it. External costs are those incurred by taxpayers beyond the boundaries of a local jurisdiction.

### Explicit Opportunity Costs

#### Event Costs

Most elected officials and taxpayers are unaware of the magnitude of investments needed to support a major event. These include the cost of preparing bids as well as the costs of staging the event. For example, the cost of preparing London’s successful bid for the Olympics was approximately $50 million. The costs of staging events are likely to be substantial and in many cases, sport organizations are expected to meet those costs from revenue streams associated with the event.

Organizations that control regional, national and international sport events, and the allocation of professional sport franchises, are essentially monopolies. They exploit this position by requiring potential hosts to bid against each other so they will maximize the costs a community hosting the event or facility will voluntarily absorb. Typically, this means the owners of these properties will capture a large proportion of the revenues that come from marketing rights and broadcasting, while communities accept all the costs associated with their presentation. In recent years, these costs have grown substantially as the property owners have recognized the strength of their bargaining positions and consistently made the events more grandiose.
For example, the incremental increase in tourists coming to Hawaii for an NFL Pro Bowl was 5,600 visitors. Hawaii Tourism Authority survey data suggested this translated into a $5.7 million impact in the state’s economy. Since the state paid the NFL $5.3 million for the right to host the event, the NFL extracted almost the entire economic benefit to the host city, while leaving the city to pay all costs associated with the Pro Bowl (Baumann, Matheson & Muroi 2009).

Conceptually, if monopolist property owners succeed in fully leveraging their position, then they should be able to persuade host cities to absorb all event costs up to the point where they are $1 less than the estimated net economic impact. Thus, by definition, cities should not expect their investments in hosting these types of sport properties to yield a return. Inevitably, this situation makes it likely that in some instances host cities may suffer the winner’s curse, which occurs when benefits are insufficient to cover the costs incurred (Rosentraub 2006). The city that bids the most for a facility or event is the one with the most optimistic assessments of its benefits. Among a large set of bidders, the most optimistic one usually overestimates the value of the facility or event. Thus, it has been argued that since events like the Summer Olympic Games often are perceived to have a substantial political value, it is reasonable for host communities to be willing to accept negative returns on the economic investment and to view it as a premium paid for the intangible political return (Baade & Matheson 2002).

The influence of this monopoly power is vividly illustrated by the recent history of the Olympic Games. In 1984 Los Angeles was the only bidder for the Games. Thus, it was able to counter the monopoly power of the International Olympic Committee (IOC) and emerge as the only “profitable” Olympic Games in recent times. By 1992 there were 22 bidders, and similarly large numbers of cities have been involved in subsequent years. This means the IOC is able to dictate the economic terms, so IOC Rule 4 requires the host city to accept all the financial costs associated with the Games. Thus, while many of the revenue streams that made the Los Angeles Games profitable subsequently were claimed by the IOC, host cities have incurred the substantial financial costs that have accompanied the expansion and higher presentation expectations engendered by each successive Olympic Games.

**Land and Infrastructure Costs**

When major sport facilities are constructed for major league franchises, government entities often contribute not only to the cost of building the stadium or arena buildings, but also by providing land and infrastructure for the facilities. However, these latter two costs are rarely included in the publicity surrounding a government entity’s contributions. This omission is a relatively recent phenomenon, dating from the 1980s and 1990s when land costs soared in urban areas. It has been estimated that these costs average $31 million per facility.
so their omission means that total development costs are underestimated by 8%. However, the range is wide, from zero to $300 million for New York’s new Yankee Stadium (Long 2013). The obvious overarching reason for governments not publicizing these costs is to reduce the negative reaction which inevitably arises among some stakeholders when major expenditures on sport facilities are contemplated. The following more nuanced explanation suggests why the omission of these costs in the public dialog is not controversial:

Land cost data are tricky because of the complexity of appraising these sites, and because both team owners and some government officials have an interest in suppressing public knowledge of the market value of the site should it be sold privately. Infrastructure costs are also less likely to be reported because it is difficult to disentangle benefits to the sport facility from those enjoyed by adjacent sites, especially when bundled with other high-profile civic improvements, and also because taxpayers are less likely to question infrastructure spending because such projects continue to be perceived as a legitimate function of local governments. For these reasons, the tendency of subsidy advocates to obscure these costs is likely to continue (Long 2005 p 137).

Assistance with land from governments may take three forms. First, it may involve a public entity assembling the land. Typically, in central urban areas the relatively large sites needed for major sport facilities (six acres for an arena to twenty acres for a ballpark and many more for a football stadium) will be in multiple ownership (Long 2013). Acquiring these multiple smaller sites traditionally has been easier for government entities than for a private developer, because they could use their powers of eminent domain to assemble the land. New York State used its eminent domain powers to acquire tenements, warehouses, and brownstones to put together a 22 acre site for a private developer, of which 8.5 acres was for the NBA’s Nets to build their new Barclays Center arena at Atlantic Yards near downtown Brooklyn. The remaining acreage was designated for high-rise residential development. The site was a functional neighborhood, inhabited by taxpaying businesses and homeowners. Those living in the areas contested the action arguing that private property was being taken from law-abiding people and sold against their will to other private interests for the purpose of real estate development, but they did not prevail. Nevertheless, it took almost four years from 2006 to 2009 for the court cases emanating from the city’s actions to be resolved.

Similarly, the City of Arlington used its eminent domain powers to assemble the land needed to build the new Dallas Cowboys Stadium. Using this authority it condemned over 150 homes, apartments and small businesses. One critical commentator observed:

Arlington spent approximately $80 million in what was euphemistically called “land acquisition” but might more accurately have been dubbed “payment for stolen land.” Numerous home and business owners took the city to court over its low-ball offers. One homeowner, offered $351,000 for a house and four acres of land, was eventually awarded $2.75 million, though most of her fellow litigants in the eminent domain cases lost their suits. The last resident to settle told the Dallas Morning News that the area which the Cowboys demolished was “one of those rare neighborhoods that you don’t often find that had a sense of community. I knew everyone around me on a first name basis...We were paying more taxes than [the Cowboys] will ever pay. That’s such a lopsided, one-sided bad deal for anybody but Jerry Jones.” Another Arlingtonian said, “All that we nice Christian folks in Arlington ended up doing is using eminent domain to take homes and businesses from our fellow citizens and agreeing to fork over millions in taxes that could have been used for other city services” (Bennett 2012 p 125).

The obvious angst and sense of outrage evident in these comments explain why in recent years the use of eminent domain has become more difficult as state legislatures and the courts have placed tighter parameters on eminent domain authority. These examples illustrate that substantial costs are likely to be associated with eminent domain procedures. These comprise the legal requirement for the city to pay market price for the properties being acquired and the negotiated costs of relocating businesses or residents elsewhere in the community which frequently occurs. Many unwilling sellers contest the fair market appraisals offered by the city. As the Brooklyn and Arlington cases showed, they are likely to spawn court cases as impacted parties challenge either the eminent domain authority being used, or the compensation being offered. Thus, court costs are another hidden cost that governments may incur.

The second, and perhaps most prominent, role of governments with land is to lease land which they already own to a sport team for a nominal amount—often one dollar a year. If this is done for a 20 acre parcel whose value is $500,000 an acre, then the cost to the public purse is $10 million. In reference to a proposed stadium development in St. Louis it was observed:

The downtown stadium will use land that would be owned by the city and that had potentially valuable alternative uses. The true economic cost of the stadium should include foregone property taxes that would have been paid if the land had been sold or leased for private development, and it should include foregone rents that could be earned from such alternative users (Quirk 1987 p SR8).

There are numerous examples of land being donated for major league sport facilities. The MLB and NFL stadiums in Baltimore were reported as costing $106 million and $220 million, respectively. However, the land for the entire project was acquired for an additional $100 million that was paid for with public funds (Peterson
The value of the land for the Safeco Field in Seattle was estimated to be $35 million; at Charlotte’s Bank of America Stadium it was $40 million; at Phillips Arena in Atlanta the building cost was $131 million, but an additional land contribution by the city was valued at $62 million; and for the Staples Center in Los Angeles the city contributed nothing to the building cost, but spent over $70 million to acquire the land for it (Long 2002). When the Yankees needed land to build a new stadium, New York City came forward with a 22 acre public park site valued at $13.5 million. In none of these cases was the land value included in the popular media reports of the projects’ public cost.

Infrastructure assistance refers to government entities taking responsibility for building roads, transit, sewers, and water and electricity connections. Attributing these costs to a new sport facility is more nuanced. It is common to see infrastructure improvements claimed as a net benefit to a community and so excluded from estimates of costs. Although it represents an opportunity cost of capital, taxpayers are less likely to question infrastructure costs than land or facility costs, because a legitimate core function of a local government is to provide infrastructure to all areas in which it authorizes development. Thus, costs should be attributed to the project only in instances where infrastructure exceeds a government’s normal standard of provision, or where government assumes costs that would normally be paid by developers in other contexts.

Examples where infrastructure perhaps should be attributed to the project costs may include Washington D.C.’s Fed Ex Field which was reported as costing $180 million, all privately funded, when it was constructed. What was not reported was the over $70 million spent on road improvements and parking by the city (Zimmerman 1991). Dallas widely publicized its public cap of $125 million for the American Airlines Center, but the city did not publicize that it also spent $30 million in infrastructure for the arena (Long 2002). The cost of Sport Authority Field in Denver was widely perceived to be $364 million, with the public’s share amounting to $266 million. However, these numbers fail to recognize that Sport Authority Field also benefitted from $74 million of infrastructure improvements paid for by public entities. In addition, the city gave the team the land for which the city had paid $14 million twenty-five years earlier so its contemporary value was probably double or triple that amount (Long 2002). The new Yankee stadium received $70 million from New York State to construct four parking structures at the stadium from which the state received no revenue, while the city’s Metropolitan Transit Authority built a new commuter rail station for the Yankees at a public cost of $45 million (DeMause & Cagan 2008). In Milwaukee, the city ($18 million), county ($18 million) and state ($36 million) contributed $72 million in infrastructure improvements for the Miller Park Stadium in addition to the $207 million the public paid toward the $285 million cost of the stadium (Long 2002).

A third mechanism available to local governments to assist with land stems from their control over zoning. Land-use zoning substantially impacts the value of land. If a business purchases land that is zoned for agricultural purposes, then the land’s cost and its value are likely to be much lower than if it were zoned for development because the income potential of agricultural land is significantly lower. If the zoning is changed after the land has been purchased at a price reflecting agricultural use, and if the land is then used to develop a sport project (so the operator does not use land already zoned for development), then the cost to the business will be much lower, making the purchase potentially more profitable:

After Sacramento voters rejected an initiative to construct a stadium on county land, private developers acquired 510 acres of rice farm land on the edge of the city that was zoned for agriculture use. In making this purchase, the developers gambled they could convince the city to rezone the site for commercial development. The developers purchased the Kansas City Kings NBA franchise and brought it to Sacramento. This mobilized eager basketball fans, who helped lobby for the rezoning so that the value of the rice farm land and hence the developers’ assets increased dramatically. The sports project was used effectively to leverage the zoning change, which otherwise was unlikely to occur (Korman 1989).

The trade-out was described in the following terms:

Sometimes the cost of obtaining a team may not be money, but rather the sacrifice of a long term policy objective. This is what happened in Sacramento. The rapidly growing state capital of California had all the makings of a major-league town (It was the 21st largest television market in the country). But when a local developer bought the Kansas City Kings basketball team, he and a few other landowners effectively traded their promise to bring the team to Sacramento for permission to develop an area the city voters had previously set aside for agriculture. The City Council - hungering for big-league status - eagerly went along with the deal (Fulton 1988 p.3).

Operation and Maintenance Costs

It is noted later in the paper that a common legacy of many mega sport events is a huge debt and much under-used infrastructure. This results in large on-going operating losses subsequently being incurred by facilities constructed for a specific event which have limited legacy use, and large on-going debt costs that may stretch out for the next 20–50 years. These comprise a continuing cost for local taxpayers and represent a substantial long-term economic cost (Mules & Dwyer 2005).

Thus, the $4.6 billion Japan spent on developing stadiums when it hosted the World Soccer Cup means that construction spending per game was nearly $150
million. Given the average attendance at J-League games was 16,000, about one third of the capacity of most of the new stadiums, their taxpayers have incurred onerous long term costs for a month long party. The cost situation for its cohost South Korea, which invested $2.7 billion in new stadiums, is perhaps even worse because professional soccer in that country averages only 3,000 to a game (Brooke 2002), and most of the K-league teams declined to use the over-sized stadiums.

At facilities leased from cities by professional sport franchises, responsibility for operation and maintenance costs varies widely and the complexity of the lease agreements serve to obscure the extent of a public entity’s commitment from its taxpayers.

The NHL’s Minnesota Wild’s lease with the city of St. Paul is an example of a lease obligating the franchise to pay all maintenance and operation costs for the entire arena, including everything from concessions and concessions equipment, to grounds keeping and refurbishing the arena floor. The Wild also are responsible for all the trash removal, cleaning of interior driveways, maintenance of the arena exterior and roof and preventative maintenance (Greenburg 2001). Similarly, at Safeco Field the Seattle Mariners lease reads, “The Mariners are responsible for all labor, materials, and equipment involved with operating and maintaining the facility. This includes such things as: maintaining the electrical, plumbing and mechanical systems, grounds keeping, painting, removing trash, hiring security, and staffing the facility.” (Greenburg 2001 p 240) At Comerica Park, the Detroit Tigers are responsible for maintenance, repair and management of the facility, as well as game day and event operations expenses. However, a capital improvement fund for future renovations is jointly funded by annual contributions of $300,000 from the team and $250,000 from the public, with both sides having to agree on disbursements from this fund (Greenburg 2001).

In contrast to these examples, 46% of major league sport facilities that are publicly owned receive at least some maintenance cost assistance from their public landlords, (Long 2013). These annual costs are rarely reported. In most of these instances the public partner will be required to provide maintenance, costs related to long term viability (cleaning, landscaping, utilities, and capital improvements) at no cost to the franchise. The franchise usually will take responsibility for variable costs inside the facility related to labor on game days, but there are exceptions which place more onerous responsibilities on the public partner as the following lease agreement with the Tampa Bay Buccaneers illustrates:

The Authority shall provide for BSC’s use, at the Authority’s sole cost and expense, the Stadium and field ready on the date of each Buccaneer’s NFL Game for the exhibition of the professional football games to be played by the Buccaneers with all facilities and equipment reasonably necessary for the operation and maintenance of the Stadium as a facility suitable for the performance of football games of NFL caliber, in accordance with the standards of the NFL. This includes game day personnel and services such as event coordinators, ticket takers, ushers, security guards, parking lot attendants, information attendants, and standby maintenance crews. (Greenburg 2001 p 243).

Other examples of teams receiving government maintenance assistance include the NBA Miami Heat, which receives an operating subsidy from the city of Miami of $6.4 million for annual operating expenses; the San Diego Padres which receives $3.5 million annually from the city of San Diego; and the Milwaukee Brewers at Miller Park which receives $2.16 million (Long 2002).

Teams often recoup some of their up-front capital costs in lease negotiations with public landlords by persuading them to be responsible for maintenance costs and to provide other “incentives” such as guarantees by the city to compensate the team for ticket sales that fall below a threshold. For example the City of San Diego guaranteed the NFL Chargers attendance of at least 60,000 for every game, promising to purchase any unsold tickets under that amount. From 1995 until 2004 that deal cost the city $36.4 million (Hitchcock 2011). These arrangements sometimes are termed “lease give backs” (Zimbalist & Long 2008).

Several attempts have been made to measure operating costs of facilities incurred by the public partner (Okner 1974, Baim 1994, Quirk & Fort 1997, Rosentraub 1997). The most recent and most comprehensive analysis led to the following generalizations regarding the cost of maintenance assistance that teams receiving these subsidies receive:

For new MLB facilities, maintenance expenses are estimated at $3 million per year, and if the facility has a roof, $4 million per year. For older MLB facilities, the estimated average is $2 million per year, and $3 million if it has a roof. For new NFL facilities, because they have fewer game days than any other facility type, annual maintenance expenses are estimated at $2 million per year, $3 million if it has a roof. For older NFL stadiums, $1 million per year, and $2 million if it has a roof. If a stadium is used for both MLB and NFL teams or for two NFL teams, another $1 million per year is added. For all arenas, the working assumption is $2 million per year in maintenance expenses, only slightly lower than stadiums because of its smaller capacity and fixed roof. (Long 2013 p 73)

In addition to on-site maintenance and operation costs, public entities incur off-site costs. When large numbers of visitors are attracted to a community, they are likely to create extra demands on its services and inflict social costs on community residents. Off-site operation costs borne by a community may include such elements as traffic congestion, increased sanitation facilities and public transportation, road accidents, vandalism, police and fire protection, environmental degradation, garbage collection, increased prices to local residents in retail
and restaurant establishments, increased costs to other businesses seeking new workers if there is a shortage of labor supply, loss of access, and disruption of residents’ lifestyles.

Some new major sport facilities may create quality of life intrusions on a neighborhood that reach a threshold level which adversely affects property values. Such costs are not associated with existing facilities because they have already been internalized. That is, those in the neighborhoods whose quality of life is adversely impacted have already been compensated, since residents will have paid less to rent or own property in the area. It is the original homeowners and landowners who bear the losses. However, the small number of empirical investigations of this issue have reported mixed results. Two such studies reported the presence of sports facilities had a significant positive effect on surrounding property values (Tu 2005, Feng & Humphreys 2008) suggesting the amenity value of the facility exceeded their social costs. However, a third study reported contrasting results, concluding that sports facilities had a negative impact on surrounding property values (Dehring et al. 2007).

The annual cost to cities of providing police, fire, special insurance to cover facility-specific hazards, and other municipal services for a professional sport facility typically ranges from $2 to $5 million (Long 2002). The variable costs borne by the host city of a Super Bowl are at least $1.5 million; Greece spent over $1.5 billion on security alone for the 2004 Summer Olympics (Matheson 2008); while in 2012 the security bill for the London Games was approximately $1 billion (Gibbon 2011).

Translating some of the municipal costs into economic values is relatively easy (for example, costs of extra police or fire protection and off-site clean-up costs), but in other cases it is difficult. This difficulty is one reason why such costs are usually ignored. If some of these costs cannot be translated into economic values, they should at least be described, qualitatively assessed, and included in a presentation to a legislative body to be considered in an evaluation of an event’s net benefits. An alternative approach is to monitor the level of residents’ tolerance for these off-site costs during the event, and a questionnaire instrument for this purpose has been developed (Ap & Crompton 1998).

Implicit Opportunity Costs

Forgone Property Taxes

Out of the 122 teams in the major leagues, 110 do not have to pay property taxes on the facility they occupy (Long 2013). In many instances, this occurs even when the facility is not publicly owned. It is justified on the basis that, irrespective of ownership, major league sport facilities serve a public purpose. Tax abatements are sought (and usually granted) by almost all businesses that relocate to a community. What makes those granted to sport facilities so egregious is their size. Usually, local governments grant 5–10 year abatements. Typically, these grant 100% abatement in the first year and decline in 20% or 10% increments, so they disappear at the end of the five or ten year period. Sport franchises, however, typically negotiate 100% abatements for the 30 year period of a facility’s life. One commentator opined that professional sports franchises “are the true welfare kings. No industry receives as huge a percentage of corporate welfare while keeping its books hidden in shadows” (Zirin 2010 p 24) Over the life of a facility, forgone property taxes may be the largest cost contribution public bodies make to a project. It has been estimated that if a sports facility cost is $350 million, then the average property tax payment would be $5 million per year, or $67 million over 30 years discounting at 6% (Long 2013).

In some instances, the tax forbearance has also extended to sales taxes. For example, the Yankees, Mets and Nets facilities in New York City were all exempted from sales taxes on construction materials (Zimbalist & Long 2008).

Strategic Underestimation Of Capital Costs And Overestimation Of Revenue Streams

The hosting of mega events invariably means large new construction projects will be required. For example, Germany spent almost $2 billion building or rehabilitating twelve stadiums when they hosted the FIFA World Cup of which at least 35% was provided by the public purse (Matheson 2008). Similarly, when they jointly hosted the World Cup, South Korea built ten new stadiums costing $2.7 billion, while Japan built six new and refurbished four other stadiums at a cost of $4.6 billion (Brooke 2002).

Advocates for hosting major sport events and facilities frequently publically underestimate the costs associated with developing them. Some of this error may arise from unforeseen contingencies such as increases in the costs of materials, but the egregious magnitude of the errors in some cases suggests that they are often strategic and deliberate with the intent of reducing negative political reactions that higher costs are likely to arouse which might derail advocates’ efforts to organize a host community’s bid for an event. This strategy might be termed, “taxpayer bait and switch” (Eisinger 2000). The public is given a price for facilities which is used as the focus for a public debate, but once a commitment is ensured that “taxpayer bait and switch” (Eisinger 2000). The public is given a price for facilities which is used as the focus for a public debate, but once a commitment is ensured that price inevitably rises. Examples abound:

- The Barcelona Olympic Games’ costs increased fivefold over the eight year period preceding them.
- Sydney estimated the cost of its Games at around $800 million with $240 million coming from the public purse, but the final costs were $4.6 billion with taxpayers funding $1.6 billion of this.
- Athens initially projected its Games would cost $1.6 billion, but they cost somewhere between $8 billion and $14 billion (Smith 2012).
• Beijing projected costs of $1.6 billion, but the actual cost exceeded $40 billion.
• The initial London Olympics bid for 2012 estimated costs to be $4.3 billion, but within two years this had escalated to $17.6 billion (Graham 2012).
• The Manchester Commonwealth Games’ cost was five times the original estimate.
• Cost overruns of 30% or more on major league sport facilities are similarly common: “Because bells and whistles are often added after the original designs, political approval, [and] because of mistakes in the a priori cost consideration” (Zimbalist & Long 2008 p. 236).

Errors of this magnitude rarely occur when private enterprises develop projects with their own funds, because potential contingencies are carefully identified and their potential cost is incorporated into project budgets. Thus, investment decisions and evaluations of risk are made with full knowledge of a project’s worst case scenario. A common legacy associated with strategic underbidding to host mega events is huge debt payments and under-used infrastructure that results in large on-going operating losses. As the grandiosity of the facilities and infrastructure increases, so does the concomitant onerous burden on local taxpayers usually stretching out for 20–30 years. Public sector investments in sport projects should require independent, third-party critical evaluations of both the cost estimates in a budget and the legitimacy of the assumptions on which they are based, and provision of “worst case” scenarios to ensure advocates are not engaging in deliberate strategic underbidding.

Voters sometimes are assured a facility will not raise their taxes or adversely impact the funding of existing services, because bonds will be paid off by a specifically dedicated source such as a lottery, bed tax or sales tax increments. However, this assurance is predicated on assumptions about those revenues being realistic, whereas a strategic decision may have made them overly optimistic to forestall opposition. For example, lower sales than projected resulted in a shortfall from the half-cent sales tax levied by Hamilton County, Ohio to redeem its annual $27 million annual debt payment for Cincinnati’s Great American Ballpark and Paul Brown Stadium facilities. As a result, county officials had to make up the shortfall by cutting other programs, including school budgets. On the other hand, occasionally sales are more robust than anticipated so, for example, the sales tax approved by the City of Arlington to redeem the bonds to build the Rangers Ballpark in Arlington generated sufficient revenues that the bonds were retired ten years earlier than projected (Long 2013).

Displacement Costs

Displacement costs are revenues foregone by a community, because people who would otherwise spend money there are unable or unwilling to do so since they are “crowded out” and displaced by visitors to a sport event. Economic impact studies typically collect expenditure data from those attending an event, but they provide no information on the spending patterns of those who have been displaced by it. Ironically, because smaller events are likely to be less disruptive to the prevailing economic life of a community, their displacement costs are likely to be relatively small so failure to address them is of relatively little consequence. Most communities have convention and visitor bureaus whose business is to see the community’s infrastructure is efficiently used by bidding only on those sport events that will fill the hospitality industry’s spare capacity in “down times” and so minimize displacement costs.

Displacement costs may emanate from four sources: leavers, avoiders, place switchers and replacement. Leavers are residents who leave the area at the time of an event, and thus reduce their expenditures in the area. For example, a study of the impact of the Winter Olympics on Salt Lake City showed that while hotel and restaurant taxable sales in the six county area increased by $70.6 million, these gains were less than half the dollar value of the reported losses at general merchandise stores of $167.4 million (Baade et al. 2010). This may be attributable to locals leaving the community being displaced by visitors. Avoiders are visitors who stay away, but who would have come if the sport event had not been held. They do not come because they could not obtain accommodations, were unwilling to pay higher prices, or because they were not prepared to mingle with the crowds attracted by the event. There is always a risk that some of these avoiders who have come to a destination on a regular basis might prefer their new option and stay away in the future. However, the extent to which leavers or avoiders represent an economic cost depends on how many of them are really pre or post event time switchers. That is, the proportion of them who simply go to the destination or make a purchase at a different time, rather than not visit it or make a purchase at all. There may also be “pre-avoiders.” During the months or years before the event they are dissuaded from visiting because of the often massive amounts of new construction, renovation and infrastructure work in progress that disrupts access around the community (Preuss 2005).

The NFL Super Bowl is promoted as having a large economic impact on the host community. For example, studies sponsored by the NFL on the economic impact of the 1999 Miami and 2000 Atlanta Super Bowls reported economic impacts on Miami and Georgia of $396 million and $292 million, respectively (Williams 2001). However, an independent study that compared January spending in three Super Bowl host cities to spending in the same month in those cities during a series of non–Super Bowl years before and after the event found only a minimal increase: “Occupancy rates [in hotels in the area] rose only 1.24%, 2.29%, and 4.3% for the [three] Super Bowls, respectively” (Porter 1999 p. 69).

Multiple reasons were suggested to explain these results. However, a primary reason was the displacement
effect. The Super Bowls that were studied were held in the three cities of Tampa, Miami, and Phoenix. Hotel rooms in January in these three Sunbelt cities are close to being fully booked when there is no Super Bowl event. Further, in most cases, a minimum number of nights stay is required by hotels during a Super Bowl period, and many guests do not stay all the nights for which they are required to pay. Although the room is paid for, when a guest leaves early it is empty. Consequently, there is no ancillary spending impact from restaurants, shopping, and so on. In contrast, if the Super Bowl were not there, the room would be filled with a guest spending at these other businesses. If, however, those displaced were all associated with another event, it may be argued there is no displacement effect, because without recruiting an event, the rooms would be empty. Hotel prices during these three Super Bowls rose 11.26%, 19.83% and 4.40%. Hence, estimates of the Super Bowls’ economic impacts should be limited to consideration of the incremental increases in occupancy rates and prices rather than embracing all revenue, since most of the revenues reflected displaced visitor spending that would have occurred if the Super Bowls had not been held.

A study of the impact of the NCAA men and women’s Final Four basketball tournament in the host cities over periods of 30 and 18 years, respectively, reported that on average the men’s event (FFM) resulted in a reduction in real income in these communities as a consequence of the events of $44.38 million, while the women’s event (FFW) generated a net gain in income of approximately $70 million. The discrepancy between these results was attributed by the authors to displacement:

The FFW has tended to be held in cities that are not otherwise normally considered prime tourist or convention destinations, such as Norfolk, Virginia; Austin, Texas; and Knoxville, Tennessee. If these cities do not normally attract significant numbers of business or recreational travelers, the tournament will not crowd out these other visitors, leading to a smaller substitution effect. The FFM has more commonly been held in “destination” venues such as New Orleans or Seattle, cities that would be more likely to attract other visitor travel even in the absence of the sporting event (Baade & Matheson 2004a p. 129).

Similar evidence of displacement from avoiders has been provided at a variety of mega events including the Lillehammer Winter Olympics (Preuss 2004); the Utah Winter Olympics (Governor’s Office of Planning and Budgeting 2002); Atlanta Olympics (Rutnatinga & Muthaly 2000); Sydney Olympics (Cushman 2006); Beijing Olympics (Baumann et al. 2009); London Olympics (Anderson & Wallis 2012); FIFA World Cup (Baade & Matheson 2004, USA Today 2002); and Formula 1 Racing (Dexheimer 2011).

Place switchers are those who forego other potential vacation destinations in a region or country to go to the sport event. Evidence of place switchers emerged at the Barcelona Olympics when the adjacent Costa Brava vacation region lost part of its high summer seasonal demand because many vacationers shifted their focus to Barcelona. The place switcher issue also was highlighted in a survey of hotel activity in Sydney and other Australian state capital cities before and during the Olympic Games:

As expected, survey results indicate the vast majority of Sydney hotels peaking at near 100% occupancies during the Games period from September 16-30. This represents an increase of 49% in occupancy levels relative to the first half of September. In contrast, other capital cities experienced significant demand shortfalls for the same period. For example, occupancies in Melbourne and Brisbane plummeted by 19% and 17% in the second half of September relative to the period from 1-15 September. Overall, with the exception of Sydney and Adelaide, all hotel markets in Australia experienced a decline in occupancy in September 2000 relative to September 1999 despite the Olympic Games, as reported in the Hotel Industry Benchmark Survey. Hoteliers indicated that while international demand was strong..., domestic leisure travel traditionally taking place during the September school holiday period was displaced to Sydney for the Olympics (Baade & Matheson 2004 p. 346).

It was pointed out that “Sydney’s gains may well have come at the expense of other Australian cities, and if the federal government subsidizes the games there must be a rationale for enriching Sydney at the expense of Melbourne and other regional cities” (Baade & Matheson 2004 p. 346). This kind of displacement may result in synergies that enhance the competitiveness of host cities of such mega events so they become long term centers of growth at the expense of other destinations in a region or country (Preuss 2004). A survey commissioned by the Utah Tourist Board before Salt Lake City hosted the 2002 Winter Olympics reported, “Nearly 50 percent of non-resident skiers indicated that they would not consider skiing in Utah in 2002” (Leeds 2008 p 461). This resulted in spillover benefits to the ski resorts in nearby Colorado where eleven of the sixteen counties containing at least one ski resort showed increases in economic activity during the Olympic year. The largest increases were in Eagle and Summit Counties which have the most ski lifts in Colorado. In essence, the Colorado resorts were “free riders” securing economic gains by serving as outlets for otherwise frustrated tourists, while paying none of the costs associated with the Winter Games.

The final source of displacement costs is replacement which occurs when an old facility is replaced by a new facility. There are likely to be ongoing costs associated with operating the old facility, albeit for a different purpose. Alternatively, there would be costs associated with renovating the facility or demolishing it and removing debris from the site.
In the context of professional sports, economic impact studies undertaken on new facilities typically attribute all economic gains to the new facility. However, most of these already were accruing to the community from the old facility. Only the incremental gains uniquely attributable to the new facility constitute new economic income to the community. The remaining element of economic gains merely is displaced impact from the original facility. This point is illustrated by the following scenario:

Assume now that before Camden Yards there were two stadiums in Baltimore: Memorial Stadium and Stadium X. Memorial attracted 29,000 patrons a year and Stadium X attracted 16,000. In 1992 all 45,000 were diverted to Camden Yards; both Memorial and Stadium X became worthless. Now suppose that the Orioles owned both Memorial Stadium and Stadium X (and that the maintenance on the two stadiums combined was equal to the $6 million maintenance cost at Camden Yards). Under this scenario, the move to Camden Yards is a $200 million investment that yields no revenue whatsoever: all of the “incremental” revenue generated at Camden Yards is crowded out from Stadium X; it is simply a $200 million white elephant (Hamilton & Kahn 1997 p 261).

Inequitable Nexus Between Payers and Beneficiaries

Much of the emotional rhetoric surrounding public investments in professional sport projects stems not only from the growing realization that the economic return from sports is slight, that those investments result in the poorer sections of society providing benefits that accrue disproportionately to wealthier segments of the community. In essence, the public subsidizes transfer from ordinary people to highly paid owners, executives and players. Indeed, forty-five individuals from the Forbes magazine list of the wealthiest 400 Americans (all with net assets exceeding $500 million) were found to own a direct interest in a team in one of the four major leagues (Miller & Greenberg 2009). A review of NFL teams in 2010 revealed that 16 of the 31 owners (excluding Green Bay’s community owned team) were billionaires (Bennett 2012).

This perversion of fairness, obvious inequity, and irrationality is galling to many. Consider, for example, the Camden Yards complex in Baltimore. It was funded by revenue bonds supported by a specially created sports lottery. Hence, the bulk of the funds came from poor Baltimoreans who were the lottery’s best customers. These funds could have been spent on the city’s considerable needs for education or drug treatment from which the economically disadvantaged would have been most likely to benefit. A further irony of the situation is that a disproportionate number of those who paid for the ballpark—the buyers of Maryland lottery tickets who are relatively poor—are the least able to enjoy the events that occur in it, because ticket prices in the new stadium are so much higher than they were in the old stadium.

External Society-Wide Opportunity Costs

Sport costs that are borne by society as a whole are manifested as special dispensations that allow private corporations to avoid paying taxes to the federal government. As one commentator noted, “Whenever the federal government allows deductions for one group and not for another—for homeowners but not for renters, say, or for sports franchises but not for other businesses—the subsidy may be hidden, but it’s just as real as if Congress were doling out cash from the federal treasury” (DeMause & Cagan 2008 p 45). There are three such special dispensations available to sport franchises: access to tax-exempt bonds, the roster depreciation allowance, and corporate entertainment expenses write-offs.

The most prominent society-wide cost stems from the use of tax-exempt bonds to assist private entities to construct sport facilities. Typically, they enable money to be borrowed at approximately 2% lower than taxable bonds. The 1986 Tax Reform Act was intended to terminate all tax-exempt funding of arenas and stadiums for franchise owners. It stated that states and local governments no longer could issue tax-exempt bonds to finance the construction of sports facilities if (a) more than 10% of the facility’s useful service was consumed by a private business entity, or (b) more than 10% of the principal and interest payments came directly or indirectly from sport franchise revenues. While this latter criterion precluded paying off bonds from standard contractually obligated revenue sources such as luxury suite leases, naming rights, and ticket tax revenues, or from parking, signage, concession sales or sales taxes on them, it did allow permanent seat licenses (PSL) sales to be used to secure bonds.

The 1986 act had the unintended effect of team owners insisting on leases requiring them to pay less than 10% of the debt charges with the only additional negotiable amount being funds raised from PSLs. This situation appeared to change dramatically when the Internal Revenue Service (IRS) issued rulings that stadium-related revenues from new facilities for the Yankees, Mets and Nets in New York City could be used to pay the debt charges on government bonds. However, widespread condemnation of the convoluted rationale used by the IRS to justify this decision, resulted in its rescission in 2008 so the 1986 Act’s limitations continue to apply. However, the temporary IRS ruling meant the New York teams had each saved hundreds of millions of dollars. For example, when the new Yankee Stadium was built with $943 million of tax-exempt bonds, it meant the Yankees saved, and the federal government (society) lost, between $231 and $471 million over the 30 year life of the bonds (Greanes & Henchman 2009) The lower tax revenues mean that taxpayers elsewhere have to pay higher taxes, that federal programs have to be cut, or that the federal government have to borrow more and drive up interest rates. No matter what, the deductibility of municipal bonds imposes costs on the rest of the nation.
There is an opportunity cost associated with the issuing of bonds per se as well as with the funds used to redeem them. Large bond issues, such as those used to fund major sport facilities compete for buyers with bonds issued for other purposes. Their size may temporarily dominate the market, forcing higher interest rates for other bonds seeking to attract buyers. This means taxpayers will pay more to retire school or highway bonds than they would have done if they had not had to compete with the major facility bonds (Eisinger 2000). Another dimension of this is that local governments have statutory ceilings on the amount of bond debt they are allowed to incur. If a substantial part of their debt capacity is used for a major sport facility it may lack the ability to fund other pressing community needs. This was illustrated in Jacksonville:

Financing a new stadium in Jacksonville delayed a planned expansion of port facilities which, in the view of a critic on the city council, meant trading an investment in “10,000 very high-paying longshoreman-type jobs” for a sports project that would create “3,000 seasonal minimum-wage jobs” (Danielson 1997 p 276).

A second cost society incurs derives from the “roster depreciation allowance” (RDA) tax rule, which pertains to the depreciation of professional sport franchises. This rule has been amended several times by both Congress and the IRS since Bill Veeck convinced the IRS of its appropriateness in 1946, but the current version dates from the last session of the 2004 Congress when a rider described in a single sentence that substantially increased the value of the tax shelter was attached to an unrelated massive 633-page export tax bill focused on multinational corporations. When a team is bought, like other businesses its owners can depreciate its tangible assets such as physical equipment, buildings, cars and office equipment. However, unlike other businesses, when a professional sports team is bought this rule allows 100% of the “intangible assets” to be deducted from taxes over 15 years. It is known as the 100/15 rule.

“Intangible assets” refer to team members and their salaries which the rule considers to be assets that are depreciating each year and this number can be deducted from profits. Only the contracts of players who were on the team when it was purchased, not subsequent contracts, can be written off. Nevertheless, no other type of business in the U.S. is allowed to depreciate its human assets in that way. Intangible asset value extends beyond team member contracts to include assets that derive from “league membership (territorial rights, revenue shares from attendance and television, and shares of future expansion fees) while others derive from their relationship with state and local hosts (revenues from tickets, parking, and concessions). Finally, there are ‘other values’ like related business opportunities, accounting costs that are actually profit-taking, and revenue-shifting tax advantages from joint ownership” (Coulson & Fort 2010, p 2).

This depreciation rule is special interest legislation which for no apparent reason other than the political influence of franchise owners, treats sport businesses more favorably than all other businesses. Its egregiousness is further enhanced by two flaws in the conceptual rationale that underpins it:

First, while some players may be in the declining end of their careers, still other players are appreciating in value; it is not at all clear that “the roster” itself depreciates . . . Second, the depreciation allowance surely involves double counting because the salaries and player development costs that create the asset are already treated as expenses at market-determined values (Coulson & Fort 2010, p 3).

The 100/15 rule turns an actual profit on which franchise owners would have to pay taxes to federal and state governments to paper losses. Its impact was noted in the following observation by a vice president of the Toronto Blue Jays: “Anyone who quotes profits of a baseball club is missing the point. Under generally accepted accounting principles, I can turn a $4 million profit into a $2 million loss, and can get every major accounting firm to agree with me” (DeMause & Cagan 2008 p 42). The following scenario illustrates how an owner can take advantage of this tax sheltering provision:

Suppose someone buys an MLB team for $600 million. The new owner assigns 100% of the purchase price to player contracts, (the maximum allowed under the law), and then depreciates the contracts over fifteen years at $40 million per year. Assume that gross revenues for the team are $220 million per year, and that costs, exclusive of player contract depreciation, are $200 million. Thus, for the first 15 years of operation of the team, its books will look like this:

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<tr>
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<th>$220 million</th>
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<tr>
<td>Revenue</td>
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<tr>
<td>Less Costs</td>
<td>$200 million</td>
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<tr>
<td>Net Operating Income</td>
<td>$  20 million</td>
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<tr>
<td>Less Deprecation</td>
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<td>Pretax profits</td>
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The depreciation of $40 million is simply a bookkeeping entry with no actual cash expended to cover this expense, so a $20 million profit is transformed by legitimate accounting procedures to a $20 million pretax loss. In actuality however, the owner retains revenues of $20 million in his or her pocket.

In addition, the rule has created a lucrative tax shelter for those who can use it to “write-off” profits from other businesses on which they would otherwise have to pay taxes. Thus, when an owner sells a team 15 years after purchasing it, he or she not only reaps the capital gain from a team’s appreciation in value, but also the tax shelter the 100/15 rule provides. Remarkably, once the team is sold to new owners, the roster depreciation allowance starts all over again.
Owners of auto race tracks, assisted by NASCAR supporters in Congress, have had a similarly favorable concession written into federal tax law. It authorizes "motorsports entertainment complexes" to accelerate their depreciation over 7 years rather than the standard 15 years. This accelerated depreciation was first authorized in 2004 and its renewal in 2013 was projected to save owners, and cost the federal treasury, $78 million in 2013–14. (Pear & Pilon 2013).

A third cost to society stems from the tax rules pertaining to corporate entertainment expenses which effectively mean society subsidizes the luxury suites and club seats that overwhelmingly are purchased by corporations. When an average fan pays $25 for a ticket, the money comes straight out of his or her pocket, but when a corporation buys tickets the finances work differently. Companies are able to claim sports as a business-entertainment deduction on the theory that this is a perk they use to nurture clients, winning and dining them in an attempt to secure new business. Because of this, so long as a company has profits to declare the deduction against, the federal government will effectively pay for a portion of the purchase price. Team owners can then safely charge more for their boxes, knowing that corporations will pay higher rates if the purchase is tax-deductible (DeMause & Cagan 2008).

In addition to these three major sources of tax subsidy, there are a number of other less obvious tax loopholes available to franchise owners:

They can deduct interest payments on loans they take out to buy the team; better still, owners can create dummy corporations to own their teams, lend themselves money, and then deduct the interest payments that the teams pay back to themselves. Team owners who have their own television stations—as franchise prices soar, more and more teams find themselves owned by media conglomerates—can sell themselves their broadcast rights at bargain-basement prices, creating yet another book loss. (DeMause & Cagan 2008 p 47)

Major colleges also take advantage of federal tax laws which allow donations to a public or nonprofit organization to be deducted from a taxpayer’s adjusted gross income. To secure the best seats, most colleges require fans to make sizeable donations to the athletic department’s support foundation. This means that for high-income taxpayers, society picks up approximately a third of the cost of their priority seating premium.

Concluding Comments

Economic impact is too often erroneously equated with profitability. The numbers emerging from an economic impact study measure only economic benefits and the opportunity costs associated with a sport event are not considered. Over the past two decades, the egregious misuse of economic impact studies has been exposed by the academic community, and has percolated through much of the media to elected officials and taxpayers. As a result such studies now invite widespread skepticism. Hence, it may be time for the academic community to declare “Mission accomplished” and to shift focus to the costs side of the economic ledger.

This paper has provided a framework suggesting eight different types of costs classified into three categories that should be considered. A recent attempt to estimate the costs of land and infrastructure subsidies, ongoing operations, capital renovations, municipal services and foregone property taxes at all 121 sports facilities used during 2010 by MLB, NFL, NBA, NHL and MLS concluded: “The result of adjusting for these omisions is to increase the average public cost by $89 million per facility to a total of $259 million representing a 25 percent [sic 52 percent] increase over the public costs reported in the media and industry reports, which average $170 million. Across all 121 facilities, these uncounted public costs exceed $10 billion” (Long 2013 p 80). This would increase the $2.12 billion of public funds used to construct new facilities since 1990 (Howard and Crompton 2014) to over $30 billion (The $10 billion estimate includes MLS while the Howard and Crompton construction costs do not).

Voters and elected officials need data from both sides of the economic ledger to make informed decision. However, it is in the interest of the owners of mega event properties and major league teams, and their supportive constituencies, to suppress cost information. Thus, it is perhaps incumbent on the academic community to accelerate the momentum of focusing on costs that is emerging. There is a need for a detailed analysis of costs in specific case studies to obtain further insights into their magnitude and their importance in the economic calculus of sport facility investments.

References


