

By Mark Goebel

Take Me Out to the Ballgame... But Where?

Fans wait as the debate over the Yankees' home continues

The proposed West Side stadium for the Yankees, if built, could become a financial field of dreams or a nightmare for New York City depending on who you talk to. At a cost of more than \$1 billion, the stadium would easily be the most expensive ever.

Yet economists and politicians can't seem to agree whether or not it's worth shelling out that kind of money to keep George Steinbrenner from moving the team to New Jersey.

The New Jersey Sports and Exposition Authority has reportedly offered Steinbrenner a state-of-the-art facility that would have all the luxury boxes and other amenities—shops, food stands, bars, club seating—featured in such ballparks as Camden Yards in Baltimore, Jacobs Field in Cleveland and Coors Field in Colorado.

But sources within the Yankee organization say Steinbrenner would prefer not to move the team to Jersey, although he has not ruled it out. The picture painted is one of a man who does not want to become the Walter O'Malley of the '90s. Even though he has often enjoyed playing the role of the hot-tempered owner who fires managers and makes big trades, Steinbrenner believes moving the team out of New York could result in a public relations backlash he might not recover from.

"Whenever he fired a manager, he could make up for it by bringing in someone else just as popular," said a Yankee front office staff member who is close to Steinbrenner. "He could fire Yogi (Berra) and bring in Billy (Martin). Moving the team out of the city, or out of the state could be more difficult for fans to swallow."

In a televised interview with Ann Liguori, Mayor Rudolph Giuliani said he believed Steinbrenner wants to stay in New York. "George Steinbrenner wants to be the owner of the New York Yankees. I think he has legitimate concerns and legitimate issues like other owners have about the ballpark—a new ballpark, attendance, where things are going. But I think all things being equal, or maybe not quite equal, he wants the Yankees to be anchored in New York. They've been the New York Yankees

from the beginning. I think that's the way George wants to keep them." Steinbrenner, through representatives, has turned down various requests for interviews from *New York SportsScene*.

Another problem with moving to Jersey is that the scenario might not solve the traffic problems associated with Yankee Stadium. Sure, Bronx highways can be nightmarish before big Yankee games but Jersey's highways aren't exactly country roads between 5:30 p.m. and 7:30 p.m., when people arrive at the ballpark.

With a fan base spread out over the five boroughs, Long Island, the Westchester area, Jersey and Connecticut, traffic would most likely be a problem no matter where the team plays. Any location would involve fans driving over bridges and on various highways.

Because of its access to public transportation, the West Side of Manhattan might seem ideal since most fans could easily take either a train or a bus to the stadium. However, Yankee officials said their research shows most fans drive to the ballpark and would continue to do so if a stadium was built in Manhattan.

A report commissioned by the city, the state and the Yankees concluded that a West Side stadium would produce almost \$200 million in revenues, compared to the \$38 million the team generated last season or the projected \$90 million if Yankee Stadium is renovated.

The \$600,000 study by the Kansas City architecture firm of Hellmuth, Obata, & Kasabaum (HOK)—builders of Camden Yards in Baltimore and Jacobs Field in Cleveland—argues that a West Side location would spur greater spending on tickets, concessions and parking, would create more luxury suites and would make possible the sale of personal seat licenses, a one-time fee that entitles the buyer the right to purchase season tickets.

According to Giuliani, the additional income, or at least part of it, would pay off the bonds the city and state would issue to build the stadium.

Yet even if the \$200 million figure ends up being on the money, which some sports executives seriously doubt, politicians may not be able to touch it. At a meeting on April 9, following the team's home opener at which the Mayor and the Yankee owner discussed the possibilities for a new ballpark, Steinbrenner made no mention of what he might contribute either in up-front money or in future revenues. In fact, despite his complaints about crime, parking and traffic, it's his unhappiness with the money-making potential of Yankee Stadium that's driving him to look



The Mayor is hoping that if the Yankees move, he'll still be attending games somewhere in New York City.

Lawrence A. Meyer

for a new home. According to Smith College economist Andrew Zimbalist, author of "Baseball and Billions," a new stadium can add between \$10 million and \$40 million to a team's annual income. It can also increase a team's value in *Financial World's* 1995 annual survey of franchise values. Of the 10 teams that went up the most in value, the majority were either playing in new stadiums or arenas or were building one.

Yankee Stadium doesn't have any of the revenue-generating schemes of ballparks like Camden Yards or Jacobs Field. They have dozens of restaurants, family arenas with a variety of amusements, picnic arenas, museums and concourse areas filled with attractions including souvenir shops. The newer stadiums also generate tens-of-millions of dollars in revenue from luxury suites, club seats and advertising. According to the KPMG Peat Marwick analysis that accomplished the HOK report, a new stadium on the West Side could produce \$10 million a year just for naming rights and advertising, with the club seats and luxury suites chipping in another \$28 million and \$18 million, respectively.

Despite those figures, most economic experts feel New York taxpayers will be left with a pretty sizable bill. History is most definitely on their side as the vast majority of publicly financed stadiums haven't come close to covering the cost of building and maintaining them. Toronto taxpayers, for example, took a loss of more than \$200 million on the Skydome and Montreal's Olympic Stadium is believed to have drained that city of more than \$1 billion since 1976. Baltimore practically gave the house away to get the NFL Ravens (formerly the Browns) to abandon Cleveland. Baltimore is not only going to construct a \$200 million stadium, it is allowing the team to keep all the revenue from it.

Back in New York, paying off bonds the city and state would have to float to finance the proposed West Side stadium alone would cost around \$80 million to \$90 million a year. At a legislative hearing in late April, Stanford University economics professor Roger Noll estimated that the proposed stadium would cost taxpayers \$35 million to \$60 million annually. That assumed the city would get money from private seat licenses and stadium naming rights. At the same hearing, Andrew Zimbalist said sports teams had only a very small positive economic effect on cities, so the city and state wouldn't be collecting much more in the way of taxes. A Manhattan ballpark's impact would be concentrated on the West Side—where, quite naturally, developers and neighborhood businesses are quite supportive of the proposal.

There is also the danger that a giant multi-purpose stadium—the proposal the Mayor has endorsed because of its supposed revenue generating potential—could turn out to be a dinosaur. Every ballpark built in the last ten years has been a baseball-only facility. And those in the planning stages—in San Francisco, Detroit, Seattle and Cincinnati—will be the same. For good reason. Pittsburgh, Philadelphia, Atlanta and Seattle, among others, were big disappointments, aesthetically and finan-

cially. Baseball-only parks are economically successful because they recapture the intimacy and nostalgia of the game and are usually part of a larger urban development plan. Furthermore, sources said Steinbrenner wants a baseball-only park and is not interested in sharing his place with another team.

The Mayor's support of a multi-purpose stadium is based on his belief that it would bring more money hosting football games, concerts, conventions, trade shows and other major events. Yet even that is questionable given it would have to compete with the Jacob Javits Convention Center and Madison Square Garden—both only a few blocks away—for some of those events.

The Yankees aren't the only New York team clamoring for a new stadium. The Mets have been quietly pressing ahead with plans for a \$450 million ballpark in the parking lot next to Shea Stadium. Consultants hired by the city, the state and the Mets are currently working on a study of the proposed 50,000 seat, natural-grass, retractable dome stadium. Details about the stadium's financing and how much of the cost the public sector is expected to pick up will emerge when the report is completed, probably before the end of the 1996 season.

Virtually every new stadium in the last 30 years has been built with government money. However, the public's willingness to support such projects has been waning lately. Most of the recent stadium referendums around the country were forced on the ballot by disgruntled taxpayers who didn't want the public to pay for new professional sports facilities. Although all four of this spring's stadium measures passed, recent history hasn't been as kind. Last fall, even as the Mariners were on the way to winning their first division title ever, Seattle voters defeated a proposed sales tax increase designed to help finance a new baseball stadium. San Francisco voters defeated new stadium proposals several times before this year's successful vote.

And, more cities are insisting team owners help pay for new stadiums, since they will be the primary beneficiaries. According to economists, professional sports teams have very little impact on local economies. Economics professor Robert Baade of Lake College in Illinois studied 36 cities that had professional sports teams in at least one of the four major sports between 1958 and 1987. His conclusion: "Professional sports have no significant impact on metropolitan economy."

The question for New Yorkers is, of course, why they shouldn't be given the chance to vote on whether or not their money should be spent to build a new stadium and essentially subsidize the Yankees—a team that had a profit of \$24 million last year. Particularly in light of a recent *Financial World* survey of team values, the Yankees were the most valuable franchise in baseball, and the third overall in professional sports, at \$207 million.

Staff writer Susan Welles contributed to this report.

What's Hot and What's Not in New York Sports

By Brandon Steffier

HOT

Greg Norman

Bashing Albert Belle

John Calipari

Fitted hats

Player Charity Programs

Mets and Yankees pitching

NBA free agency

Double header boxing

Neil O'Donnell

Athletes with class



Klecko vs. Gastineau



NOT

Andre Agassi

Albert Belle

John Calipari's salary

MLB

NFL players in jail

NY/NJ MetroStars

Knicks exploiting the free agent market

Double headers

Dave Brown

Spoiled athletes

Run and shoot offense

