

Virginia Viewpoint

Let Washington Build the Ball Park

By Ron Utt, Ph.D.

Summary

Anthony Williams wants to raise taxes in the District of Columbia to build a \$400 million major league ball park. Taxation **with** representation may not be the answer after all.

Main text word count: 804

...most of the jobs created by a professional sports facility are part-time, low wage, and seasonal, not exactly the type of employment a sensible elected official would openly embrace in defense of higher taxes on ordinary people.

Yes, Virginia, there is a Santa Claus and his name is Anthony Williams, Mayor of the District of Columbia. His gift to you is his promise to raise taxes in the District to build a \$400 million major league ball park in his town. Thanks to his generosity, you can have all the benefits of major league baseball with none of the extra taxes, or any of the awful traffic gridlock that thousands of additional fan-packed cars would add to an already ugly Northern Virginia rush hour.

What began decades ago as an effort to “bring baseball back to Washington” has since degenerated into an exercise to bring a stadium to your neighborhood because the contending investor factions seeking a team must demonstrate to the management of major league baseball that they have access to substantial sums of public money to build the facility. With land, new metro access and predictable cost overruns, the final cost will likely run close to \$500 million. Because each of the investor factions has acquired access to different public treasuries, the successful exercise of that access will determine on which side of the river the stadium and team will locate.

Recognizing that prospective fans may soon realize it makes very little difference where a team locates within the metropolitan area, and that the only tangible difference between one location and another is who pays the cost and bears the traffic, investor groups are working overtime to create a sense of psychic team ownership and pride of possession among the citizens. One misinformed citizen-advocate contends a Virginia site will put “Arlington on the map”, apparently unaware that goal was achieved in 1920 when the county changed its name from Alexandria to Arlington.

That’s a pretty lame objective, however, and not likely to entice much of the public to fork over millions of tax dollars to wealthy team owners whose top employees earn in the millions. So instead team owners contend that a ball park and a major league team stimulate local economic activity and are engines of prosperity for the communities that host them. To this end, a few years ago the Virginia investor group a few years ago hired a local professor who dutifully reported that a ball team would be a boon to the Northern Virginia economy.

Notwithstanding the glowing promises, there is precious little evidence to support this view. In fact, some of the more recent studies suggest that hosting a team might even be detrimental because it diverts valuable public

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dollars to less productive uses. Professors Humphreys and Coates of the University of Maryland recently concluded that “we find evidence that some professional sports franchises reduce the level of per capita income, casting doubt on the ability of a new sports franchise or facility to spur growth.”

With the exception of the players, who seldom live full time in the community where they work and play, most of the jobs created by a professional sports facility are part-time, low wage, and seasonal, not exactly the type of employment a sensible elected official would openly embrace in defense of higher taxes on ordinary people. As Professor Robert Baade concluded after studying forty-eight cities and finding no positive impact: “...sports slow growth pattern should not be surprising. The slower growth reflects the kind of economic activity that investments in professional sports spawn. Sports divert economic development toward...relatively unskilled (low wage) part-time jobs.”

Given the high cost of attending professional sporting events these days, and with the typical family’s entertainment budget a small residual – i.e., what’s left over after paying the bills -- money spent on baseball tickets is usually money shifted from another leisure activity like golf, dining out, or movie attendance, thereby diminishing business in those venues. As Baade observed in another study that again found no positive gain: “...professional sports realign economic activity within a city’s leisure industry rather than adding to it.”

Most people, however, don’t need a detailed academic study to raise doubts about a ball park’s benefits. Memorial Stadium did nothing for north Baltimore, and Orioles Park has failed to stem the flight of jobs and residents from the city. R.F. K. stadium did nothing for nearby Anacostia, and Capital Center did nothing for P.G. County. Elsewhere in the nation, much the same can be said of the Vet’s impact in south Philly or Yankee Stadium’s contribution to the Bronx.

For Northern Virginia, which is already one of the most prosperous regions in the nation, one can only wonder why anyone would think that spending \$400 million to create a few hundred low paying jobs makes any sense. Send them to the District. It’s a bad deal for them too, but in a city where thirty-seven percent of the adults are functionally illiterate, selling hot dogs may be the option of choice.

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