



Economists: Stadium in Providence wouldn't be economic boon

By Amy Anthony

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PROVIDENCE, R.I. (AP) — The new owners of the Pawtucket Red Sox have said moving the team to Providence — and building a new ballpark there — would stimulate the local economy. But sports economists are dubious, saying new stadiums are rarely the boon investors claim.

PawSox investor James Skeffington has said the new owners, headed by Boston Red Sox president Larry Lucchino, are working on an economic impact statement that will show how the proposed ballpark would bring in more money thanks to its proximity to the train station and its multiuse design.

So far, Skeffington hasn't said how much a new Providence ballpark would cost, saying only that other Triple-A baseball stadiums ranged from \$60 million to \$70 million.

He insists the new owners would use their own money to design and build a stadium but suggests they may ask the state to give them some of the land opened up by the relocation of Interstate 195. He has said they also may want a tax break on the ballpark and a leasing or subleasing arrangement.

Sports economists say the data show that stadiums rarely — if ever — provide the economic boost promised by investors.

"We don't see big gains by taxpayers putting money into stadiums," said Victor Matheson, an economics professor at the College of the Holy Cross.

Matheson said the economic impact is even more dubious when talking about minor-league sports, which aren't a big draw for tourists around the country.

"When we look at cities that have built new stadiums, we're just not seeing that bump in economic activity," Matheson said. "In most cases, you're just shifting around an entertainment dollar. You're not seeing new dollars, and that's especially true with minor league sports."

Skeffington said half the people who attend PawSox games are from neighboring Massachusetts, and a stadium in Providence with access to the train station would bring in more out-of-state visitors. He said the stadium could also host concerts and other events.

There has been no indication the new owners would consider keeping the team at McCoy Stadium, built in 1942 and renovated in the 1990s.

Skeffington has said making repairs to the stadium would be too expensive. Pawtucket officials say losing the team will be a blow to the struggling old mill town.

House Speaker Nicholas Mattiello has said he'd support the construction of a new ballpark as an "economic engine" for the state.

Nevertheless, a study by the libertarian Cato Institute concludes there is little, if any, correlation between new stadiums and economic growth.

"Despite the beliefs of local officials and their hired consultants about the economic benefits of publicly subsidized stadium construction, the consensus of academic economists has been that such policies do not raise incomes," the report says.

In Allentown, Pennsylvania, a \$51 million ballpark hasn't spurred a great deal of economic development since its construction in 2008, although officials have said that's not its role.

Rather, they said, Coca-Cola Park, home of the Lehigh Valley IronPigs, has helped to promote the region about an hour's drive north of Philadelphia that includes the cities of Allentown, Bethlehem and Easton.

The ballpark is owned by Lehigh County and leased to the owners of the IronPigs, the Philadelphia Phillies' Triple-A affiliate. Its construction was financed with a \$17 million state grant, \$17 million in hotel taxes and \$17 million in borrowing. The debt is covered by the team's \$1.29 million-per-year lease.

John Simmons, executive director of the Rhode Island Public Expenditure Council, said more analysis is needed to determine the ultimate economic impact of a stadium in Providence.

"It really could add to the physical appearance of Providence and the state, a beautiful stadium on the water," Simmons said. "There's some glamour to it that probably has some value. The question is: What's the cost to have that occur?"