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Jesse Kline: No public money for Saddledome 2.0

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Edmonton Oilers owner Daryl Katz, one of Canada's richest men, got Alberta taxpayers to help him build a new $606-million arena — which largely will be paid for by money from the city, a provincial infrastructure fund and increased taxes — by threatening to move the storied franchise to another city.

Much like a child who feels his brother got a bigger slice of cake, the Calgary Flames' president of hockey operations, Brian Burke, now is trying to leverage the Oilers' sweetheart deal to push for public funding for a new arena for his own team.

"There's absolutely no reason why we should watch a new building going up in Edmonton and we've got to play in a 1988 building here," Mr. Burke told the Calgary Chamber of Commerce last week. "Lower bowl in a new arena, in the new generation of arenas, is 9,000 seats, minimum. Our [Saddledome] is what, 6,000? So we're not generating the revenue that an NHL building does."

Mr. Burke also says he is concerned that the existing stadium's design prevents musical acts from coming to town. "The weight load that the roof will bear is tiny, so a lot of big stage acts don't come here," he said. (Some arena music acts suspend stage components or oversized props from the roofs of such venues.)

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His concern for Calgary's arts and culture scene is touching. And were he pitching the rationale for a new arena to a group of potential investors, it no doubt would get a fair and attentive reception. When there is a need for a new office building or shopping mall in Calgary, or any other Canadian city, investors do market research, raise private capital and then put shovels in the ground. But Mr. Burke is not looking for people who believe a new arena would be profitable and are willing to risk their own money on the venture; he's looking for taxpayers to foot a large part of the bill.

Hockey players routinely are criticized for making a disproportionate amount of money compared to the rest of us. There is nothing wrong with them making as much money as the market will bear. But the money earned by team owners — and, indirectly, the players on their payroll — should not be inflated with public funds that could be used to build new schools and other public infrastructure, or to pay off existing public debt.

As Derek Fildebrandt of the Canadian Taxpayers Federation noted, "There are things the city can do to facilitate the building of a new NHL arena … they can assist with the regulatory process or cut through the red tape for a land deal. But there's no room for public money. This is a business owned by billionaires paying millionaires. It's grossly unfair to ask Calgarians to pick up the tab."

The *Calgary Herald*'s editorialists, on the other hand, argue that arenas "are a valuable source of economic activity, creating considerable employment inside the building for maintenance, food concessions and other retail shops, but also outside the arena, much to the pleasure of restaurateurs, cabbies and other players in the hospitality industry."

But in fact, just about every independent analysis of subsidies for sports teams and their venues comes to the opposite conclusion.

One study in the *Journal of Economic Perspectives*, for example, found that "there is no correlation between sports facility construction and economic development." Another study conducted by the Cato Institute found that its results were "no different from those of the previous studies that found no relationship between the professional sports environment and local economies."

If people don't go to a hockey game, they generally will spend an equivalent amount of money on dining and other forms of entertainment. Sports franchises do not put a whole lot of new money into the local economy; they simply divert money from other businesses.

That's not to say that many Canadians wouldn't prefer to spend their money going to a hockey game. They should have every right to do so. But our sports franchises should be financially supported by the people who freely choose to buy tickets, merchandise and broadcast licenses — not by everyone else.