



## Of stadiums and slumlords

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Earlier this month, Hagerstown made some big back-to-back headlines. First came the release of a consultant report that — surprise! — supported a long-favored downtown location for a publicly financed baseball stadium. The next day, a city council member equated Jonathan Street “slumlords” to rapists, drawing rebukes from other council members, but only for using language that went too far.

I write this not to chastise Councilman Austin Heffernan, who made the comparison, nor his colleagues who, despite criticizing his specific words, shared his frustration over, to quote Councilwoman Emily Keller, “the destruction that some people have done to our community by trying to make money.”

Still, it’s worth remembering that landlords — even slumlords — only operate with the consent of their tenants. Renters can walk away from those agreements fairly easily if they don’t like what their landlords provide. Rape victims have neither of those freedoms.

That should raise some questions in the council members’ minds. One is, why do some renters choose to live in “slums”? There are all sorts of progressive-sounding answers: the tenants didn’t know what they were signing onto; landlords have unfair leverage with contracts, deposits and references; the renters had little other choice. But those answers conflict with a simple fact: renters often change housing.

One answer that does make sense is that tenants’ current housing is the best option they have. Some combination of location, price and features makes it better than other choices, in the tenant’s judgment. Council members should wonder why ostensibly better options aren’t chosen.

They should also consider why slumlords exist. Again, there are all sorts of progressive answers, typically linking to “greed.” But landlords seem to engage in the best business options they have, given their assets and abilities. And the low-cost housing market is a socially important business — not to mention a risky and low-margin one. If council members think differently, they can use their own money to buy some of these buildings, rehabilitate them and rent them to low-income households.

But, besides providing low-income housing, slumlords may be engaging in another business: speculating on land they think could become more valuable. In those cases, the slums are just placeholders until the land’s value increases.

Which brings us to the proposed stadium.

Local residents should visit the Maryland Stadium Authority website to read the aforementioned 74-page report, if only to see what a consulting group can sell to the government for \$36,000. The report has the quality of a high-school term paper that was started the weekend before it's due, and is stuffed full of marginally relevant material seemingly cribbed from internet searches.

Interestingly, the report offers no analysis of whether the stadium would benefit local residents, let alone benefit them enough to justify the estimated \$40 million price tag, cost-overruns (Edwards' Law holds that government projects usually cost double their original estimate), depreciation costs for replacing lighting, scoreboards and seating when the initial ones are deemed outdated, and one day replacing the whole stadium when it, too, is deemed outdated.

Del. Paul Corderman, R-Washington, has secured \$300,000 in state money that could be used for the next study. Rest assured, it'll find the stadium would be a dynamo of economic growth that would more than justify its cost. Indeed, in all of American history, there may have never been a government-financed stadium study that's found otherwise.

The funny thing about those studies is that subsequent ones — done after the stadiums are built and using real economic data — usually find the opposite: no economic growth occurred.

This shouldn't be surprising. Economic growth results only from using resources more efficiently: idle labor put to work, underutilized land put to higher-value use, machinery altered to make better goods. It's unclear how a new stadium — no matter how snazzy — would be that much more efficient than Municipal Stadium.

Instead, new stadiums change where economic activity occurs. Some of the entertainment dollars that now go to movie theaters, bowling alleys and restaurants would shift to the stadium and — maybe — nearby businesses. So think of a new stadium not as a dynamo but a mixer, redistributing money to the stadium's tenants and — perhaps — neighbors.

Which brings us back to the Jonathan Street landlords.

Flipping through the new stadium study, it's striking that one of the three locations it examines abuts Jonathan Street, while a second is scarcely a block away. (The report misidentifies the third location as also being along Jonathan Street.) So there may indeed be some placeholding slums.

The people who truly are the unwilling victims of slumlords are the neighbors who try to keep up their properties. They must deal with the social and aesthetic costs of decaying and derelict buildings. These people are likely who Heffernan and his colleagues want to protect when decrying slumlords.

Question is, would these people be any better off if a new stadium were plopped down in their midst? Would they even still have their homes there at all?

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