



The Number: \$5 Billion

By: Nick Traverse – May 10, 2013

The Georgia Dome, home of the N.F.L.'s Atlanta Falcons, opened in 1992. It was built at a cost of \$214 million, all footed by the state, and it underwent a \$300 million renovation in 2007, jointly paid for by the team and the state. It is a successful venue: the last time that the Falcons failed to sell out a game was in 2007; it was the site of the men's basketball Final Four in 2013; and it's the annual host of the S.E.C. football championship game.

But by 2017, it will be no more. In March, Atlanta's city council approved a \$1 billion financing plan for a new stadium that includes \$200 million of public money. (Some estimates suggest that the actual cost to taxpayers could top \$500 million.) The money will go toward a state-of-the-art facility; an early conceptual exercise by the architects tapped to design the stadium even included seats that would vibrate when there's a big tackle on the field.

By the time that the new stadium is done, more than half a billion dollars of public money will have been spent over a period of less than thirty years on football venues in Atlanta, a city that's running a budget deficit. And this is only one small part of the ongoing fiasco of publicly-financed stadiums in America. When teams and politicians sell a plan to the public, there's often a monetary incentive behind it: *A new stadium will boost our economy! It will create jobs!* But independent studies, such as one oft-cited report from the Cato Institute, suggest that the relationship between a new stadium and economic growth is practically nonexistent. At most, if the venue brings in a special event, like the Super Bowl, then the accompanying tourism may boost some local businesses, like hotels and restaurants. But Atlanta doesn't need a new stadium for that to happen—the Georgia Dome is attracting those kinds of events right now.

Despite this, publicly-financed stadiums continue to pop up around the country. According to data gathered by the firm Conventions, Sports, & Leisure International, since 1997, nearly \$5 billion of public money has been spent on the construction or renovation of nineteen N.F.L. stadiums. (And that's not counting the additional amount taxpayers spend indirectly when stadium costs are paid for with financing from tax-free bonds.)

But there are some signs to suggest that decision-makers may have wised up and started to reverse this trend. The Miami Dolphins want \$200 million in public money to renovate their stadium. But earlier this week, the Florida legislature ended its latest session without passing a plan to allow that. Florida has particular reason to be wary of public-private deals in the wake of the boondoggle surrounding the Miami Marlins' new baseball stadium. That facility, which opened in 2012, cost the city and the state over

\$500 million. This year, it hosts one of the worst squads in baseball, and the seats are routinely empty. (As Ben McGrath notes in a post about the Marlins, things have gotten so bad that the team has decided to close its upper deck for weeknight games.) All of that money, and there's not even a team that Miami can be proud of.