

## Home Sweet Dome

By MR. KENNETH M. BRAUN | 10/13/2009 1:27 PM

The Free Press reports that the Pontiac Silverdome will be auctioned off to the highest bidder by Nov. 16. If you're just dying to own the location where the NFL's most futile franchise claimed its only playoff game win of the last half-century, then ante up your sealed bid (in ANY amount -- no minimum bid requirement) along with a "No, believe it or not, I'm serious about this" deposit check of \$250,000 by 4 p.m. on Nov. 12. However, be advised that even if your winning bid amounts to nothing more than a stack of Pizza Hut coupons, you'll still be on the hook for \$1.5 million in annual upkeep costs on the building -- thus one reason that the city of Pontiac is looking to unload it.

The other reason, of course, is that even though it appears to still be a perfectly usable facility, Pontiac doesn't have anything to use it for. And being what the Freep calls a "cash-strapped" city, they need the money.

The Silverdome was originally built for \$55.7 million in 1975 (more than \$220 million in 2009 dollars), and constructed with the intent that an NFL franchise would play there. It was the home of the hapless Detroit Lions for just 27 seasons, from 1975-2001. Starting in 2002, the Lions moved down I-75 to newly-built Ford Field in Detroit, which carried a completed construction cost of \$430 million (more than \$512 million in 2009 dollars.) So, for a combined total of almost three-quarters of a billion dollars, a lot of it from public funding in both cases, SE Michigan has two indoor NFL stadiums built within 30 years of each other, and just one -- ahem... pardon the term -- "professional" football team. (That team, by the way, was estimated to be worth \$509 million in 2002 -- the very year that they moved into their new \$430 million stadium.)

And that \$1.5 million annual upkeep cost on the empty building? It wasn't always so bad. For some time after it opened, the Silverdome was getting a controversial \$800,000 state subsidy from Lansing to keep it operating. That would work out to a subsidy of more than \$3.1 million in today's dollars.

It's a valid concern to question the economic value of building *any* public stadiums to be used by private sports team owners, let alone two over such a short time period *for the same team*. Consider the conclusion of a pair of Cato Institute researchers from this 2000 report:

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 results that we describe in this article are even more pessimistic. Subsidies of sports facilities may actually reduce the incomes of the alleged beneficiaries.

So with one of the state's largest municipalities already holding on to a sports facility that they cannot use and cannot afford to keep, you'd think that Michigan lawmakers would be a tad gun shy about giving more Michigan cities the opportunity to dig their taxpayers into such holes.

You'd be wrong.

Consider 2008 House Bill 6515 -- later signed into law by Gov. Granholm as Public Act 532 of 2008. MichiganVotes.org says this new law expands "the scope of the law that authorizes local hotel, restaurant and rental car excise taxes to pay for municipal stadiums. The [law lowers] a certain population standard, allowing Kalamazoo County and Kalamazoo to levy these taxes." It was approved during the "Lame Duck" session of the Michigan Legislature at the end of 2008, and signed by

the governor on Jan. 12, 2009.

The House approved it on a vote of **68-39**, with 38 Republicans joining one Democrat in opposition. The Senate voted **37-1** in favor.

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