Sacramento's downtown Kings arena raises hopes, but is no slam dunk

Entertainment and sports complex will cost more than estimates, but could revitalize business district

By Ryan Ong and Rob Wassmer

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Academic research has shown that publicly subsidized sports complexes built during the last half-century have not yielded economic benefits (more jobs, income or taxes) greater than their actual costs (higher city taxes and loss of alternative city services). Yet private consultants’ economic-impact reports still assert the opposite. That’s not surprising. These reports are commissioned by those who want to influence the public to get their project built.

Estimates of public cost to construct, maintain and operate sports complexes are underestimated. As Sacramento Taxpayers Opposed to Pork, or STOP, has noted, the final cost to Sacramento citizens of the guaranteed $258 million subsidy to the city’s entertainment and sports complex will be higher, because no may never realize the higher parking-, ticket-surcharge, and property and sales-tax-revenue estimates. Further infrastructure enhancements and environmental mitigation costs, which are currently not included in any calculations, will inevitably drive costs even higher.

However, the sport complex’s indirect benefits could still tip the balance sheet in Sacramento’s favor.

Academic literature also shows that new sports complexes can revitalize a downtown business district and generate substantial benefits, if they are done in a certain way: Sports complexes must be surrounded by a host of amenities that will generate additional income and attract more people. L.A. Live, which surrounds the Staples Center in Los Angeles, is a great example, and this model should be adopted in Sacramento.

If we replace a substantial portion of the aging Downtown Plaza and build a complex whose architecture is open to K Street and the rail yards, this will generate the spillover benefits we need. Fans will take public transit, or park in existing lots, and walk to the sports complex—with many restaurants, entertainment and shopping options before and after games and at other times as well. This will boost surrounding areas and bring more people downtown. K Street and Downtown Plaza were once both destinations; an appropriately constructed sports complex will bring that back.

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Posted 08/15/2013 6:22AM by Rich E.
It is quite ironic when discussing an arena the word “profit” is injected into the conversation and the anti-arena folks start waving their arms and crying “the City will lose money” and they cite numerous studies showing how cities don’t profit from the construction of arenas or sports complexes, yet these same people never get up in arms, or don’t even want to discuss, the numerous non-profitable departments that are already on the books. In...

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Posted 08/15/2013 11:47AM by sharpenedtongue

Ryan Ong is a Public Policy and Administration student at Sacramento State University. To read his master’s thesis, visit www.csus.edu/ppa/thesis-project/bank-2013/Ong.pdf.

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There is absolutely no tangible evidence that arena projects, in general, or Sacramento’s proposed scam, specifically benefit the communities that pay for them. In reality there are mountains of evidence that quite the contrary is true, including the work of Judith Long of Harvard, among others, who have studied the political economics of such projects, which typically are underbudgeted and overclaim the benefits derived. The use of the ‘jobs’ excuse does not bear out, for in...

Posted 08/15/2013 1:24PM by Rich E.

Yes, there is actual tangible evidence. A University of San Francisco professor did a study which stated the Kings contribute $100M in revenues annually to the region. If the Kings are going to stay in Sacramento, then an arena needs to be built, therefore an arena equals economic benefit. And I challenge Sharpenedtongue or any other anti-arena person to answer this simple question, but with specifics: How do you plan to replace the revenues the...

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Posted 08/16/2013 12:56AM by sharpenedtongue

Obviously no such study exists, hence no citation from a wannabe who never reads what he cites anyway.... And as for specifics – where are HERS? Typical wannabe Republican imposing upon others that which they cannot provide... To date there have been no studies at all on the economic viability of a Sacramento arena to justify a prospors gamble like KJ’S ARENA SCAM, and what was presented by THINK BIG or whatever the hell KJ’S LITTLE TRIBE OF LIARS cobbled together is NOT a study, and it was easily defeated by the economists who consulted with the Maloof’s last year that defeated their deal with the city. And now the FPPC is suing the citizens group that merely seeks a VOTE, a GODDAMNED VOTE. on the largest CORPORATE WELFARE SCAM ever endured by Sacramento... On the other hand, the RAILYARDS SPECIFIC PLAN was supported by trainloads of analyses and studies not only about the railyards as a building site, but as its development as planned would provide sustainable jobs and sphere of influence benefit on the entire downtown area... As for plopping an unwanted, unnecessary, and unaffordable arena on site, at that particular site, there are mountains of evidence, including by Professor Long herself, of the lack of viability of such projects, as has been repeated for the reading and thinking challenged who spew ridiculousness as they pretend expertise that does not exist among arena proponents... Carry on…. LESS

Posted 08/16/2013 1:08AM by sharpenedtongue

...and further, KJ’S ARENA SCAM has omitted one key element that any BANK would require for such an undertaking – A STRATEGIC PLAN – that reviews not only a chosen project, but weighs all the options for the project itself AND its financing, and let’s RATIONALITY dictate outcomes, rather than the whims of a fed

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Posted 08/16/2013 8:48AM by Rich E.

I’ve actually read the study. And good job dodging a simple, direct question. Obviously you don’t have a plan, but of course your rail against anyone who actually proposes a plan and cites sources backing up said plan. It’s not really surprising since you need to have a brain to be able to compile a plan. Sharpenedtongue has to consult his liberal guide book on anything he says and judging by his blabbering of useless... MORE
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