THE CHALLENGES OF FUNDING CIVIC STADIA: AN OPEN LETTER TO GOTEBOURG TOWN COUNCIL

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In 1993, Bruce Kidd was invited to present at paper at a conference on the theme of *The Stadium and the City* held in Göteborg, SWEDEN. That paper, which was published in 1995 (cited in the following), was based on Professor Kidd’s work with the Stadium Corporation of Ontario (Stadco), the provincial (public) agency that originally developed, owned and operated Toronto’s SkyDome. In 1990, Kidd and labour leader Bob White were appointed to the Stadco board, by the newly elected NDP government of Ontario, led by Bob Rae, with instructions to reduce the public liability from the debt-ridden stadium. Their eventual solution was to sell SkyDome to the private sector. That work is described briefly in the following paper. The stadium is now called the Rogers Centre by its corporate owners.

The city fathers and mothers of Göteborg are currently considering the refurbishment or reconstruction of the two main stadia in the city. They clearly remember the 1993 conference held in their city, and invited Professor Kidd to bring his research up-to-date in order to contribute to their deliberations.

Professor Kidd has done that in the form of an Open Letter, and the Centre for Sport Policy Studies is pleased to be able to make that letter publicly available through its web site, as part of its series of Position Papers.

Kidd’s paper takes advantage of research on sport facility funding that has been carried out since the mid-1990s, and his own work on ‘legacy issues’, to consider current knowledge about public funding for stadia that may come to be used primarily, or exclusively, by the private sector.¹

The paper is a sharp reminder that there are no automatic benefits that derive from public investments in such stadia, and that intended public benefits need to be clearly outlined in policy, and planned and funded as part of the initial public investment. Kidd is careful to point out the potential benefits of such investments,
both tangible and intangible, but also the dangers of such investments in terms of “public risk for private profit,” and public investments that are not clearly guided by public policy.

It is also a timely reminder for Canadians, who recently made a significant public contribution to facilities for hosting the 2010 Winter Olympics /Paralympics in Vancouver / Whistler; who are now funding facilities to host the 2015 PanAm / Para PanAm Games in the Greater Toronto Area and region; who are currently funding the construction of a new football stadium in Winnipeg, and who are being asked to fund the construction of a new hockey arena in Québec City.

Peter Donnelly, Director
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Editor’s Introduction, May 2012

1 Since Kidd’s Open Letter was written, a new study from the Danish Institute for Sports Studies (IDAN) and Play the Game has analysed 75 mega-event stadiums from 20 different countries (World Stadium Index: Stadiums built for major sporting events – bright future or future burden?). The report investigates the use of the stadiums after the event to see which mega-event stadiums are successful and which stand empty, becoming a financial burden for their owners. The Atlanta Olympic Stadium ranks highest in the Index in terms of subsequent use, but it should be noted in light of Kidd’s paper that the use of that stadium is primarily for men’s professional sports events – for privately owned sportainment rather than for other forms of public use.
See:
See also the Play the Game theme page on stadia:
http://www.playthegame.org/index.php?id=735
The Challenges of Funding Civic Stadia: An Open Letter to Göteborg Town Council

Very few defendable arguments can be made in favour of publicly constructed or subsidized sport stadia and other large, entertainment facilities. Despite the claims of developers and their supporters, there is no evidence that new sport stadia generate significant new economic growth or employment for the region where the investments are made. The multiplier/stimulus effect from the construction is no greater and in some cases less than spending upon other forms of infrastructure, such as housing and transportation. While large sports events and concerts may pull entertainment spending from one quarter of the region to another, and even contribute to the revitalization of an entertainment district or the transformation of a neglected area of a city¹, they cannot stimulate new economic growth on their own. There is no evidence that they generate significantly new levels of tourism from outside the region. Spending on sport and concerts simply substitutes for spending on other types of entertainment and other goods and services more generally. Coates and Humphreys found, in a recent review of the literature, that no matter which cities or geographical areas are examined and which models or variables are used, articles published in peer-reviewed economics journals contain almost no evidence that professional sports franchises and facilities have a measurable economic impact upon the economy.²

In the North American case, where public subsidies for sport stadia are endemic, the profits invariably go to: the corporate owners of the teams/franchises that
make up the large professional sport cartels such as Major League Baseball (MLB), the National Basketball Association (NBA), the National Football League (NFL) and the National Hockey League (NHL); the media partners of those cartels that use the stadia as broadcast studios, and the corporations that heavily advertise on the televised packages; and increasingly, the athletes, other employees, and their agents. Public subsidy thus enables the profit of some of the richest and most powerful corporations on the continent, and at a time when social welfare and other forms of income redistribution are being cut back drastically, this further intensifies income inequality. If the new facilities include private boxes elevated above the general seating, they visibly reinforce and flaunt this inequality.

It is not only the cost of capital investments that is a concern. Sport and entertainment facilities are expensive to operate and maintain. Without a steady calendar of events and a solid business logic model, they can provide a further drain on the public purse.

Like sport itself, most subsidized sport and entertainment facilities are highly gendered, and must also be thought about in terms of gender relations. If the new facilities cater only to men’s sport, as is virtually the universal case in North America, they constitute 'men's cultural centres', i.e. facilities that serve to affirm and empower boys and men. As publicly enabled and celebrated civic stages, they provide privileged spaces for male bonding, contribute to the re-assertion of
masculinity (and the patriarchal claim for the greater share of the social surplus) and the 'symbolic annihilation' of strong, athletic women.\(^3\) There is also mounting evidence that the uncritical display of aggressive male-only sports contributes to male violence against women and children. While some organizations within the sport community have begun to recognize the challenge—witness the ‘Show Domestic Violence the Red Card’ campaign in football—public policy must continue to address the potential for major sporting events to exploit female athletes, female spectators and females in general.\(^4\)

Despite the claims of advocates, there is little evidence that the dramatic display of athletic excellence in a civic stadium or on television actually leads to a modeling of the ethical values rhetorically associated with sport or an increase in sports participation, especially among the young. Inspiring sport performances are available virtually every day on television and the internet today, but participation in sport and physical activity among children and youth in most countries has been dropping. The research, drawn mostly from major games such as the Olympics, is that unless those so inspired enjoy full access to sustainable programs with safe, adequate facilities, conducted by competent, ethical leadership, the take-up—and the resulting benefits of sport and physical activity—is short-lived and ineffective.\(^5\) In Canada, where we have just held successful Olympic and Paralympic Winter Games, participation rates in the very sports that Canadians cheered themselves hoarse about in Vancouver are also in decline. Despite a steady improvement in Olympic and World Cup
performance during recent years, the population pools from which successful Canadian athletes have been drawn remain markedly small. Like most of the world, Canada faces a crisis of physical inactivity. According to the 2011 Report Card of Active Healthy Kids Canada, only 9% of boys and 4% of girls engage in physical activity sufficiently to experience the adaptations necessary to healthy growth and development. Where they excel is in time in front of a screen: 90% of Canadian children and youth spend more than two hours a day before video, computer or game screens, some as much as six hours a day. Children from the lowest income levels are three times more likely to have never participated in sport or physical activity as children from the highest income levels. Given the demonstrated links between physical inactivity and the alarming incidence of non-communicable diseases such as diabetes, cardio-vascular illness and cancer, and the contribution that well conducted sport participation can make to self-mastery, personal growth and community well-being, these findings are deeply worrying.

Yet, alongside these clear, evidence-based arguments against publicly created and/or enabled facilities for spectator sports, such facilities do contribute to the 'public good'. High performance sports, especially those rich in national, regional and community history (and outstanding artistic performers and performances who explore similar themes and emotions) can bring people together across the class and gender divides, and in diverse, Diaspora societies such as the metropolitan cities of the world, also help to integrate the immigrant/minority
ethno-cultural, religious and linguistic communities, for moments of communion and the expression and experience of collective narratives. This may seem an idealistic argument; the power of sport to draw people together has not been as critically analyzed as the economics of sport, and different sports and events draw people quite differently. Moreover, the experience of the sporting crowd can be dangerous and violent as well as enlightening and transformative.

Yet I am convinced from the literature and countless examples and testimonies from around the world that, on balance, the collective experience in sport is beneficial and valued as such by citizens in most societies. To be sure, contemporary life provides other such mass experiences—the morning commute is one example, the collective politics of the Arab Spring are another. Yet sports and the arts are neither mundane like the commute nor as infrequent and as (usually) charged as with direct political conflict and violence as the revolutions of the Arab Spring. Sports and culture have become essential to citizenship, supported in such international undertakings as the Universal Declaration of Human Rights and the subsequent conventions and charters setting out the rights that citizens in contemporary societies should enjoy. Just how a society is obliged to provide such opportunities for participating and experiencing sport remains largely undefined, let alone monitored and evaluated, but I think it is fair to say that for a significant number of citizens in many cities in the world the richness of life is directly connected to the number and quality of such opportunities and entertainments. In these circumstances, it is quite
understandable that in some societies some citizens look to the state to enable such opportunities to be enjoyed. For similar cultural reasons, states use public funds to enable the construction, operation and program support of theatres, music halls and museums.

It is also important to note that in North America, where monopoly and regional disparities create barriers to entry for new professional sports teams, powerful cartels demand public investment in facilities as a condition of participation. The obvious counter to such market power is for municipalities to band together to bargain collectively with the sport corporations, but given the high degree of inter-city competition for investment, tourism, branding, etc., this has never happened. Most municipal and regional governments feel that they ‘have little choice’ other than public investment to provide their citizens the experience of live, top-level sport. I would say that the recent spate of publicly constructed and/or subsidized stadia and arenas in Canada, including the Edmonton example cited by Professor Getz, can be explained by these circumstances. In such cities, when new facilities enable the enjoyment of sports with deeply felt and widely shared cultural meanings, as is the case with ice hockey in Canada, and have been planned and approved with full public input and support, I believe they do create a ‘public good’.

How should we weigh the aspiration for witnessing sport in a large stadium or arena against the clear and troubling arguments against public subsidy? In this
submission, I will argue that there are few rules of thumb, and that any decision
to subsidize must be made on the merits of each particular case, after full
analysis and extensive public consultation. All policy instruments must be
considered. I will also argue that no decision to invest in or support facilities
should be made without planning for their ongoing maintenance and operating
costs, the costs of stimulating new grassroots participation in sport and physical
activity, and the costs of mitigating their potentially harmful effects upon girls and
women.

I do so as a veteran of similar debates in Canada as a former Olympian and
sport policy analyst at the University of Toronto. I have campaigned against
proposals for publicly funded stadia for professional sport in various Canadian
cities but have taken more nuanced positions with respect to publicly funded
facilities to host major international games. For example, I served on the bid
committees for Toronto's two unsuccessful Olympic bids and Toronto's
successful bid for the 2015 Pan American Games. In 1990, I was appointed to
the board of the newly constructed provincial government stadium, SkyDome,
and contributed to the strategy to sell that stadium to the private interests who
primarily benefitted from it. In 1995, I became responsible for the University of
Toronto's athletic facilities, including the decaying stadium that once was
Canada's most celebrated civic stadium, and spent the next ten years of my life
trying to rebuild it. I currently chair the Team Up Foundation (TUF) of Maple Leaf
Sports and Entertainment (MLSE), Canada's most profitable sports corporation.
with four professional teams, the Toronto Maple Leafs of the National Hockey League (NHL), the Toronto Raptors of the National Basketball Association (NBA), the Toronto Marlboroughs of the American Hockey League (AHL) and the Toronto Football Club (TFC) of Major League Soccer (MLS).

The case of MLSE illustrates the complexity. A privately held corporation, it built its primary production facilities, the arenas Maple Leaf Gardens and the Air Canada Centre, entirely out of its own funds; several of its owners stated that public funds for professional sport were unjustified and unnecessary. Yet recently, it has taken over a public arena for the Toronto Marlboroughs, on very favourable terms, and entered into a management agreement with the City of Toronto for the exclusive use of a publicly created soccer stadium, BMO Field, for TFC. The stadium was built with funding from three levels of government, and contributions from MLSE, to enable the hosting of the men’s under-19 FIFA world championship. MLSE was recently purchased by two major communications corporations, one of which (Rogers) owns the former Skydome.

TUF, its charitable foundation, donates funds to the City of Toronto and non-governmental organizations for the refurbishment of public sport and recreation facilities, and to support sport development programs for children and youth. TFC is in the process of creating a youth academy for soccer development.
ADVICE TO GOTEBOURG TOWN COUNCIL

As I understand it, Göteborg is considering the renewal of the city’s two major sport facilities, Ullevi and the Scandinavian, either by refurbishment or replacement. You are no doubt well along this path, but in your steps towards a decision, I would suggest that the town council:

- Identify/confirm the overall priorities of Göteborg in the broad policy fields of social, cultural, sporting and economic development and sustainable urban renewal. That is, before rushing in to develop and consider plans for stadium renewal, confirm the city’s priorities in all the related policy fields.
  In terms of sport policy, it would be extremely important to consider whether the existing opportunities for participation and development in sport and physical activity among the Göteborg population are adequate and equitable BEFORE thinking about new facilities for high performance sport.
- Set out/confirm the plans or ‘logic models’ by which these priorities could be realized, with clear, measurable objectives for the immediate, mid- and long-term
- Discuss the priorities, logic models and objectives with the intended beneficiaries to ensure that they see themselves in the comprehensive plan
- Although you will no doubt experience pressures for new facilities regardless of the plan, in my view the council should only determine next steps, including any initiation of commissioning of plans for
refurbished and/or new facilities in the context of a comprehensive, widely accepted master plan. Any refurbished or new facilities must demonstrably contribute to the realization of the priorities of the master plan.

If the plan recommends the design of refurbished or new facilities, a second planning and consultation cycle will be necessary, to ensure that the designs, their capital financing, business plans (including provision for long-term maintenance expenditures) and plans for environmental sustainability contribute to the social objectives and have popular support.

You should not be pushed into contributing to new facilities until persuasive arguments are made that the existing facilities are no longer sustainable for reasons of operating costs, athletes’ performance, spectator experience, and environmental footprint (i.e., the age of facilities does not necessarily mean that they should be condemned). You should also give every consideration to refurbishment before building anew.

If you decide to build a new facility, it should be planned to contribute architecturally, environmentally and in terms of transit and amenities to the neighborhood where it will be located. You should also consider whether it can be used for other community purposes when it is not being used for sport. At one point in the planning of the new stadium for the University of Toronto, for example, we explored whether sections of the seating could be converted into
classrooms during the time when they were not being used for games. While it did not prove feasible, Ryerson University (also in Toronto) has taken that idea and partnered with a multi-theatre cinema to obtain classroom space during the day. Could part of the new facility accommodate other community uses such as a health centre or child care facility, so that it could be used 365 days a year?

In terms of capital financing, you are encouraged to explore all possible avenues, including philanthropy, public-private partnerships, naming rights and sponsorships to draw upon the resources of the entire community, minimize the burden upon the state and ensure that the responsibility for capital costs is proportional to any expected profits to be realized. The teams that currently play in the facilities and the promoters who stage major concerts there should contribute significantly to the capital costs, either through up-front contributions (financed by cash or mortgages) or ticket surcharges. In the United States, the National Football League provides mortgages to franchise owners to pay for facility construction. The leagues that use Ullevi and Scandinavian should be asked to do the same.¹²

A transparent public agency should oversee and monitor stadium construction and financial agreements, and own and operate it. Moreover, as sports bodies using publicly enabled facilities, their governance and management should be transparent and accountable, if they are not already. If a team and league will
enjoy a significant subsidy in a refurbished/new facility, Göteborg should enjoy a share of ownership and representation on its board.

As the principal funder or operator of the refurbished facilities, you should insist upon ticket policies that enhance accessibility for all citizens, so that (as an example) there are always affordable tickets for purchase and that for major events, all citizens have the same right to purchase tickets. In the 1972 Canada-USSR hockey series, for example, each purchaser paid exactly the same price, with the seats being allocated by lottery, so that all citizens had equal opportunity to the best seats. In his thoughtful intervention into the debate about publicly financed sport facilities in Minnesota in 2000, Jay Weiner took another approach to accessibility; he proposed that 'teams must guarantee that 15 percent of their tickets cost the same price as a movie ticket' 13 I recommend that similar ideas be tried in all publicly enabled facilities in Göteborg.

Finally, I strongly recommend that before a single shovel is placed in the ground, city council insist upon the creation and sustainable funding of ambitious programs of (1) grass roots sports development and (2) gender equity in sport, with appropriate monitoring and evaluation, alongside the facility renewal. To this end, it would be fully appropriate to levy a new ticket tax on professional sport for the financial support of such programs. The basis of amateur sport in my own province of Ontario, Canada, was created by such a tax many years ago.14
I wish you all the very best in your planning and decision-making.

If you have any questions, please let me know.

With best wishes,

Sincerely,

[Signature]
NOTES

3 Bruce Kidd, 'The Men's Cultural Centre: Sports and the Dynamic of Women's Oppression/Men's Repression', in Michael Messner and D.F. Sabo (Eds.), Critical Perspectives on Sport, Men and the Gender Order (Champaign, Ill.: Human Kinetics, 1990), pp. 31-43.
5 Peter Donnelly, Jean Harvey, Bruce Kidd, Margaret MacNeill, Barry Houlihan and Kristine Toohey, Sport participation in Canada: Evaluating measurements and testing determinants of increased participation, Centre for Sport Policy Studies, University of Toronto, 2011.
7 Of many case studies of the convening power of sport, perhaps none is as dramatic as the current hold of cricket upon India; see Boria Majumdar, Twenty two yards to freedom: a social history of Indian cricket; for a case study of the limits to this power, see Alan Listiak, "'Legitimate Deviance' and Social Class: Bar Behaviour and Grey Cup Week', in Richard Gruneau and John Albinson (Eds.), Canadian Sport Sociological Perspectives (Don Mills: Addison Wesley, 1976), pp. 404-433.
11 I am grateful for a prior reading of the paper by Donald Getz, ‘Justifying Public Sector Investment in Facilities and Events: The Case of Göteborg, Sweden.’
BRUCE KIDD

Bruce Kidd is Professor in the Faculty of Kinesiology and Physical Education and the Centre for Sport Policy Studies at the University of Toronto and a former dean of the Faculty.

He has earned degrees from the University of Toronto (B.A., Political Economy), the University of Chicago (A.M., Education), and York University (M.A. and Ph.D., History), and an honorary doctor of laws from Dalhousie University.

Bruce teaches and has written extensively about the history and political economy of Canadian and international sport and physical activity. He has authored or edited ten books and hundreds of articles, papers, lectures, plays and film and radio scripts. *The Struggle for Canadian Sport* (University of Toronto Press 1996), which recaptures the efforts of sport leaders in Canada in the period between the First and Second World War, won the Book Prize of the North American Society for Sport History in 1997. His most recent book, co-edited with Russell Field, is *Forty Years of Sport and Social Change, 1968-2008: ‘To Remember is To Resist’* (Routledge 2010).

Bruce has worked with numerous local, national and international bodies to advance opportunities for physical education and sport. He is currently Chair of the Commonwealth Advisory Body on Sport, which advises the Commonwealth Secretariat and member governments on sport policy; Chair, Maple Leaf Sport and Entertainment Team Up Foundation, which enhances the lives of disadvantaged children and youth through sport and physical activity; and Chair, Selection Committee, Canada’s Sport Hall of Fame.

In recent years, he has become deeply involved in development through sport and peace. He was one of the founders of Commonwealth Games Canada’s International Development through Sport Program, which conducts programs of broadly based development in some 22 African and Caribbean Commonwealth countries, and served as the program’s volunteer chair for many years. He initiated the University of Toronto’s partnership with the University of Zambia on strengthening teacher preparation in physical education to enhance preventive education about HIV/AIDS. In 2007, he was commissioned by the International Working Group on Sport for Development and Peace to prepare literature reviews on sport for development and peace, coordinating a team of U of T faculty and graduate students, and that project has shaped the policies of the United Nations.

Bruce has been involved in the Olympic Movement throughout his life. He has participated in the Games as an athlete (track and field, 1964), journalist (1976), contributor to the arts and culture programs (1976 and 1988) and accredited social scientist (1988 and 2000). He was founding chair of the Olympic Academy of Canada (1983-1993). He is an honorary member of the Canadian Olympic
Committee, and currently serves on the Selection Committee, Post-Graduate Research Grant Program, Olympic Studies Centre, International Olympic Committee.

As an athlete, Bruce was Commonwealth champion in the 6 miles at the 1962 Games in Perth, Australia. Twice elected Canada’s Male Athlete of the Year by Canadian Press (1961 and 1962), he still holds the Canadian junior record for 5,000 metres after 49 years. He is a member of Canada’s Sports Hall of Fame, the Canadian Olympic Hall of Fame (as both an athlete and a builder) and the University of Toronto Sports Hall of Fame. In 2005, he was awarded the Canadian Olympic Order.

In 2004, he was appointed an Officer of the Order of Canada.