

*"TAKING OUR SWING: IT'S A STRIKEOUT: WE HAVE MORE IMPORTANT THINGS TO INVEST IN"*

[FINAL Edition]

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**Document Text**

Philip Shucet, the state's commissioner of transportation, says that highway congestion in Hampton Roads is increasing rapidly, but that new highway building in Virginia will cease in 2010 because there will be no funding. Meanwhile, the 2004 edition of "Cities Ranked and Rated" reports that K-12 public school funding per student in the region is 11 percent below the national average.

What do these news items have to do with attracting a Major League Baseball team to Hampton Roads? They describe needs that we should address with our scarce public funds instead of spending several hundred million dollars on baseball.

Let's look at the economic facts. Many people believe that Major League Baseball must be a great investment that pays off handsomely, but that's simply not correct. Virtually every study performed by a reputable economist concludes that Major League Baseball is a poor public

investment. Why? Because most of the alleged economic impact of Major League Baseball consists of "displaced" expenditures and tax collections.

Let's assume we attract an MLB team. If a family attends a game and spends \$200, this is \$200 it will not spend at the Patrick Henry Mall or on the Virginia Beach oceanfront. Yes, we'll collect more taxes at the ballpark, but this means we'll also collect fewer taxes at restaurants in Hampton or at a movie theater in Suffolk. One can't spend the same dollar in two places. There are only a few MLB- related taxes (such as those on players' salaries) that actually will represent additional tax receipts.

There are, however, two ways we can obtain a positive economic impact from Major League Baseball. First, we could attract individuals from outside the region to come to Hampton Roads and spend money here. For example, we need to persuade individuals from Richmond to travel to Hampton Roads to see the games. Some will make the trip. Even so, do we really believe that Richmonders consistently are going to battle traffic on Interstate 64 and the congestion in our tunnels? It would take a very successful team for them to do so and, alas, that's not the kind of team we would inherit.

Second, we can obtain positive economic impact by persuading our own citizens not to leave the region to patronize attractions such as the Baltimore Orioles. If we have our own major-league team, our visits outside of the region will decline. But every study indicates that this effect will be very small.

The bottom line is that Major League Baseball will not pay off economically for Hampton Roads. That's what repeated studies tell us.

Some supporters of Major League Baseball say, "We know this, but MLB is an investment in our quality of life."

Perhaps, though I've learned to reach for my billfold to see whether it is still there when individuals without any other evidence begin to talk about the quality of life. Major League Baseball would increase the quality of my life, but what about the massive number of citizens who cannot afford to attend a game, or who simply aren't interested? Is it fair that they should subsidize my baseball passion?

The forthcoming 2004 State of the Region report will document that the two most important things on the minds of citizens in Hampton Roads are traffic congestion and crime. Items such as education, the effects of population growth, and taxes follow. Major League Baseball doesn't make the Top 10.

If we really want to improve the quality of our lives, then let's deal with our real problems. Isn't it a bit silly to invest in baseball when we're below the national average in supporting K-12 education and increasingly sit in traffic jams?

If we attract Major League Baseball, attendance will be high the first several years. However, once the novelty wears off, unless our team is quite successful, it will run into problems. Hampton Roads always will be a marginal franchise because of the modest population and income of our region, the absence of Fortune 500 firms, and our traffic challenges. At that point, we become a Montreal and either we will have to increase our public subsidy or watch our team move to greener pastures.

Let's avoid that unhappy scenario and invest our funds now in the things that really count.  
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**Abstract** (Document Summary)

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