

Abstract

The purpose of this research is to understand why municipalities desire and compete for professional sports franchises. The focus of our research was a case study of the impending move of the Oakland Athletics (A's) Major League Baseball franchise from Oakland, California to the nearby city of Fremont. In our study, we conducted qualitative interviews of city officials from the city of Fremont for their rationale in seeking to attract the A's. An additional telephone survey instrument provided a basis for quantitative analysis by asking Fremont residents for their personal interest in a local baseball team as well as where pro-sports should rank in the City's list of priorities. The implications of this study will be highly applicable to the field of public administration as major league sports are increasingly used by cities as part of an economic development strategy.

Introduction

The role of municipalities in attracting professional sports teams and facilitating the development of a stadium/venue is a burning topic in public administration. In an era of uncertain economic times, cities must weigh the benefits of being “put on the map” by hosting a team with the very real economic costs involved in the development of a stadium and associated infrastructure and facilities.

The justification for public subsidies for essentially private (team-owned) stadiums is clear. Proponents argue for the economic development benefits that stem from a new, state of the art facility. New stadiums will provide direct economic benefits to the local community and can be used as part of a central civic development or redevelopment strategy. Proponents also

claim that stadium-goers will infuse high levels of new spending in the region, provided that the facility is surrounded by appropriate retail, restaurants and nightlife. Stadium construction will also create a large number of new jobs, and more jobs will be available during facility use (Swindell and Rosentraub, 1998). A common second argument in favor of publicly financed sports stadiums is that new stadiums will benefit the way in which a community views itself and is perceived by others (Delany and Eckstein, 2003). To city officials, this self esteem is translated into “an intangible civic asset called ‘major league status’” (Bernstein, 1998). The benefits of major league status include civic pride, a high profile image and identity, and national and even international publicity. Advocated for publicly funded facilities claim that the image of many cities is frequently defined by their high-profile teams and sporting events (Swindell and Rosentraub, 1998).

The recently announced future move of the Oakland A’s pro baseball team from Oakland to the City of Fremont provides an interesting opportunity to apply the research we found through our literature review to a local issue that is occurring right now. The City of Oakland, hampered by the financial burden of a bad 1995 financial deal to regain the NFL’s Raiders franchise and saddled with an unattractive shared use (A’s and Raiders) Coliseum facility, were in a poor position to offer any public financing toward a baseball only stadium (Dickey, 2004).

The new A’s owners publicly recognize the struggle that Oakland is going through and looked else where in Alameda County, twenty miles down highway I-880 to the City of Fremont, whose city council has approved two potential sites for a proposed ball park and is happy to trade land entitlements to entice the A’s. Particularly fascinating about this case study is the A’s proposed stadium financing structure. Instead of the common model of the city paying for the stadium, A’s owner Lew Wolff prefers entitlements, or development rights from local

government (Witt, 2006). The A's have targeted land that would increase in value substantially if a government entity were willing to rezone the property or approve a more profitable type of development. Wolff seeks not just room for the ball park, but the surrounding property for the development of hotels, housing, and restaurants.

This type of creative financing may make the A's move to Fremont a model for the future of the stadium issues. As cities increasingly find that economic returns on stadium centered developments are negligible, there is less incentive for them to sink money into sports projects. However, cities still feel the need to compete for the prestige and status that professional sports bring. Public-private partnerships such as the A's scenario, where the city provides the land and the team privately develops the stadium and surrounding property, may become a new path of compromise.

Another interesting aspect of this case that we would like to look at is the Fremont residents' opinions on the planned move. We did a telephone survey of 100 randomly selected Fremont residents. We hypothesized that the mean of the sample would agree that the A's should move to Fremont. Once we had the responses we ran a couple of tests in SPSS to test our hypothesis.

Literature Review

Our research question asks if it is worthwhile for the City of Fremont to pursue the Oakland Athletics major league baseball team. While this appears to be an inherently subjective issue relevant to a specific locale, a substantial body of research exists that explores the topic of local government and the pursuit of professional sports teams. Qualitative data, in the form of previous case studies of cities and their respective quests to land teams, has looked into the justifications that city leaders give for spending public funds on stadiums for teams. Quantitative

data exists from financial studies that reveal the true economic impacts of the arrival of teams to new towns, the subsequent construction of a stadium in the community, and linkages between stadium development and civic redevelopment strategies.

While our investigation into this issue asks some of the same questions as previous studies, it differs from the existing body of research given unique qualities of the potential move of the A's from Oakland to nearby Fremont. The team is moving only 20 miles, compared to most teams that move great distances. Given the proximity to the existing team, can Fremont even be considered a new market? Will the attendance problems of the team follow them from Oakland? Understanding that selling out the games and high attendance is an important factor in the success of a franchise, in our study we talk directly to Fremont residents for their citizen opinion that has been missing from previous research. We are asking residents of the city receiving the team if they have any interest in obtaining a major league team and if they would want to attend games.

Economics

Much of the published research involves studies of the potential for economic impact on a city planning a new stadium. Our study does not differ here, as we ask both Fremont city officials for their opinions on the potential for economic gain or risk that the city would take on. Cities do take financial risks in such ventures, as a common incentive to get the team to come to their city, officials will fund, either fully or in part, a new stadium for the team. This use of the taxpayers' money is justified by the argument that it will result in a "public good" and may be an economic boon for the city. (Groothius, Johnson and Whitehead, 2004). On the other hand, some research conducted has called for Congress to be involved in stopping cities and states from using public funds on a private enterprise. Burnstein and Rolnick (1996) claim that

Congress should intervene, using the Commerce Clause of the Constitution, to prohibit states from using subsidies and preferential taxes to entice businesses and sports franchises, because publicly funded stadiums do not result in an economic gain for the city and are therefore not a public good. Our interviews of Fremont public officials and city residents both ask for their opinions on these economic issues.

An article that is particularly relevant to the Fremont – A’s situation is entitled “The Economics of Stadiums, Teams and Cities” (1998) by Andrew Zimbalist. He claims that sports franchises are profitable and therefore should not need subsidies from the state or local governments where the teams reside. To substantiate his claim, Zimbalist uses various facts and figures ranging from the average gross income each type of professional sport generally brings into a city to the amount of impact a new stadium has on cities. His claim is interesting and relates to our research because he states that public funds should not be necessary because the teams are profitable on their own. In addition, the team could still be profitable to the city. News reports have indicated that the A’s team plans to pay for the stadium itself and not require Fremont to spend city General Fund dollars. To afford this, the team proposed to privately develop the area around the stadium site with housing, hotels and retail. Although definitive economic studies of this plan are not yet complete, our interviews of city employees privy to the earlier stages of economic projections show the City’s receptivity to the A’s move.

In the public realm, there seems to be a lot of negativity surrounding the use of public funds to build stadiums to attract sports’ franchises (particularly in the East Bay after the Raiders financially failing return to Oakland). For example in his article entitled “Sports Stadium Boondoggle,” Mark Bernstein claims that all major pro sports leagues act as cartels to get cities to compete for franchises, and that cities come up as losers, by competing and giving the teams

sweetheart economic deals. To come to this conclusion, Bernstein used interviews with public officials and economists and data analysis of various public financing deals. This article ties into our research because it focuses on how cities are forced to compete for pro sports and how that makes them willing to mortgage their future in order to have an advantage in landing the teams. Our research will expand this analysis by applying it to the Oakland/Fremont move asking both citizens and civic leaders if attracting a team is worth it.

Civic Pride

A popular argument presented by city officials as justification for pursuing sports teams currently rejects the sports-as-financial-windfall model, but quality of life benefits associated with hosting a major league team do (Rappaport and Wilkerson, 2001). Our research explores this concept of “Major League Status,” or putting the city on the map. Our interviews with Fremont officials all ask if achieving recognition for Fremont is a major part of the pursuit of the A’s. Another big argument for cities acquiring sports teams, and one that we plan to explore in our research, is the concept of “civic pride.” Greg Swindell and Mark Rosentraub explore the “social spillover” that is enjoyed by residents living in cities with pro sports teams. (1996). We incorporate this concept of civic pride into our research through the phone survey. We will include some questions about civic pride and the citizens’ opinions on having a major league team in their city.

Fremont Citizen Opinion

Duplication of a franchise in any given market may be detrimental to leagues, forcing them to relocate to an unoccupied expansion site. (Vrooman, J. 1997). Our research looks whether or not Fremont is too close to Oakland to be considered a new market. Our questions to Fremont residents test whether the region is “saturated” by sports teams and if that will impact

Fremont residents desire to potentially attend more games if the team moves to their town. If it did, are they moving far enough away to solve the problem and if a saturated market is not the reason for the move, what were the factors.

Expanding on the issue of Fremont residents, most research in this field focuses on the city officials' roles in obtaining a pro sports franchise, but another important element is missing. How do the citizens' opinions factor into the decision? Do they have any influence over the move? In their article entitled "Franchise Relocation and Sport Introduction," Kelley, Hoffman and Carter do a case study on a hockey team's move from Connecticut to North Carolina and the challenges they faced in gaining fan acceptance by NC residents. Our case is slightly different because the move from Oakland to Fremont is a very short distance and the A's will likely be able to keep their fans. It may be important to consider, though, whether or not the move will cause the A's to lose or gain any fans.

Hypotheses

Our research incorporates some of information from the cited articles but expands on some of the topics not fully covered and look at how everything applies to the A's move to Fremont. We anticipate that public officials believe that by obtaining the A's, they will put their city on the map. Depending on how much public funding is required, they may contend that obtaining the A's will be an economic benefit to the city as well, and drive retail and housing development in the area of the proposed stadium. We also anticipate that citizens will be relatively positive towards having a new hometown team, and will enjoy an increase in civic pride due to their new "major league status."

Methods

Design

Our research topic was conducive to a case study analysis. Our specific focus on the A's move to Fremont provided for a deeper insight into this relatively unique case of sports franchise relocation. Using the case study method allowed for both qualitative and quantitative research methods. In order to accommodate both qualitative and quantitative data to be generated and analyzed, we conducted a series of interviews and a telephone survey.

Interview

Data:

We collected qualitative data through interviews with city officials from the City of Fremont. It was helpful to use this type of data collection because doing so gave us access to "key informants" who are directly involved in the planning and implementation of the policies we wanted to research. In addition, this was explorative research and as such, the interviews were the best way to gather data.

Variables:

The dependent variables are each affected by the independent variables. For example, the economic impact of the move will depend largely on whether or not the team is part of an entire redevelopment strategy for the area. The stadium or team alone may not be enough to have a strong economic impact on the city, however, if the stadium is tied to a larger plan for redeveloping the area, then there will likely be an impact. In addition, the "civic pride" of the citizens of Fremont is dependent on their willingness to pay for a new stadium that will bring the A's to Fremont. Some confounding variables that will need to be tested and accounted for

include a saturated market, with so many teams in the area, will the independent variables we are testing really be able to explain the final results?

The variables we looked at are broken down as follows:

Independent Variables:

- Sports Franchise Anchored Redevelopment Strategy
- Price to be Considered a “Major League City”
- New Stadium

Dependent Variables

- Economic Impact on the City
- Social Benefits: Civic Pride

Confounding Variables

- Team Ownership
- General State/Region Economic Trends
- Saturated Market

Operational Measures

We used a number of open ended questions to help gather qualitative data that is not readily available or even pre-existing. For a list of the interview questions that we used to measure the variables, please see appendix i.

Data Collection/Instruments

We conducted one on one interviews with eight city officials of the City of Fremont. For guidelines of the interview, please see appendix i.

Sampling Plan

We interviewed eight people from the following offices. The interviews were based on the availability of the interviewees and we used all of the information gathered in the interviews for our research:

- City Manager
- Community Development Director
- Planning Director
- City Engineer
- Transportation Manager

- Economic Development Director
- Redevelopment Manager
- Finance Director

Proposed Analysis

We used the data we collected through the interviews to analyze the city's plans and reasoning behind its policies. Through this analysis, we were able to gather qualitative data that was applied toward our hypothesis.

Survey

While we wanted to find out why a city would want to attract a sports team from the city management perspective, the city's residents-potential new fans and ticket buyers-were also considered to be a valuable source of information and opinion on our topic as well. As such, we decided to include a telephone survey of a sample of the residents of the city of Fremont.

Data

Our quantitative research consisted of a simple telephone survey of City of Fremont residents regarding their interest in the A's move to their city.

Variables

The survey was designed to measure what the residents of the City of Fremont think about the A's moving to their town and if Fremont resident interest would translate to future attendance at A's games and higher ticket sales. The individual variables that reflect this design are listed below:

Independent Variables:

- Fremont Resident Interest in Baseball-
- Opinion of City Priorities
- Transportation to Stadium

Dependent Variables

- Game Attendance
- Ticket Sales
- Preference for the Stadium and Team Relocation

Operational Measures

Survey respondents were asked a short series of questions regarding their past attendance of A's games in Oakland, their opinion on the A's move to Fremont and its relative place on the list of City of Fremont priorities, and their potential future attendance of A's games in Fremont if the move is finalized. We limited the survey questions to approximately six to keep the response burden down. A table of survey questions relating to the variables can be found at Appendix ii.

Sampling Plan

While the unit of analysis was City of Fremont residents, restrictions on our time limited our goal of the survey to 100 completed. Our sampling frame was Fremont residents listed in the latest Tri-Cities Area SBC White Pages phone book. The sample names list was randomly generated, as random number variations were picked that represented how many pages, columns and names down from the top will be skipped before selecting an individual to call from the phone book.

Instruments/Data Collection

The survey itself was a six-question phone survey of Fremont residents. A printed guideline for the survey caller (administrator) was developed, and the survey administrator merely had to circle a number on a Likert scale listed under each question to record the answer of the respondent. The Likert scale initially ranged from 1-7, with a value of one representing Strongly Disagree, and 7 representing Strongly Agree, however, we decided that this would create too much of a response burden. Therefore, we changed the Likert scale to range from one

to five, with a response of 1 now representing strongly agree and a response of 5 representing strongly disagree. The draft survey can be found in appendix ii.

Proposed Analysis

Each individual response to each survey question was assigned a numerical value based on the codebook we developed and collectively, all the values for all of the questions were tabulated to find mean and average scores. These scores reflect City of Fremont resident opinions, including potential approval or disapproval of the A’s move and future support by way of game attendance. The codebook can be found in appendix iii.

Results

Telephone Surveys

In this simple one sample t-test, we wanted to see if our hypothesis, that the majority of the population of the city of Fremont either strongly agreed or agreed to the city’s plan to move the A’s to Fremont. Using telephone surveys, we surveyed 100 Fremont residents. One of the questions we asked was *“The City of Fremont is considering the A’s plans to build a baseball only stadium with housing developments surrounding it in the Pacific Commons area. As a Fremont resident, I would like Fremont to be the next home for the A’s Major League Baseball franchise.”* We used a Likert Scale that ranked the residents responses from 1 to 5 with one being “strongly agree” and 5 being “strongly disagree.” In order to test this hypothesis, we used the following null hypothesis: the mean of the population of the residents of the city of Fremont is greater than or equal to 3. We ran a one sample t-test in SPSS and got the following output:

One-Sample Statistics

	N	Mean	Std. Deviation	Std. Error Mean
WANTMLB	100	3.12	1.578	.158

One-Sample Test

	Test Value = 3					
	t	df	Sig. (2-tailed)	Mean Difference	95% Confidence Interval of the Difference	
					Lower	Upper
WANTMLB	.760	99	.449	.120	-.19	.43

When interpreting these results, we used a confidence limit of 95% (alpha of .05) and since the hypothesis included an inequality we had a one tailed test. Using the t distribution table, the critical value of t would be -1.645 (infinity degrees of freedom, one-tailed, negative). As you can see above, SPSS kicked out a t value of 0.760, which would fall in the “fail to reject” zone. Therefore, with 95% confidence, we failed to reject the null hypothesis that the population mean of the residents of Fremont was greater than or equal to three. That means that the citizens do not agree, for the most part, that the Athletics’ Franchise should move to Fremont. Also, looking at the mean of the responses, we see that it is 3.12. This shows that the sample was generally neutral toward the idea. In other words, they do not care.

We also were interested to see if sex had any bearing on the respondents’ feelings toward the Athletics’ proposed move to Fremont. We hypothesized that there would be a slight difference between male and female respondents and that males would feel generally more positive toward the move. To test this hypothesis, we used a Two Sample t-Test with Independent Samples. The question was with a 90% confidence level, is the mean response for WANTMLB equal between male and female respondents? The null hypothesis was the difference in the means between males and females is equal.

Group Statistics

SEX		N	Mean	Std. Deviation	Std. Error Mean
WANTMLB	Male	55	3.18	1.679	.226
	Female	45	3.04	1.461	.218

Independent Samples Test

		Levene's Test for Equality of Variances		t-test for Equality of Means						
		F	Sig.	t	df	Sig. (2-tailed)	Mean Difference	Std. Error Difference	90% Confidence Interval of the Difference	
									Upper	Lower
WANTMLB	Equal variances assumed	3.140	.079	.431	98	.667	.137	.319	-.392	.666
	Equal variances not assumed			.437	97.603	.663	.137	.314	-.384	.659

With this output, we noted that the means of the response between males and females were very close (3.18 for males and 3.04 for females). Again, going back to our first test, this mean of responses was higher than we had anticipated. We thought the mean would be closer to one or two (for agree). Since our hypothesis for this test involved an equality, we used a two tailed test to graph our critical values. The critical value of t for this test was -1.96, 1.96 (alpha of .05, infinity degrees of freedom, two tailed test). Since the t value for this test was 0.431, we failed to reject the null hypothesis that there was no difference between the means of male and female respondents. Therefore, in this case, our hypothesis that there was a slight difference in the opinions of males and females was unable to be proved by this test.

Finally we wanted to see participants' responses to our question about whether or not the city of Fremont should be focusing on other issues before spending public funds on a pro sports franchise. We used a histogram to graph the responses. As you can see, the vast majority of

both male female responses were one (Strongly Agree), followed by three (Neutral). This makes sense when we compared it to the results of our one sample t test. Most people were against or at least neutral to the proposed plan to bring the A's to Fremont. Now in this graph, we can see that a possible reason for this is because the citizens of Fremont as a whole feel that the city should focus on other, more pertinent, issues that face the city. The graph can be found in appendix iv.

Interviews

The interviews with Fremont city officials lent an insider's look into the decision making process of the city. Each official was asked to give their personal opinion about the A's potential move, rather than a stock, company-line answer. Some of the officials work in different departments whose workloads could be affected by the A's move. We were fortunate to receive honest replies from the officials.

In the interview process, we took detailed notes of our interviewee's responses to our questions. Their quotes were then grouped into various categories, and organized into themes: The City's Main Goal In Attracting the A's, Economic Issues, Top Concerns, and Overall Opinion. (*See Table below*)

Our initial hypotheses was that Fremont officials would be generally very positive about the A's coming to Fremont. For a city like Fremont, with a large population and large physical size, but relatively low profile, it was anticipated that the officials would be receptive towards the concept of "putting the city on the map." In this instance, our hypotheses was proved correct. Six out of eight officials interview indicated that raising Fremont's profile was the main goal of the A's pursuit. Officials tended to be hopeful of potential positive economic impacts, but were wary of trumpeting those optimistic views. Two clear concerns by Fremont officials

were the potential traffic issues surrounding the proposed stadium site. The site is very near I-880, one of the worst traffic freeways in America. Fremont officials indicated that they expected to have to work with the A's to mitigate those traffic concerns. Such potential infrastructure work may end up being the responsibility of the City, in the absence of having to pay directly for stadium development costs. Along those lines, Fremont officials were also concerned with the unknowns of these hidden costs.

Categories **# Responses** **%**

City's Main Goal in Attracting the A's	8	-
Increase/develop civic pride/put Fremont on the map	6	75%
Economic Development Opportunity	2	25%
Economics	8	-
Will have positive impact	2	25%
Optimistic	3	37.5%
Don't know	3	37.5%
Top Concerns	8	-
Traffic Issues	4	50%
Potential Costs to City Cooffers	4	50%
Good Move Overall for the City	8	-
Yes	8	100%

Our hypotheses that the City of Fremont public officials would generally agree that the city should pursue the Oakland A's was not rejected based on our sample of city officials. Eight out of eight interviewed officials believe the pursuit of the A's to be a worthwhile risk.

Admittedly, the stadium cost breakdown is not official at this time, so we acknowledge the limits of our findings. The team has not yet filed a development application with the city or conducted definitive economic studies regarding the proposed development of the area. Regarding Fremont city officials preferences, our hypotheses was proved to be correct.

Conclusions

Our hypothesis that the city of Fremont public officials would generally agree that the city should pursue the Oakland Athletics was not rejected based on our sample of city officials. The data shows that city officials believe it is a worthwhile pursuit. We feel that this sample was representative of the population of city officials. Admittedly, the stadium cost breakdown is not official at this time, and therefore their opinions do not take this into account.

On the other hand, our hypothesis that the citizens of Fremont would be generally positive toward the move could not be proved based on our sample. We were surprised to find that most of our sample was not generally supportive of the move. Fremont residents would prefer that any public funds be put to other uses. A limitation we faced in this research, specifically with the phone surveys, was that we had a relatively small sample to work with.

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