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Obsolete Arenas and Stadia, Even New Ones Like Orlando's

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SPORT AND SOCIETY FOR ARETE
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In one of the more remarkable developments in the history of sports franchise movement, the National Football League has struck a deal with the city of Cleveland. The city gets some money and a promise, but in fact they still lose their team. In the meantime the moving vans are rolling out of Seattle. In both places the stadia have been decreed inadequate by owners of the same description.

Also we now know how quickly a sports facility can become obsolete. In San Antonio three years after opening, the Alamo Dome is declared inadequate and the Spurs are making noises about going to New Orleans.

If you think it couldn't happen here then you haven't been paying attention. The noises about the O-Arena's deficiencies have been getting louder as the Magic and the City moved to expand the capacity of the O-rena, by decreasing the capacity of the seats. Almost 2,000 new seats have been added, and at considerable cost to the city as well as the Magic, not to mention the discomfort to overweight fans.

There have been suggestions that the O-rena is not big enough and that a new arena is needed. But these rumblings remained largely on the horizon until last week.

The Magic rental agreement with the city is only two years away from expiration. On Friday The Orlando Sentinel reported that the Magic were exploring options in preparation for negotiations on a new contract. They have commissioned a \$100,000 study to see how they might squeeze more income from the facility, which means the fans and the taxpayers.

One problem is that the current agreement is so good for the Magic that it is very difficult to conceive of how things might get any better. At present the city makes less from the Magic than Jon Koncak does.

Over the last seven years the O-rena has managed to clear \$4.3M over operating expenses, but when the debt payments are included in costs, losses run close to \$10M. The city and its taxpayers still owe \$18.5M on the building and will not pay it off until near the end of the first decade of the 21st century.

Do the Magic have a problem? Well, yes. The price of success is going up, geometrically. The Shaq's contract comes up this year and he will be paid considerably more than his current \$4.8M. Most estimates say the Big Guy's next salary will be in the neighborhood of \$10M per year. In addition Horace Grant's contract is coming up, and over the next few years the contracts of Hardaway, Anderson, and others will be coming around for renewal. The success of the Magic will continue to drive salaries skyward.

How can this be paid for? How will the Magic increase revenue? No doubt ticket prices will go up, radio and television contracts will increase, and merchandise sales will continue to rise, but comparatively these are nickel and dime items. One balloon being floated by the Magic is the idea of turning over O-rena management to them, allowing the Magic to make more money off the building, but requiring them to contribute no more to debt repayment. This would be left to you the taxpayer.

Not surprisingly no one will comment on this at One Magic Place or at City Hall. This deal will be done behind closed doors and the people of Orlando will be presented with a fiat accompli when it comes down.

Now I don't want the Magic to go elsewhere, and I don't want to drive Rich DeVoss into bankruptcy, and I don't want to suggest that the Magic haven't been important to the City of Orlando. But what I do suggest is that before the city gives away any more of your money they ask a few simple questions.

How much should the taxpayers be required to give the Magic, so that the Magic can give Shaq and his teammates several hundred million dollars? Can we put a figure on this thing? What exactly is it worth to the City of Orlando to have the Magic here, and specifically to have the Big Guy here? How much money is enough for any athlete no matter how good? How much should go to Horace or to Penny? Let's see if the people of Orlando can arrive at a figure, and then see if they are willing to let Shaq go to Los Angeles.

When we recruit faculty at the university we are told that they should be willing to take less money than they would get at other universities because Orlando is such a wonderful city, with such a wonderful climate and a great place to raise a family. Let's apply that rule to the NBA.

I have no doubt that many people in Orlando are willing to part with considerable sums for a winning team, but I would like to see some public discussion of just how much per capita people of this city are willing to shell out to keep the Magic competitive. It could be an enlightening discussion.

On Sport and Society this is Dick Crepeau reminding you that you don't have to be a good sport to be a bad loser.

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