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Does Orlando Really Need a New Basketball Facility?

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In the History of Orlando in the period AD(After Disney) there have been two public projects that have been done exceptionally well. The first is the Crown Jewel of the region, Orlando International Airport. The second is the O-Arena, which now carries the corporate name, TGIF Waterbug Centre, or some such thing.

The Airport continues to grow as its burgeoning use demands. The O-Arena, at least for its major tenants, has witnessed a precipitous decline in attendance. The solution to this decline, we are now told by the suffering billionaires at One Magic Place, is to build a new facility. RDV Sports, Rich DeVos' flagship sports conglomerate, has decided that the O-rena is no longer adequate to its needs.

The problem, dear Richard, is not in our building, but in yourselves!

The O-rena is a little over a decade old and it remains a sparkling facility and a wonderful place to watch a basketball game. Even in its most distant seats the game is visible and only slightly remote. There may be less desirable seats in the house, but there are no bad seats in the house.

So what's the problem? Clearly it is not with the building. Certainly it is not with the fans. No, it is with the changes in what is considered "state of the art" for NBA buildings. The building is not producing enough revenue. In short there are no luxury boxes.

Is this a real problem? Perhaps.

It does mean that in the expanding world of NBA costs, the revenues of the Magic have not expanded fast enough and high enough. Does this mean that every ten years, or even less, the people of Orlando must build another building to keep the Magic in sufficient revenue? Quite possibly.

Can the Magic survive without the new building or the new sources of revenue? Certainly they can survive, but maybe they will not prosper. And they may not stay in Orlando.

In public discussion the focus seems to be on what the people of Orlando can do for the billionaire who is losing millions. A better point of discussion at this stage would be to ask how the distressed billionaire got into this predicament from which he seeks public relief. Here the dreaded "A" word enters to haunt the entrepreneurial geniuses at RDV Sports: "Accountability."

Free enterprise advocates like Rich DeVos, when they are chastising profligate government, are fond of pointing out that in business and in our family budgets we can not live beyond our means. Is this what Dear Richard has done? In spending nearly \$200M this past year on two players, one of whom has played four games, did RDV sports make a big and costly mistake? Did the building cause the mistake? Or was it a management error of colossal dimensions?

One could wonder what condition the Magic would now be in if that same amount of money had been used to hold a winning team together. When Shaq left Orlando it was inevitable that "plenty of good seats" would soon be available for those Magic games which had once been the hottest ticket in town. Did the Magic wait too long to dump the moody Penny Hardaway and begin rebuilding a sports franchise suddenly in trouble? These were management decisions that have gone wrong. Somebody, not the building, made these decisions.

If the people of Orlando are to bail out RDV Sports every time it makes management mistakes, shouldn't other public treasures expect the same? If Disney has a bad year should the taxpayers subsidize Michael Eisner's bonus? Or are sports teams different? Are they like a public utility? They are after all a quasi-monopoly.

Certainly one must wonder if a management team that contributed to the current problems should be the recipient of public funds without some strings. If the public is expected to bear the financial burdens of management failure, shouldn't the public share in the financial successes when they come? Shouldn't the public question the need for new management?

Perhaps the people of Orlando should expect as a part of the price for a new O-rena, that the city be given some level of ownership in RDV sports. Or perhaps RDV Sports, the current Magic ownership, should be required to abdicate

by selling the Magic and its entourage of sports teams to someone new. This would allow the billionaires at RDV Sports to recoup their losses in profits from a sale, and then with new ownership and management in place the need for and terms of a new building could be clarified.

If the DeVos' clan stays in the basketball business, and if the taxpayers of Central Florida are to pay the price for a new building, public officials should insist that Orlando will does not experience taxation without representation. There should be no subsidy without accountability. As Rich DeVos knows so well, "Compassionate Capitalism" requires no less.

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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