Public subsidies are a significant source of funding for professional sport arenas, ballparks, and stadiums (all of which are hereafter referred to as stadiums). Public investment averaged 78% of the total cost of the 121 facilities in use during 2010 across Major League Baseball, Major League Soccer, the National Basketball Association, the National Football League, and the National Hockey League (Long, 2013). The average public cost of North America’s major league stadiums was $259 million, and the total public cost across these stadiums exceeded $31 billion (Long, 2013).

Historically, public financing proposals involving the construction of sport stadiums have been subject to voter approval in a number of cities across the United States (Brown & Paul, 2002; Mondello & Anderson, 2004), though the prevalence of stadium referendums and initiatives has declined in recent years (cf. Kellison & Mondello, in press). Successful passage of stadium initiatives has come despite popular public sentiment opposed to the use of public monies for the construction of sport-related facilities (Rasmussen Research, 1997). Approval of these ballot issues has also occurred despite the conclusion from economists that public financing of sport facilities is not an astute economic decision (Ahlfeldt & Maennig, 2009; Barclay, 2009; Coates & Humphreys, 2003; Rosentraub, 1999; Siegfried & Zimbalist, 2006).

The issue of sport stadium referendums is important because these projects are among the largest and most expensive public works undertaken by communities. The lack of past stadiums’ demonstrable economic impact suggests that voters who favor stadium subsidies may not base their decisions purely on the objective economic realities of a proposal. If that were accurate, fewer propositions should be approved. As contended in this presentation, citizens vote on stadium referendums under conditions of incomplete information based on subjective perceptions of reality, centered on information received as a by-product of daily activities or through the use of information shortcuts. Explaining the success of these propositions requires broadening the scope of investigation to focus on the factors influencing voters’ perceptions of the consequences of their decisions at the ballot box. The purpose of this presentation, then, is to propose a model that identifies the factors influencing voter attitudes toward stadium referendums. Additionally, a portion of the model is tested using recent stadium-subsidy voter data.

The Sport Referendums Model (SRM) suggests that voters’ levels of support for sport-related ballot issues are determined by their perceptions of three major areas of consideration. First, voter support for a particular stadium referendum will be influenced by the perceived economic consequences associated with a proposed facility. Such economic considerations include the net tax price of the proposed facility, the perceived economic impact of a new stadium, and the economic climate during which the decision is made. Second, voters will consider the perceived emotional consequences associated with a proposed stadium project. Emotional consequences are based on the degree to which a sports team is considered a source of community identity, elite mobilization in support of a referendum, the perceived threat that a team will relocate if a proposal is rejected, and the potential for the project to incur social costs through significant displacement of individuals and groups. Third, voting decisions will be influenced by the level of opposition mobilization among those individuals and groups against the proposed facility. During the presentation, the model components will be discussed in further detail.

The next step is to analyze the myriad relationships proposed in the model. In the presentation, we will discuss our initial testing of the SRM, which will investigate the effect of economic consequences on voter support. Our work will build on the research conducted by Paul and Brown (2006), who examined 41 stadium referendums from 1984–2001 and identified how the dynamics of elite endorsements in professional sports facility referendums impacted voting outcomes. Consistent with their methodology, the dependent variable in our model will be the percentage of voters supporting the referendum. As show in the SRM, economic consequences consist of perceived net tax price, economic impact, and economic climate. To quantify these factors, we will examine relevant press coverage for each of the ballot measures occurring during 2000–2012. Because the local press is likely to provide citizens with the...
majority of information related to stadium initiatives, newspaper coverage is an appropriate source to gather data. When applicable, in order to consider the perspectives of both subsidy supporters and opponents, dummy variables will be created to distinguish between optimistic and pessimistic predictions of net tax price, economic impact, and economic climate. Finally, hypothesis testing will be conducted using ordinary least squares regression modeling.

According to data collected by the Initiative and Referendum Institute (2013), the overall success rate of ballot propositions placed before voters since 1900 is 41%. Since most ballot measures placed before voters are defeated, supporters of stadium propositions are likely to face an uphill battle. Two other factors create even greater complications for those seeking to gain public approval for the financing of new facilities. First, many of America’s cities have seen a decline in their financial position (Saffell & Basehart, 2009; Smith, Greenblatt, & Buntin, 2004). State taxes collected in 2010 reached a five-year low (U.S. Census Bureau, 2012). The voters themselves pose a second threat to these projects. Recent polls in Miami, Minneapolis, and Tampa each indicated that voters strongly opposed the use of taxpayer dollars to build new stadiums (Caputo & Olorunnipa, 2013; Kaszuba, 2011; Schorsch, 2013).

Nevertheless, stadium-financing proposals have historically been successful at the voting booths (Rosentraub, 1999; Noll & Zimbalist, 1997). In the 26 stadium referendums brought before voters between 1990 and 2000, 81% of the proposals were passed by voters (Mondello & Anderson, 2004). In an environment in which many voters claim to oppose the use of public money for this purpose, and in which cities have an increasingly small resource base to draw upon, the continued success of a majority of these projects warrants further analysis. The SRM is proposed to advance our understanding of the factors influencing the success or failure of public-stadium ballot measures. Implications of the SRM, reactions to the initial data analysis, and suggestions for additional research will be discussed.