Perception Formation Process for Subsidized Stadiums: A Grounded Theory Analysis of Miami-Dade Residents

Emily Must, University of Northern Colorado
Daniel Rosenberg (Advisor), Barry University

Abstract 2016-130
Friday, June 3, 2016
9:40 AM
20-minute oral presentation
(Forum East 2)

For over a century municipalities throughout the United States have contributed public subsidies to professional sports franchises for stadium and arena construction (Long, 2012). Major league franchises have received over $17 billion dollars of public money for facilities with an additional $4 billion cost for forgone federal taxes from 1992-2012 (Kuriloff & Preston, 2015). These subsidies have been the center of many debates focusing on whether it is appropriate and legal for public monies to be used for private enterprises. However, several courts throughout the United States have determined that professional sports stadiums and arenas provide a ‘paramount public purpose’. This designation legally allows many municipalities to provide subsidies, even if the public has not voted, or even previously voted against it.

Research has shown these subsidized facilities do not provide any economic benefit to the surrounding area (Baade & Sanderson, 1997; Johnson, Groothuis & Whitehead 2001; Noll & Zimbalist 1997). Due to the threat of relocation from the teams, municipalities often reluctantly offer subsidies citing that the teams provide intangible benefits like civic pride (Crompton, 2004; Delany & Eckstein, 2008). The proclamation that teams provide these intangible benefits has been upheld in the legislatures statement of what constitutes ‘paramount public purpose’ and has been reflected in a myriad of recent subsidy campaigns (Buist & Mason, 2010).

While intangible benefits are difficult to quantify they have been a driving force for providing subsidies. As such this research employed grounded theory methodology to determine how residents perceive stadium projects, what influences these perceptions, and if intangible benefits play a role in the perception formation process.

This research investigated the perceptions of Miami-Dade residents with regard to Miami Marlins Park, a $2.4 billion stadium that was 70% subsidized by the taxpayers without a vote and amidst public outcry. Additionally, the terms of the financing provide a very favorable lease and revenue agreement to the team. The research sought to determine what outcomes or benefits residents associated with the stadium and the team and how they came to form these perceptions. In-depth and informal interviews of residents, unobtrusive analysis of media reports, and observations in and around the stadium provided data that revealed the process that residents experience as they form their perceptions about the facility and the various outcomes and influences that impacts this perception.

Findings indicate that media influence, proximity to the project, and political opinion influence the perception formation process the most. Media agenda setting facilitates the outcomes residents associate with the project, while their personal value system and views about media influence, proximity and political opinion, filter the outcomes to help form a perception about each outcome, as well as the entire project. The researcher has developed continuums to explain residents perceptions of a variety of outcomes as well as determined an eight step process that outlines how residents form these perceptions.

This study expanded on previous literature by providing an in-depth examination of the processes that residents experience when evaluating the merits of a publicly subsidized sports facility. To date many studies have investigated the associated economic benefits attributed to a new stadium (Baade & Sanderson, 1997; Coates, 2007; Coates & Humphreys, 2008; Johnson, Groothuis & Whitehead 2001; Noll & Zimbalist 1997). Some studies have investigated the intangible benefits associated with new stadiums (Eckstein & Delany, 2002; Jacobson, 2003; McKinley, 2000; Zillmann, Bryant & Sapolsky, 1989) and others have investigated the media influence on stadium campaigns (Buist & Mason, 2010; Crompton, 2004; Delaney & Eckstein,2008). However, no studies to date have taken a qualitative approach to understand the attributed outcomes and perceptions of a new stadium from the perspective of the residents.
This research has illuminated several practical applications for municipalities and franchises that intend to use public funds to build stadiums including the strategic use of tax incentives and private investments, implementation of specific corporate social responsibility campaigns related to the franchise, inclusion of diverse events, the importance of a solid public relations campaign, and a variety of other options that can help residents form positive perceptions and bolster support for the facility.