



U.S. Representative • 9<sup>TH</sup> CD, New York • Brooklyn-Queens

**ANTHONY D. WEINER**

Report

## **The Best Laid Plans...**

**An Analysis of the 10 NFL Stadiums Built Since 2000**



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### **Executive Summary**

The last ten football stadiums built have cost on average 19% more than initial estimates because of overruns.

A 19% increase in cost due to overruns in the West Side stadium project would drive the price tag up from \$1.4 billion up to \$1.67 billion – a difference of \$267 million.

No document available to the public suggests that the Jets would be legally obligated to pay for cost overruns. That means that rather than covering \$600 million, as outlined in current plans, taxpayers would be stuck with an \$867 million bill – a 44.5% increase.

**Projected costs, actual costs and overruns for the past 10 stadiums built:**

City	Stadium	Original Cost	Final Cost	Overrun	% Overrun
Chicago	Soldier Field	\$587	\$655	\$68	11.58%
Green Bay	Lambeau Field	\$295	\$295	\$0	0.00%
Philadelphia	Lincoln Financial Field	\$340	\$512	\$172	50.59%
Boston	Gillette Stadium	\$325	\$392	\$67	20.62%
Detroit	Ford Field	\$315	\$420	\$105	33.33%
Houston	Reliant Stadium	\$367	\$449	\$82	22.34%
Seattle	Quest Field	\$425	\$430	\$5	1.18%
Denver	Investco Field	\$360	\$400	\$40	11.11%
Pittsburgh	Heinz Field	\$214	\$261	\$47	21.96%
Cincinnati	Paul Brown Stadium	\$288	\$339	\$51	17.71%
Average		\$352	\$415	\$64	19.04%

1. **Chicago's Soldier Field, 2003:** While developers initially hoped to renovate Soldier field for less than \$600 million, the project ran into problems due to asbestos removal, structural add-ons to an underground parking garage and cosmetic enhancements. Initially, builders hoped to keep overruns to \$50 million, but recent estimates suggest they grew to \$68 million.
2. **Green Bay's Lambeau Field, 2003:** The Green Bay Packers, a publicly-owned corporation, received the approval of a rise in the sales tax to pay for a renovation of their historic Lambeau Field. This is the only project of the last 10 that does not appear to have overrun initial cost estimates.
3. **Philadelphia's Lincoln Financial Field, 2003:** The Philadelphia Eagles new stadium, replacing historic Veterans Stadium, was part of a package deal that included a new stadium for the Philadelphia Phillies baseball team. While the Eagles provided substantial resources in providing for the costs of a new stadium, they were not enough. Even today, as the Stadium is being used by the Eagles, lawsuits abound because subcontractors have not been paid for the work they have done.
4. **Boston's Gillette Stadium, 2002:** Taxpayers were lucky in New England. Because

agreements before the construction of the New England Patriot's new stadium put a cap of public spending at \$70 million, overruns were borne exclusively by the owner, who ended up selling rights to the name of the stadium in order to cover some of the extra expenses.

5. **Detroit's Ford Field, 2002:** Like in Philadelphia, overruns in Detroit have resulted in lawsuits by subcontractors who have not been paid. And because Ford Field is a public project, state and federal law does not allow contractors to file liens to collect what they are owed.
6. **Houston's Reliant Stadium, 2002:** Taxes on hotels and rental cars will be used to finance \$317 million of the \$449 million needed to build a home for the expansion Houston Texans. However, the overruns were so excessive that the team's owner had to lend money to the project in order to pay for the extra costs.
7. **Seattle's Quest Field, 2002:** Paul Allen, the billionaire co-founder of Microsoft, paid for the overruns on Seattle's stadium, where the real scandal has been the extraordinary hidden costs of the Seattle Mariner's new baseball stadium, Safeco Field. Nevertheless, taxpayers are covering 75% of the total bill.
8. **Denver's Investco Field, 2001:** Residents of the six counties in the Denver area agreed to pay for 75% of the costs of the stadium through a sales tax extension. The remaining quarter, and overruns were paid for by the Broncos. Lucky for them that the overruns were minimal in comparison to other stadiums.
9. **Pittsburgh's Heinz Field 2001:** In Pittsburgh, concerns about overruns at the University of Pittsburgh's new stadium have overshadowed concerns about Heinz field. However, many of the overruns there are due to the fact that the facilities were built simultaneously, and so greater demand forced a rise in the price of construction.
10. **Cincinnati's Paul Brown Stadium, 2000:** Lawsuits abound in Cincinnati in the wake of exorbitant overruns during the construction of a new home for the Cincinnati Bengals. In some, the county and the Bengals have sued contractors for excessive billing. In another, the county has sued the Bengals for the excessive costs. Anger in the community over the cost to taxpayers has been so strong that elected judges have lost reelection bids over the issue.

### Projected Costs Estimates for the West Side Stadium

Proponents of the West Side Stadium proposal claim that the cost will be \$1.4 billion. Of that, \$800 million is supposed to be covered by the Jets, \$300 million is supposed to be provided by New York City taxpayers, and \$300 million is supposed to be covered by New York State taxpayers.

The \$600 million contribution taxpayers are supposed to make distinguishes this stadium deal as having the highest public cost in U.S. history. Of that \$600 million, the State's contribution would fund the platform over the Long Island Rail Road yards on which the stadium will be built. The City's funds would be used in part to build that platform, and the remainder would be used to build the retractable roof over the

stadium.

The \$800 million provided by the Jets would be used to build the stadium itself.

### **Revised Cost Estimates for the West Side Stadium**

However, an analysis of the last 10 stadiums done for NFL teams suggests that on average actual costs end up being 19% more than projected costs. If that holds true with the West Side stadium, the \$1.4 billion its proponents currently estimate would increase by \$267 million. That would bring total cost of the project to \$1.67 billion

### **Overruns**

A great deal of ambiguity remains about who would cover overrun costs. Three public documents from the parties promoting the West Side Stadium plan send conflicting signals.

1. The first is the General Project Plan, which states that “any project overruns will be borne by Jets Development.” The problem is that the project plan is not legally binding, and even if it was, neither the Jets nor the City have signed it. [See Appendix I, “Project Plan,” page 6]
2. The second is a Memorandum of Understanding between the City and the State regarding the West Side stadium project. It states the following: “the State and City, in equal shares, will fund a portion of the Multi-Use Facility in an aggregate amount not to exceed \$600 million (net of financing costs) with the State funds being allocable solely to the Enclosure [platform] and the City funds being allocable to the Enclosure and the Roof; the Jets will fund, or provide for private funding, of all other costs of the Multi-Use Facility (estimated to be \$800 million) including all cost overruns, if any.” [See Appendix II, “City – State MOU,” page 3]

This language is ambiguous regarding who pays for what overruns. It is unclear whether the Jets would be responsible for *all* overruns, or if they would be responsible for overruns *only* on their \$800 million portion.

In any case, the Jets are not a party to the document

3. Finally, there’s the Memorandum of Understanding between the Jets and the City. It makes no mention of cost overruns at all. In fact the language explicitly leaves open the possibility that the City and State would be responsible for overruns on the platform and roof: “The Enclosure and the Roof will be funded from public sources.” [See Appendix III, “Jets MOU,” page 6]

The absence of any public document making it unambiguously clear that the Jets will cover the costs of overruns suggests that taxpayers could be forced to pick up the tab.

That means that the extra \$600 million taxpayers are already on the hook to pay would grow \$240 million, or \$840 million total.

### Sources

The University of Oregon; Philadelphia Enquirer; Chicago Sun-Times; Green Bay Press-Gazette; Seattle Times; Associated Press; Engineering News-Record.

Appendix A Appendix B Appendix C

Congressman Anthony D. Weiner

### Reports List