

## **A Home for the NFL Chicago Bears: A Case Study in Political Economy and Power**

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**Abstract:** The Chicago Bears have played their regular-season home football games in Soldier Field since 1971, when they moved from Wrigley Field. After several decades of looking elsewhere and a decade of intense activity to secure a better facility, the Bears, Chicago mayor Richard M. Daley and the Illinois state legislature settled on a final plan. But that agreement includes design and financial aspects at odds with previous expectations, is leading to a new stadium that is the smallest in the NFL and located on some of the most valuable public real estate in Chicago, and has been denounced by the leading newspaper, local architects, prominent civic leaders and preservation groups in the city. This paper explores and analyzes the events leading up to this decision, the special-interest politics, economic motivations, and the exercise of sheer political power in bringing about this new public project for a private business.

### **I. Introduction**

On September 19, 1971, the Chicago Bears defeated the Pittsburgh Steelers in their first NFL game in Soldier Field.<sup>1</sup> On January 19, 2002, after seven straight below-.500 seasons, the Bears played a playoff game in Soldier Field, but lost to the Philadelphia Eagles. (Ironically, at that same moment, four miles west of Soldier Field, Michael Jordan was playing his first basketball game in the United Center after a three-year absence from the NBA, albeit as a member of the Washington Wizards.) It would be the last football game ever played in the “old” Soldier Field. Within hours of the final gun, bulldozers and wrecking crews emerged from underneath the north stands to begin gutting the interior of that facility. On September 29, 2003, in a Monday Night Football telecast, the Chicago Bears played the Green Bay Packers in the first game in the totally renovated, publicly-financed Soldier Field. (The Bears played their eight regular-season “home” games in 2002 at the University of Illinois, 125 miles south of Chicago.)

Two years ago, the city and Bears announced an agreement to build a new stadium within the existing shell of Soldier Field. This renovation is the most controversial lakefront construction project in

more than 40 years. The sections that follow trace the evolution of political and economic events of the last two years that have culminated in the state, city and Chicago Bears organization agreeing on a plan to provide a permanent home for that NFL franchise, albeit to a large extent without the approval of citizens of the city or state, and in spite of considerable public outcry in the press, from civic leaders and from other well-respected quarters. To examine and explain why the mayor and team chose to go the routes they did in the face of such criticism, and to understand how the city and the Bears left themselves far worse off than with feasible alternatives, are the goals of this paper. Sections II and III offer the historical perspective and the flurry of activity leading to the quasi-final proposal over the last two years. Section IV provides the economic aspects of the agreements. Section V reviews the legal maneuvering, while Sections VI and VII cover the public battles over the stadium, including available alternatives. Section VIII discusses complementary considerations and complexities. Section IX concludes.

## II. A Brief History<sup>ii</sup>

From 1922 to 1970, the Chicago Bears played their home games at Wrigley Field, better known as the “friendly confines” for the Chicago Cubs in Major League Baseball. Since 1971, the Bears have played at Soldier Field, on the lakefront and just south of the city’s principal commercial and tourist center. That stadium is owned and operated by the Chicago Park District (CPD), a city agency. Originally built as a memorial to the men and women who served in World War I, Soldier Field opened on October 9, 1924 (with a re-enactment of the burning of Mrs. O’Leary’s barn<sup>iii</sup>, seen by a crowd of 60,000), as a multipurpose facility. Over the years it has been the setting for boxing matches, political conventions, religious gatherings, a civil rights rally, track meets, a ski jump exhibition, stock-car races, the now-defunct College All-Star football game (and the one and only XFL season), high school football games, World Cup soccer, rock concerts and community events.<sup>iv</sup> Soldier Field is also adjacent to three of Chicago’s main cultural attractions (the Field Museum of Natural History, the Adler Planetarium, and the Shedd Aquarium), the McCormick Place convention center complex, Grant Park, and a small general aviation air strip, Meigs Field.

For the last three decades, team founder George Halas and then subsequently members of the Halas family, including the McCaskeys – Virginia H. McCaskey, his daughter, remains the principal

owner, and until recently Michael McCaskey, her son, was the Bears' president – have looked for greener pastures. The Bears have considered both renovations to Soldier Field itself and alternative locations in the city proper, the suburbs, and even out of state, where they could have an entirely new facility, either open-air or domed; those explorations even included an option for a stadium the Bears would share with the Chicago White Sox baseball club. In 1980, the Bears signed a new 20-year lease for Soldier Field. Within the last 10 years, the city, state and Bears have negotiated back and forth with regard to substantial renovations within the existing facility, construction of more luxury suites in Soldier Field, a more favorable split of venue and parking revenues for the Bears, building a new domed stadium at or near McCormick Place (dubbed “McDome” in the media), and even adding a retractable dome to Soldier Field itself. All of these proposals entailed some commitment of public monies – anywhere from \$60 million to \$300 million – and all of them were rejected for one reason or another by the Bears and/or the mayor. By NFL standards, by 2000 the existing Soldier Field facility was admittedly woefully lacking in basic amenities, which would include adequate restrooms and concession areas, not to mention the usual panoply of fan-friendly features found in newer stadiums. And never meant as a football stadium anyway, its configuration placed far too many seats – 60 percent of the total capacity – in the endzones. But for most of the last decade, there were a series of political spats and stalemates, but nothing really moved; since 1990 the Bears or city had rejected at least 13 renovation, relocation or “from-scratch” plans.

Then in a space of a few months in early 1999, several somewhat exogenous events took place that changed the landscape dramatically. In January, Jim Edgar stepped down as Illinois' two-term governor (1991-1999) and he was succeeded by George Ryan. Edgar was viewed as less sympathetic toward Chicago's priorities, and Chicago mayor Richard M. Daley and Edgar had clashed openly over several issues, including casinos and airports – control or and expansion at O'Hare, the viability of Meigs Field, and plans for a third airport in the region. Ryan was a known dealmaker and someone far friendlier to the Daley forces. Then in February, after the Bears had experienced several disappointing seasons on the field and some public relations and personnel gaffes off it, Virginia McCaskey fired her own son, Michael, as president and CEO and replaced him with a more moderate, affable person, Ted Phillips. (Among other things, Daley had never forgiven Michael McCaskey for firing Bears coach Mike Ditka in 1992; the two men – Daley and McCaskey – never got along well, which may have contributed to the stalemate over a

permanent home for the Bears.) After years of unproductive in-fighting and one-upmanship, things were about to change, and change rapidly – too rapidly, most observers would say.

### III. Recent Developments

On November 16, 2000, a day in which the *Chicago Tribune* front-page headline read: “Florida official rejects hand counts,” the Chicago Bears and the city unveiled a \$587 million plan to renovate Soldier Field. The contemporary design of this state-of-the-art facility was to fit within the existing outer shell – the famous colonnades. The mayor said at the press conference: “I’m pleased that after years of false starts, we finally have a plan that works for taxpayers, the Park District, the Bears and the other teams and groups that use Soldier Field and the surrounding area.” In addition to renovating the stadium itself, the redevelopment project called for new parking areas (one underground), and 19 acres of new public park land. Of the \$587 million total, the Bears were expected to contribute, directly or indirectly, \$200 million – 50 percent in the way of revenues derived from seat licenses and \$100 million in the form of a loan from the National Football League (NFL); \$387 million was to come from the proceeds from the sale of 30-year bonds by the Illinois Sports Facilities Authority (ISFA), and the indebtedness was to be repaid from extending a two percent tax on hotels and motels within the city of Chicago.

While the country was still riveted by the political events in Florida and Washington, D.C. in the aftermath of the 2000 presidential election, Daley and Ryan pushed the deal through the Illinois General Assembly in two weeks. While there was initial enthusiasm for the stadium proposal and the fact that something was finally happening, caution was expressed on several fronts, including the lead editorial four days later in *Crain’s Chicago Business*<sup>v</sup>

“After nearly a decade of delays, the rush is on to have the General Assembly approve the city’s plan to rehab Soldier Field into a state-of-the-art stadium . . . Backers of the plan are pressing for approval during the Legislature’s current veto session. . . While it would be a relief to get [the] project going, it won’t hurt if legislators slow the process down and enable the public to openly examine the plan’s details. If that means waiting until the General Assembly meets early next year, that’s not unreasonable. Worth investigating are the effect of the proposal on residents’ pocketbooks, potential damage to the city’s lakefront and skyline, the effect on the area’s museums and other attractions. . . In short, let’s really know what we are getting into.”

Nevertheless, in less than two weeks from the time the plan was announced, and less than a week from the time the proposal arrived in Springfield, the Illinois House and Senate approved the deal, and Governor

Ryan agreed to sign the bill. (The NFL added its own pressure by suggesting that its \$100 million loan might go elsewhere if construction didn't begin in time to have the stadium ready for the 2003 season.)

The Chicago Plan Commission approved the renovation plan by a vote of 10-1 on March 15, 2001. On March 28, the city council approved it by a vote of 35-7, a relatively large 'no' vote for a body generally perceived as a consistent rubber stamp for the mayor and his agendas. The proposal then went to the Chicago Park District, which, without discussion, voted 5-0 to approve the project.

In the face of mounting criticism about the process – mainly the absence of public hearings or a referendum on the renovation plan, widespread dissatisfaction with the design, the rapid-fire pace at which the city and Bears were moving in spite of on-going court challenges to the legality of the entire project, Bears president Ted Phillips stated in July of 2001 that “we’re moving forward. We’ve gotten the positive votes from the people we need the votes from.” Only a month earlier, even the mayor had to intervene to “urge” the Bears to scale back the plans for the west grandstand to soften the look, which involved reducing seating capacity from the original 63,000 seats to 61,500. Within a week of the January 19, 2002, playoff game, \$100 million had already been spent on the design and purchases of materials. By November 6, 2001, \$68 million in contracts had already awarded for structural steel and precast concrete; by early February 2002, the city had awarded \$188 million in contracts.

One factor working in the Bears' and city's favor was the early semantic decision, then buttressed by court rulings that a project that essentially gutted Soldier Field, leaving only the colonnades, was not new construction but merely a renovation of an existing structure. This distinction allowed these parties to avoid a lot of scrutiny, let them bypass normal checks and balances with regard to legislative guidelines, and permitted no-bid contracts. Had it been considered new construction, public hearings and debates, a slower timetable, and maybe even a referendum would have been on the schedule. Thus public and franchise rhetoric always included words such as “rebuilt,” “retrofitted,” “renovated,” or “rehab,” when describing the project and the progress. As a political wag was known to have uttered in another context at an earlier time, but still applicable today, “Chicago ain't ready for reform.”

#### IV. The Economic Underpinnings and Understandings

##### *The Basic Game Plan*

The plan announced by Mayor Daley on November 16, 2000, described a \$587 million lakefront redevelopment project, which was to include a 63,000 stadium for the Bears (versus the 67,000 capacity in old Soldier Field) by essentially inserting a modern glass and steel bowl inside the Doric colonnades of the 1924 facility. The dollar figure moved quietly to \$606 million, then to \$632 million within a year. As noted above, the Bears' "contribution" is approximately a third of the total expected outlays, and the club is responsible for any cost overruns not of their own making (a significant factor, given recent histories of stadium construction and renovation estimates versus final costs elsewhere and the tendency of Chicago projects to take on a timetable and budget all of their own. (Millennium Park, scheduled to open in 2000, is three years behind schedule and about \$400 million over budget, and counting.)

In addition, the proposal called for the razing of the Chicago Park District (CPD) headquarters to make room for the new underground parking facility; the costs associated with that demolition were included in the budgeted figure, but not the cost of acquiring another CPD building at another location, which falls to local taxpayers. If hotel tax revenues are not sufficient to pay bondholders, and the budgeted assumptions were that hotel revenues would grow by 5 percent a year over the life of the project, Chicago's share of state income tax revenues would be used to fill the gap. (At the moment, as with many cities and states, Chicago and Illinois are already experiencing substantial budget shortfalls, and hotel occupancy rates are lower than normal.)

Under the 1980 lease arrangements between the Park District and the Chicago Bears, which was to run through December 31, 2000 (and was subsequently extended for a year), the CPD paid for all maintenance and modest upgrades, and it supplied utilities. In exchange, it received 12 percent of ticket revenues, 20 percent of luxury suite rentals, and all monies from concessions, advertising and parking (less a \$1 million annual payment to the Bears for game-day parking). In 2000, that sum came to \$9.5 million. And the Bears had total control of the stadium for 20 days a year.

Under the November 2000 Memorandum of Understanding (MOU), the CPD abdicated all construction and design aspects to the Bears; ceded all ticket, suite, advertising, concessions, parking and naming-rights revenues to the team; acknowledged that the Bears were the primary tenant in the facility,

and conferred control for 116 days annually to the franchise. It also agreed to upgrades, financed by the CPD, to ensure that the facility would remain in the top quartile of NFL stadiums with regard to revenues and state-of-the-art features. While not spelled out in any detail in this 30-year arrangement, the expectations might include next-generation interactive capabilities for at least some of the premier seats and the adaptation of new scoreboard and replay technologies. If bond revenues aren't sufficient, then Chicago residents are on the hook for the costs, which would likely mean a property tax increase.<sup>vi</sup> The new terms call for the Bears to pay the Park District \$10 million a year for rental of this public property.

As is now "usual and customary" with new sports stadiums, convention centers and other commitments of public monies, the promoters – or defenders – promise substantial gains to the public. This one was no exception. According to Bears president Ted Phillips: "It's going to bring economic development, it's going to bring jobs, it's going to bring \$140 million for minority- and women-owned businesses."<sup>vii</sup> The usual economists' rejoinders and counter-claims apply.<sup>viii</sup>

#### *From the Bears Side of the Field*

Under the new arrangement there will be four tiers of seating:

- 133 luxury suites, with annual lease prices ranging from \$70,000 to \$300,000, and they are all sold/leased;
- 8,600 club seats, which will require occupants to purchase permanent seat licenses (PSLs) as well, with prices scaled from \$2,900 to \$10,000 as one-time charges, plus per-game tickets from \$195 to \$315 (or \$1,560 to \$2,520 per year);
- 27,500 PSLs, which are expected to generate \$50 to \$60 million for the Bears, plus season tickets; and
- the remainder are general admission tickets, with the least expensive season-ticket per-seat price of \$400. Most of those are in the highest portion of the higher side of the stadium and either very low or very high in the end zones.

Although periodic upgrades to Soldier Field included adding luxury suites (and almost as many as will be in the renovated facility), the Bears are only now introducing a PSL feature. Forty-five percent of the seats in the renovated stadium will be Permanent Seat Licenses, the smallest percentage of seats reserved for

PSLs in any new stadium (Carolina and Baltimore top 90 percent), but the top price -- \$10,000 -- is the highest in the NFL (the lowest priced PSL in Soldier Field will be \$900).

The Bears' own revenue estimates for 2003 reveal an expected gain in profitability from \$11 million to \$30 million with the renovated facility, more favorable lease arrangements, and more revenue sources. Their projections actually show a decline of \$1 million in general ticket revenues (largely due to the reduced seating capacity in the new stadium), but that loss is more than offset by increased revenues from PSL sales and premium seating, luxury suites, concessions, advertising and sponsorships. And even this understates the likely increase to the Bears' bottom line because they omitted parking revenues and downplayed the possibility of selling naming rights in the near future (see below). The author's own estimates show an increase in the market value of the franchise of \$300 million to \$400 million, roughly double its "pre-deal" price, as a result of the deal struck between its ownership, city, and state.

Some of the Bears original expectations had to be lowered as some related and unrelated events played out. First, under the contractual arrangements, the Bears were to receive some revenues from the Chicago XFL franchise, which no longer exists. Second, to assuage the public and the mayor, the Bears had to reduce seating capacity by 1,500; what was seen as a marginal gain in aesthetics on the one hand meant a loss of more than marginal ticket revenues to the Bears. (One of the explicit goals in the renovation plan was to increase the number of sideline seats. In "old" Soldier Field, only 40 percent of the seats were along the sidelines; under the new configuration that would rise to 60 percent. However, once seating capacity was reduced from 67,000 to 63,000 in the original plan, and then to 61,500 after the politically-mandated trimming, all of which came from the western sidelines, the net gain in sideline seats was only 10,000.) The final hit to the Bears' expected bottom line came in the wake of the terrorist attacks of September 11, 2001.

Selling or leasing naming rights for Soldier Field had been controversial from the outset. Special-interest groups like the veterans as well as the Midwest public at large flinched at the thought of a corporate sponsor's name on this war memorial, and Daley had long insisted that the renovated stadium would still be called Soldier Field. But as the project moved forward, the notion of a modified name -- "Boeing (or Motorola or Kraft Foods or some other firm with Chicago headquarters or roots) Stadium at Soldier Field" were floated publicly. And the initial estimates for the value of naming rights ranged from \$8 million to

\$10 million/year, or \$250-\$300 million (undiscounted) over the 30-year period. (The Bears claimed only \$50 million, in part because they agreed to keep “Soldier Field” somewhere in the title/name, and because Jerry Reinsdorf, owner of the Chicago White Sox, had no takers as he tried to secure a corporate sponsor for, and change the name of, Comiskey Park.<sup>ix)</sup> However rough the math or low the probability, 9/11 changed the political and economic calculus. A public outcry led the mayor and the Bears to retreat quickly; Soldier Field would remain Soldier Field, no ifs, ands, buts or Boeing. Offered an unexpected “out” – and a chance to turn a financial disaster into a handsome profit if they would only reconsider and opt for a separate brand new facility or another location – the Bears refused to budge and, in effect, walked away from more than \$100 million on the table.

*Cost Comparisons and Considerations*

There are currently seven NFL stadiums proposed, under construction or recently completed. Precise cost comparisons across projects are not possible or are likely to be inaccurate because of what is and is not included and in which budgets (such as any land acquisitions and/or infrastructure), some cost spreading because of multiple tenants or activities planned for the completed structures.<sup>x</sup> All of that said, Table 1 provides a rough comparison of costs and complementary features for these new facilities:

Table 1: Cost and Capacity Comparisons for Selected NFL Stadiums<sup>xi</sup>

<u>Franchise/Team</u>	<u>Seating Capacity</u>	<u>Estimated Cost</u>	<u>Per-Seat Cost</u>
Detroit Lions [2002]	65,000	\$315 million	\$4,846
Arizona Cardinals [2005]	67,000	\$331 million	\$4,940
New Eng. Patriots [2002]	68,000	\$397 million	\$5,838
Houston Texans [2002]	69,500	\$402 million	\$5,784
Seattle Seahawks [2003]	67,000 +5,000 temp	\$430 million	\$6,118
Phil. Eagles [2003]	66,000	\$500 million	\$7,578
Chicago Bears [2003]	61,500	\$606 million	\$9, 854

[Source: Derived from the *Sports Business Journal*, March 4-10, 2002, pages 19-27 and other team and media sources.]

## V. The law and lawsuits<sup>xii</sup>

Within hours of the final gun ending the Bears-Eagles playoff game at Soldier Field on Saturday, January 19, 2002, the bulldozers and jackhammers emerged from under the grandstands and started the demolition. The tight 20-month construction timetable was admittedly one reason for the city to let some contracts and the Bears to start ripping out seats, but this was also a blatant attempt to cut off, or render more difficult, any legal rulings against the project: a hearing to prevent demolition had been scheduled for court on January 22<sup>nd</sup>, just three days later.<sup>xiii</sup> And this was not the first legal action brought against the project.

The first lawsuit, filed in Spring 2001 by the Friends of the Parks against the Chicago Plan Commission, the city of Chicago, the Chicago Park District and the Chicago Bears claimed that the Plan Commission did not consider the requirements of the city's 1973 Lakefront Protection Ordinance in reviewing the proposed Soldier Field renovation plan. On June 11, 2001, Circuit Court Judge Lester Foreman refused the city's motion to dismiss, saying that: "In contrast to conducting a hearing to explore the issues of a vast project, the complaint avers a sham, a fruitless exercise that, in effect, merely paid lip service to the concept of a hearing."<sup>xiv</sup>

The second legal challenge came a few months later when opponents charged that the planned renovation violated the city's 1973 Lakefront Protection Ordinance; the city and Bears filed a motion to dismiss the suit, and they later prevailed. On January 11, 2002, Circuit Court Judge John K. Madden (not the former coach and current commentator of the same name), threw out nine of the 11 counts, but let two stand and said the foes of the stadium could proceed.

The final attempt to derail the entire project was a lawsuit filed by the Friends of the Parks and the Landmarks Preservation of Illinois against the Chicago Park District and the Chicago Bears in spring 2002, relying on those extant counts. The plaintiffs' argued on two fronts: (1) the transfer of substantial public use and control of Soldier Field to the Chicago Bears, and (2) the use of public funds and property for a private purpose. Article VIII, Section 1, of the Illinois Constitution states that: "Public funds, property or credit shall be used only for public purposes." The suit challenged the legality of using public money, and public trust property along Lake Michigan, for the benefit of a private company (the Chicago Bears). Implicitly acknowledging their vulnerability, the Bears and city have tried all sorts of contortions to

demonstrate that there are large public benefits, both financial and otherwise, with this project – jobs, tax revenues, many non-football uses of the renovated stadium, and new public parkland. One of their “talking points” disappeared when the MLS Chicago Fire, which formerly played its home games in Soldier Field, secured a new stadium in a suburb and had few if any plans to return to the lakefront.

Opponents have tried to demonstrate that the Bears are overwhelmingly the beneficiary and the rest of the alleged gains are either a wash or are less than what the city and citizens enjoyed under the previous contractual arrangements (including Park District revenues from the Bears and the stadium, which could be even lower after the renovation than before it, and the increase in the number of days – from 20 to 116 – that the Bears control the facility each year).

Plaintiffs based their argument in large part on an April 2002 Illinois Supreme ruling<sup>xv</sup> that voided an attempt by the Southwestern Illinois Development Authority to condemn a recycling plant in the southern part of the state and then sell it to Gateway International Raceway that wanted to turn it into a parking lot. The court ruled that the condemnation would only benefit the private firm, not the public at large.

In a surprise move, on April 25, 2002, only one day after he received the case, Judge Madden ruled in favor of the Park District and Bears, arguing that he had no right to overturn legislative action. Instead of taking a full week to study the case and review the documents, as he had originally scheduled, Madden rejected arguments that the stadium deal was unconstitutional and a violation of the public trust. He did, however, express reservations about a deal that tripled the profits for the Bears, noted that it was “not surprising because of the sheer strength of the NFL,” but in the end stated that “the sentiments of the court have no place in this decision.”<sup>xvi</sup>

The plaintiffs appealed the case to the Illinois Supreme Court, which agreed to take it on appeal. The Court heard oral arguments on November 21, 2002. Its decision, which is still pending, although construction on the stadium itself is now close to 60 percent complete by Bears’ estimates, will be based on what limitations and restrictions the state constitution requires of public officials with regard to the use and transfer of public trust property. On Friday, February 21, 2003, in a unanimous (6-0) vote, the Illinois Supreme Court rejected the plaintiffs’ appeal, affirming the earlier trial court decision that the renovated stadium serves the public interest.

## VI. The Architectural and Media Aspects

In addition to the legal challenges to the renovation plan, complementary criticism has come from two other local sources – from the architectural community and in the press. As noted above, the latest Soldier Field plan was first unveiled publicly on November 16, 2000. The principal architects for the renovation were Dirk Lohan of Chicago, the grandson of Mies van der Rohe, and Benjamin Wood and Carlos Zapata of Boston; the project was conceived as a 50-50 shared arrangement between the two firms. Lohan had previously designed lakefront additions for the Shedd Aquarium and Alder Planetarium, both viewed favorably by the profession and the public. Although Lohan has received the most personal criticism for his involvement in the project, in part because he is local and easily accessible, it was likely Benjamin Wood’s late 1998 suggestion that it was possible to squeeze a renovated stadium between existing columns that started the current initiative rolling. (Lohan had actually suggested to the mayor in 1988 that Soldier Field should be converted back to a site for city festivals and concerts.)

In addition to the pounding that the mayor and city have been taking in the press, among civic groups and leaders, preservationists, and the general citizenry, local architects and architectural critics have also joined the fray by attacking the aesthetic aspects of the Soldier Field renovation plan. Blair Kamin, Pulitzer-prize winning architecture critic for the *Chicago Tribune*, has devoted several of his regular column assignments to this single issue. Calling the project a “monumental eyesore,” “nightmare,” “massive mistake by the lake,” “grotesque” and “the triumph of political expedience over civic vision,” Kamin has been relentless in his commentary on and criticism of the plans and planners.

Other architects have ridiculed the proposed asymmetrical design as creating a fruit bowl, a flying saucer, an alien spaceship, a toilet seat, a bathtub, a beached whale, or an oversized ashtray. Chicago architects Stanley Tigerman labeled it “a fiasco”, John Buenz, “a travesty.” *Tribune* editorials have referred to it as “an upside-down bathroom plunger,” “an international laughingstock,” “a massive Ty-D-Bol,” “the ugliest stadium in America,” “a train wreck,” and a “grotesquerie.” The National Park Service has threatened to drop (or, officially, “de-designate”) Soldier Field from its list of national landmarks, a status is gained in 1987, one of 2,341 places so designated in the United States.

In addition to having its columnists take potshots at the project and proponents, in the space of just over thirteen months, the *Chicago Tribune*, the city's major daily newspaper, ran fifteen editors opposing the mayor and the Soldier Field renovation plan:

“Stadium Design: Mistake by the Lake” (March 14, 2001),  
“The legacy of Soldier Field” (April 1, 2001)  
“Redesign—or raze—Soldier Field” (April 22, 2001),  
“Daley’s year of infamy” (May 27, 2001),  
“Soldier Field: Perfuming the Pig” (June 6, 2001),  
“Blood Money and the Bears” (July 15, 2001),  
“A smarter stadium for the Bears” (August 22, 2001),  
“Stop, look—and listen” (August 26, 2001),  
“An exit from Soldier Field” (September 9, 2001),  
“Daley’s misdirection play,” (September 30, 2001),  
“Soldier Field’s days of reckoning” (November 11, 2001),  
“The Soldier Field Train Wreck” (December 17, 2001),  
“Daleynomics and Soldier Field” (January 16, 2002),  
“The margin grows thinner” (April 23, 2002), and  
“When the next deal gets cut . . .” (April 26, 2002).

Those editorials criticized both the design and location, made public the quasi-private deals, championed interim alternative proposals, belittled the economic calculus, and questioned the mayor’s integrity. The penultimate editorial above concluded that:

“An analysis of the \$632 million project shows that the public bill for the stadium renovation is higher than city officials have said it would be while benefits to taxpayers – in terms of promised parkland and additional park revenues – fall short of what was promised.<sup>xvii</sup>”

Several years earlier in a roughly comparable time period, from May 1995 through September 1996, the *Tribune* ran fourteen editorials that favored a domed facility at or near Soldier Field as the best possible outcome for the Bears and Chicago, and the rival *Sun-Times* also supported the dome concept (see Baade and Sanderson, 1997A).

Piling on too was Lois Wille, two-time Pulitzer Prize winning journalist and author, and former editorial page editor of the *Chicago Tribune*. In op-ed columns and her book, *Forever Open, Clear and Free: The Struggle for Chicago’s Lakefront*, she wrote of the proposal that:

“ . . . it involves real public land and real tax dollars and a real city’s heritage and reputation, so it is appalling to contemplate what may be the end result:

the wrong structure on the wrong site built in violation of procedures and ordinances honed in a century of struggles to protect this most precious of city assets, the finest public waterfront in the world.”<sup>xviii</sup>

Chicago Park District officials and the Bears have tried to blunt that public criticism with their own rejoinders in the *Tribune’s* daily “Voices of the People” space on the editorial space, claiming that the Bears are making “an unprecedented \$200 million contribution” toward the new stadium and that the Park District will gain higher revenues, not lower as others have asserted, under the new arrangement. Dirk Lohan has also felt compelled on more than one occasion to defend his design and involvement in this project:

“I am offended by the onslaught of relentless negativity by your columns . . . Chicago is a bold city that has been an architectural innovator for more than a century. We have not earned this reputation by stifling creative designs. On the contrary, we are known for taking bold steps in new directions while also honoring our architectural heritage. I am proud to have played a role in that tradition.”<sup>xix</sup>

Adding insult to injury, or at least some public embarrassment, Daley and Bears were also put on the defensive by a closer analysis of the promised parkland and multiple uses of the renovated facility. When the mayor first announced the renovation plan in November 2000, as a sop to certain civic opponents he promised 19 acres of new parkland around the new stadium. Without explanation, public press releases from the city and Bears suddenly began using the figure of 17 acres not 19. That public space includes a Veterans sculpture and water wall, children’s garden, Memorial lawn, winter gardens, and a sledding hill. But later, upon close examination of the architectural drawings, that figure included – and counted as “parkland” – landscaped median strips along the access and interior roads and sloped berms alongside the parking garage. The useable area turned out to be about 10 acres, not 19. The press had a field day with this discovery and ridiculed the mayor at every turn.

Even “foreigners” got into the fray: In a January 29, 2003, op-ed piece in the *Chicago Tribune*, after a recent visit to Chicago, Bob Levey, a *Washington Post* columnist opined: “I have just seen the most horrible piece of architecture in all the land.”<sup>xx</sup>

## VII. The Alternatives

Most observers, including ardent foes of the new Soldier Field deal, would readily admit that Soldier Field had seen better days since its inaugural event in 1924, and that in any case it was a lousy place to watch a football game. Only a small minority were willing to stake out a position opposing any new facility or any public subvention. The question then became how to get from Point A to another point, one that didn't include the Daley-Bears renovation.

Whether as frivolous attempts to delay or even derail the renovation of Soldier Field for the Bears, reactions to what many regarded as an ill-advised "growing and present danger" with regard to the location, design and financial underpinnings to the agreed-upon plan, or serious alternatives in their own right, four proposals emerged as challenges to what the mayor and team had proposed. These came in three forms: starting anew at the same location; considerations of alternative sites, either just west of Lake Shore Drive or near Comiskey Park; and/or redesigns of the current Soldier Field project.

In some of its editorials, the *Tribune* suggested openly that perhaps the city should consider bulldozing the existing structure and building a new stadium "more in harmony with its surroundings."

With a plan in hand from local architect Arthur Takeuchi, the Landmarks Preservation Council of Illinois proposed sinking the field – still at Soldier Field – by 55 feet so that the top would be lower than the colonnades, and increasing seating capacity to 75,000. The principal reason for the height of the current renovation – it rises to 30 feet above the colonnades on the east side and 45 feet above on the west, making it at least 25 feet higher than the top of the upper deck at Comiskey, which has received appropriate criticism as a public disaster – is to cram more sideline seats and away from the end zones (increasing the former to 60 percent of capacity versus only 40 percent so situated in the old facility. The Council's chief criticism of the Daley-Phillips plan is that it overwhelms the colonnades and desecrates a national historic landmark.

Then on August 22, 2001, the Landmarks Preservation Council of Illinois, with support from the civic group Friends of the Parks, proposed a new 80,000-seat retractable-dome facility on publicly owned land north of Comiskey Park. According to those groups, that stadium could be built faster – because no new land would have to be acquired – and cheaper (\$400-\$450 million, as opposed to the \$600+ million price tag for Soldier Field reconstruction, and a retractable roof would have opened the possibility of more

non-football, big-ticket events inside the facility); the location also has better access to expressways and public transportation; and it contains more credible, though likely empirically-flawed, promises of economic spillovers in the surrounding neighborhood, something most observers regard as impossible at the Bears' present location. In addition, the Bears would not have had to relocate to Champaign-Urbana for the 2002 season, they would have had revenues for nearly 20,000 more seats, and they could have exercised full control over securing naming rights. (Their proposal also included a plan to restore Soldier Field to its original – 1924 – scale and purposes by removing substantial portions of the current seating configuration, adding more green space, and then turning it into a multiple-use festival and park site: Soldier Field Park.) The *Chicago Tribune* quickly got behind this plan; just as quickly, the mayor and Bears pronounced the plan unworkable and were unwilling to even consider it.

Finally, two local well-known philanthropists, John Bryan, former Chicago-based Sara Lee CEO and Cindy Pritzker, local culture maven and member of the Pritzker family that owns the Hyatt Hotel chain and sits on boards of many of the city's leading cultural and educational institutions<sup>xxi</sup>, approached the mayor directly in late 2001. Their proposal, developed by well-known Chicago architect Lawrence: For the same amount of money the city and Bears were spending, they could have a new 75,000-seat domed stadium to be located on parking lots near Soldier Field and McCormick Place, thus preserving Soldier Field for a large range of civic and community activities. This would also have reserved the valuable naming rights for the Bears, increase their net revenues from the 13,500 additional seats, and would not have interrupted play so the Bears would not have had to venture downstate to play during the construction phase of the project (the 2002 season). The *Tribune* quickly jumped on this new bandwagon:

“Bryan and Pritzker aren't the typical meddling types Daley swats aside. More than anyone, they are responsible for getting Millennium Park built. They have dug deep and forced their peers to pay up to get Millennium started and bail out the city on cost overruns and mismanagement.

They are also symbols.

Though retired now, Bryan still represents the will of the city's business elite. And Pritzker, thanks to her name and personal commitment to culture, represents the best of Chicago society.

They bravely speak while their more timid peers would allow Daley's planned pillaging of Soldier Field to cheapen the city, its reputation for great architecture and its quality of life.”<sup>xxii</sup>

The Bears and mayor quickly rejected the Bryan-Pritzker plan.

### VIII. Complementary Skirmishes

The Soldier Field renovation itself, or the larger lakefront redevelopment project, can also be considered as part of a larger public picture. And there are at least two additional dimensions or pieces to what might otherwise be seen as a puzzle or mystery.

During early battles in the last decade over a permanent home for the Bears and the shape of the lakefront, Mayor Daley and then-Governor Jim Edgar reached an agreement in 1997 to close Meigs Field in February 2002 and have its control revert back to the city of Chicago; the mayor would then turn it into a park, nature preserve and bird sanctuary and be part of the larger “museum campus” project. Meigs is a general aviation airport on the lakefront that, in spite of the hype about its corporate and commercial value, given its proximity to downtown, primarily serves city and state government officials going to/from the state capital in Springfield. (Its traffic is less than one percent of Midway, Chicago’s second airport, and less than 0.2 percent of O’Hare’s volume.)

In a recent reversal of position and in a violation of earlier promises, Daley has agreed to let Meigs remain open for another two to five years, and maybe longer. Why? The more general issue or larger picture is the jockeying over a proposed \$6 billion expansion of O’Hare, which the mayor wants, in part to head off a third airport in Peotone, south of the city. The mayor and city control O’Hare, including doling out contracts and concessions; the state would control any new airport beyond Chicago. Governor Ryan wants Meigs open, Daley wants the O’Hare expansion; thus Meigs becomes the bargaining chip or pawn in getting the governor to support the O’Hare project. Soldier Field fills a similar role for both men.

Also looming on the horizon, as the mayor mentally moves chess pieces in the downtown area in general, and with the city now facing sizable revenue shortfalls, is the possibility of bringing gaming casinos to Navy Pier. Former governor Edgar steadfastly opposed land-based casinos in Chicago (some charged to protect horse racing in Illinois, in which he had personal and professional stakes, but also to ensure continued revenue streams from the state’s ten licensed riverboat casinos). With Ryan, newly elected governor Rod Blagojevich, who is from Chicago, and a current budget crisis in the state, a casino (or casinos) not far from downtown hotels, McCormick Place, Meigs Field, and Soldier Field would represent a very tempting combination of amenities.

There is also a third related battle or byproduct of the renovation taking place a few miles north of the city center and Soldier Field. As noted earlier, the Tribune Corporation has been a steady public thorn in Mayor Daley's side both through its editorials and turning its columnists loose to attack the aesthetics, politics and economics of the Soldier Field renovation project. That same company also owns the Chicago Cubs – and Wrigley Field, where they play. Owing to a relatively small seating capacity by Major League Baseball standards, and being the beneficiary of tremendous economic development and income growth in the contiguous Wrigleyville and Lakeview neighborhoods, the Cubs want to expand the number of seats by 2,000, play more financially lucrative night games (currently 18, which they want to increase to 30), and to prevent the owners of popular, and increasingly profitable, “rooftop” seating across the street from free-loading (by challenging their legal status and also blocking their now-unobstructed views by adding screens and more outfield seats). For all of this, the Cubs – and Tribune – need assistance from the city in dealing with the local community and property owners. In what some view as getting even, the mayor's support has not only not been forthcoming, Daley has threatened/proposed to bestow Chicago Landmark status on Wrigley Field, which would make it far more difficult for the Cubs to expand seating or make any other changes to the interior or exterior of Wrigley Field, depriving the team and its owners upwards of perhaps \$5 million a year in additional direct ticket revenues and a negotiated settlement with the condominium owners. The Cubs may not play winning hardball, but the mayor does.

## IX. Conclusions

Events of the last few years have played out pretty much as predicted in a 1997 complementary analysis of earlier unsuccessful attempts to settle on a final, permanent location for the Chicago Bears:

“First, the Bears will no doubt remain inside Chicago city limits. Second, the team will have a new home within ten years, though it may well open the 2000 season in Soldier Field. Third, both the total and public component of the price for that stadium will be larger than any [previously mentioned] figure.”<sup>xxiii</sup>

However, the “\$64 Question,” or in this case, the \$600 million question, is why the Bears and the mayor would end up with an agreement and a plan that, in addition to alienating so many people, on the surface leaves both parties, as well as the city, in a situation that appears to worse than a second-best outcome.

So why did the Bears do it? They walked away from \$300 million in naming rights had they been willing to relocate or have an entirely new from-the-ground-up stadium. Instead they will now have

something shoehorned into a dysfunctional shell, be saddled with the smallest stadium in the entire NFL as opposed to one that would have had at least 15,000 more seats<sup>xxiv</sup> (other recent proposals coming from the mayor or Bears all included seating capacities considerably larger than the current capacity of 67,000 – all of them in the 71,000 to 75,000-seat range – and no one ever suggested reducing the number of seats)<sup>xxv</sup>. Plus they lost considerable short-term revenue from having to play the entire 2002 season in Champaign-Urbana, whereas building a brand-new stadium in Chicago would have allowed them to remain in Soldier Field during construction (which could have been spread out over two years instead of crammed into a 20-month renovation schedule). And in the process they created a lot of ill will among the citizenry, civic groups and even their own season-ticket holders (several thousand of whom lost their longstanding status because of the smaller seating capacity).

One has to assume that they did it because it was the best deal they could have gotten. First, any alternative would have required some form of public approval – all 14 other publicly-owned stadiums built in the last five years had a voter referendum – and they were likely to lose any open, public thumbs-up or thumbs-down vote. Second, relocating to the South Side of Chicago was a likely outcome if they acquiesced and entertained other locations. Whether because of a bad ballpark, a bad team or a bad neighborhood, recent Comiskey Park tales soured them on any such move. In the end, as the old real estate saw has it: location, location, location. With the exception of Grant Park itself, Soldier Field occupies the most valuable public property in Chicago, which the Bears are able to occupy at close to a zero price. In addition, they don't have to pay for the congestion externalities.

By agreeing to an open-air facility, the Bears and city did manage to fend off and mollify two potential irritants, Jerry Reinsdorf and William Wirtz, owners of the Chicago Bulls and Chicago Blackhawks, respectively, and co-owners of the United Center. A domed stadium would have siphoned off some potential big-ticket events – concerts, ice shows and circuses, regional NCAA tournament games, and even political conventions – that now come to the United Center. In addition, the fine print of the Soldier Field project includes \$22 million in Park District money that can go toward refurbishments at Comiskey Park, benefiting Reinsdorf, the principal owner of the White Sox.

However, by settling on a 61,500-seat, open-air stadium, Chicago will also forgo the opportunity to bring a Super Bowl or NCAA Final Four or other big-ticket events to the city (plus with total control of

the facility for 116 days a year, the Bears essentially have a lock on the effective availability of Soldier Field). In addition, it will take hotel tax revenues of just over \$33 million a year for the next thirty years to pay the debt service, a sizable sum that could have gone toward any number of other civic initiatives (or to cover expected city budget deficits), and if those revenues aren't forthcoming, then the city is on the hook for the shortfall – either from forgone revenue from state income taxes or higher property taxes. Furthermore, although the two-thirds, one-third public-private split on financing is not significantly out of line with experiences elsewhere (though the total price tag in Chicago is considerably higher), one would have to view the agreement in terms of the *ex ante* bargaining power on both sides, and Mayor Daley appeared to have all of the leverage on his side (see below), which should have meant a better deal than he got for his constituents.

Why did Daley do it? First, he is the consummate monopolist: No one can mount a serious political challenge to defeat him politically<sup>xxvi</sup>; except for a brief interval, the Daley family has run Chicago, for the last 50 years and will continue to run it for some time to come. And he has iron-fist control over the 50 aldermen/alderwomen in the city council. Second, the Bears would never be able to mount a serious threat to leave the city, so why not extract most of the economic rents from them instead of cutting a deal that essentially doubled the value of that franchise with the stroke of a pen? As it is, the city and its taxpayers will not benefit from this deal, and they may lose if hotel revenues do not return to previous levels and then grow steadily over the next three decades, and they have expended more public funds on a football stadium than any city in country.

In the end, Daley too had to settle for no better than third best. Defeat via a referendum would have been an embarrassment, and that was a likely outcome. Even though the existing Soldier Field was admittedly decaying and an inferior place to watch a football game anyway, the city had no compelling alternative uses for that space. Now it may well fit into the grander scheme of casinos. And for Daley to continue to exercise total control, any new stadium would have to have been located on public property and the financing run through the City Park District.

But maybe this will remain one of those unsolved mysteries or chalked up to stubbornness and irrationalities, sentiments expressed in one of the *Chicago Tribune* editorials:

“What’s puzzling is why the Bears’ owners continue to inflict the Soldier Field plan on themselves. Since the deal was sealed last fall, they have already agreed to cut

1,500 seats, and will now lose perhaps \$300 million in naming rights.

“A second puzzle is [Mayor Richard M.] Daley’s reluctance to find a smarter alternative. . . . Instead, he is running out of thumbs to stick in a very leaky dike.”<sup>xxvii</sup>

Or maybe, as the wag had it, Chicago is still not ready for reform.

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ENDNOTES

<sup>i</sup> The first professional football games played in Soldier Field featured the local rival Chicago Cardinals, who were principal tenants for a brief two-year stint earlier before settling into their permanent home in Comiskey Park.

<sup>ii</sup> For a more detailed history of Soldier Field, interim renovation projects, complementary issues, and pitched political and economic battles and standoffs in the 1990s, see Baade and Sanderson (1997A).

<sup>iii</sup> According to legend, but not consistent with the evidence and later scholarly probes, the 1871 Chicago fire started when a cow in Mrs. O’Leary’s barn kicked over a lantern.

<sup>iv</sup> Although steeped in lore and ritual, over the years many prominent Chicago leaders have viewed Soldier Field as a mistake, and not consistent with Daniel Burnham’s 1909 plan for the city; from time to time they have suggested knocking it down, only to be confronted by substantial political and public opposition.

<sup>v</sup> “Lawmakers must closely read Soldier Field blitz,” *Crain’s Chicago Business*, November 20, 2002, p. 10.

<sup>vi</sup> “Bears deal could blitz taxpayers,” *Crain’s Chicago Business*, August 13, 2001, page 4.

<sup>vii</sup> “Daley Hedges on Soldier Field,” *Chicago Tribune*, September 26, 2001, Section 2, page 1.

<sup>viii</sup> See Noll and Zimbalist (1997), Siegfried and Zimbalist (2000), Baade (1996), Baade and Sanderson (1997A, 1997B, 1997C), and Sanderson (2000). Inasmuch as a focus of this article is not the economic impact of a Bears’ stadium, including Soldier Field, a closer examination and refutation of the Bears’ claim is beyond the scope of this paper. In addition, both the detailed impact of the Soldier Field renovation submitted by the team and this author’s analysis or it are sealed court documents and thus confidential for the time being.

<sup>ix</sup> After many unsuccessful attempts by the White Sox to find a corporate sponsor, U.S. Cellular, the Chicago-based wireless service provider, purchased the naming rights in early February 2003 for \$68 million in a 20-year deal.

<sup>x</sup> The Lakefront Redevelopment package allocated \$365 million for the stadium renovations, and \$222 million for the two parking facilities, one underground, and the 19 acres of parkland.

<sup>xi</sup> Total and per-seat cost figures are only rough estimates and may differ from what is reported in Table 1 because of some variances in reported figures, what is included or excluded – land acquisition, infrastructure – in the project, and because some are designed as multi-use facilities to be shared with a second or even a third tenant.

<sup>xii</sup> The author and University of Chicago law professor Richard Epstein worked pro bono as the economic and legal adviser, respectively, to the Illinois Landmark Preservation Council and the Friends of the Parks.

<sup>xiii</sup> Had the Bears prevailed over the Eagles, they would have earned a second playoff home game, which would have not only postponed demolition but also pushed any “deconstruction” plans beyond the scheduled court date, so the defeat may have been a mixed blessing for the city and franchise.

<sup>xiv</sup> “Stadium suit to soldier on,” *Chicago Tribune*, Section 2, Page 1, June 12, 2001.

<sup>xv</sup> Southwestern Illinois Development Authority (SWIDA) vs. National City Environment

<sup>xvi</sup> “Bears win stadium ruling,” *Chicago Tribune*, Section 1, Page 1, April 26, 2002.

<sup>xvii</sup> “The margin grows thinner,” *Chicago Tribune*, April 23, 2002, Section 1, Page 18.

<sup>xviii</sup> Lois Wille, “Chicagoans taking a bath on Soldier Field,” *Chicago Tribune*, July 22, 2001, Section 1, page 17.

<sup>xix</sup> Dirk Lohan, “Voice of the People,” *Chicago Tribune*, January 10, 2002, Section 1, page 14.

<sup>xx</sup> “The Nightmare on Lake Shore Drive,” *Chicago Tribune*, Section 1, Page 17, January 29, 2003.

<sup>xxi</sup> Cindy Pritzker is the widow of Jay A. Pritzker, who died in 1999. Jay was a grandson of Nicholas Pritzker (1871-1957), founder of the corporation. In 1979, Jay and Cindy established, through the Hyatt Foundation, an annual prize to honor a living architect, referred to by many as the Nobel prize for architects. Their son, Thomas, administers that program.

<sup>xxii</sup> David Greising, “Double-teamed Daley still faces a stadium fight,” *Chicago Tribune*, December 23, 2001, Section 5, Page 1.

<sup>xxiii</sup> Robert A. Baade and Allen R. Sanderson, “Bearing down in Chicago,” in Noll and Zimbalist, *Sports, Jobs and Taxes*, page 353.

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<sup>xxiv</sup> In spite of fielding largely mediocre and boring teams for the last dozen years, the Bears have sold out every home game in the 67,000-seat Soldier Field over that time period, and the waiting list for seats – and even PSLs – in the renovated stadium is substantial.

<sup>xxv</sup> See Baade and Sanderson (1997A), Table 10-1, page 345, for a summary of these previous stadium plans.

<sup>xxvi</sup> On election day – Tuesday, February 26, 2003 – with a record low turnout, Daley won 79 percent of vote in his attempt to serve a fifth term as Chicago mayor. His totals for his first four mayoral contests – 1989, 1991, 1995 and 1999 – his vote totals were 56 percent, 63 percent, 66 percent, and 72 percent, respectively.

<sup>xxvii</sup> *Chicago Tribune* editorial, “Daley’s Misdirection Play,” September 30, 2001, Section 1, page 20.