

Tiger Stadium Earmark Background

\$3.8 million earmark for the old Tiger Stadium in Detroit, Michigan

The FY 2009 omnibus spending bill earmarks \$3.8 million to the Old Tiger Stadium Conservancy for the preservation and redevelopment of the remnants of Old Tiger Stadium in Michigan.

The stadium is already partly demolished

Tiger Stadium was closed a decade ago in 1999 to make way for Comerica Park where the Tigers currently play.

The demolition of old Tiger Stadium has already begun.

“Demolition crews tore down the outfield bleachers and continued down the outfield lines during the summer. What remains of Tiger Stadium largely runs along the base lines and behind home plate. The conservancy wants to save and renovate most of what’s left, along with the baseball diamond,” according to Major League Baseball News.^[1]

The earmark in the omni, despite its excessive cost, would pay only for the preservation of the playing field and a small portion of the grandstand area behind home plate. The group trying to save the stadium hopes to redevelop the stadium as a sports-centered commercial building with exhibit space and an active playing field.

Private efforts to preserve the stadium have failed to raise much support

The Old Tiger Stadium Conservancy attempted to raise donations to preserve the stadium but failed to raise sufficient private funds. According

[1]

http://mlb.mlb.com/news/article.jsp?ymd=20081007&content_id=3601897&vkey=news_mlb&fext=.jsp&c_id=mlb

to local media reports, consensus was building to “let go, and let the wrecking ball swing.”^[2]

Total costs for the project have been forecast around \$15 million, and enough private funds were raised to temporarily delay the demolition of stadium. However, it is clear that this project will not move forward without a congressional earmark.^[3]

In October, the Detroit City Council narrowly voted 5 to 3 to reject a resolution that would have authorized the immediate demolition of the ballpark after the Old Tiger Stadium Conservancy failed to provide \$219,000 to hold off total demolition. Conservancy vice president Tom Linn told the council that the group only had \$150,000 in hand.^[4]

Council members were skeptical about granting a delay. Councilwoman Barbara-Rose Collins said the city already has granted many extensions on the project.

"If they can't get that \$219,000 and they want until Friday and then Friday comes and they want until the next week, I think we're doing a disservice to the city," she said, adding, "I think the city has bent over backward trying to accommodate the Conservancy."

The delays in demolishing the remains of the stadium are costing the city and private companies

Waymon Guillebeaux, a vice president at the Detroit Economic Development Corp., warned the council that the city will have to pay \$125,000 if crews must be called back to the site to tear down the stadium at a later date.^[5]

Guillebeaux said the demolition contractor, a joint venture of MCM Management Corp. and the Farrow Group Inc., has delayed leaving the site

^[2] Calabrese, Dan , “If Deficits Are So Bad, Why a Federal Earmark for Tiger Stadium?,” *American Chronicle*, July 24, 2008; <http://www.americanchronicle.com/articles/view/69351>

^[3] “Committee recommends saving part of Tiger Stadium,” Associated Press, 29 July 2008 - <http://tinyurl.com/cjtbo3>; Beck, Jason, “Final Tiger Stadium demolition delayed Conservancy near funds that would keep renovation afloat,” Major League Baseball News, 7 October 2008 - <http://tinyurl.com/dlqtfq>.

^[4] http://www.usatoday.com/sports/baseball/al/tigers/2008-10-07-tiger-stadium_N.htm

^[5] http://www.usatoday.com/sports/baseball/al/tigers/2008-10-07-tiger-stadium_N.htm

to give the city more time to decide. But, he said, their work is done and time is up.

“It's become a large cost factor to have equipment, security, manpower on that site beyond the time when they're ready to go. They're ready to go,” he said.

Demolition companies had expected to make an estimated \$1 million by selling scrap from the park.^[6]

In addition to the earmark, the stadium preservation is receiving and seeking other federal assistance, including economic stimulus funds

The leader of the nonprofit stadium preservation group says another \$24 million is available from tax credits and other sources for old Tiger Stadium.^[7]

The Old Tiger Stadium Conservancy also hopes to receive an allocation of federal stimulus funds, having been identified as a preferred project by the State of Michigan through Governor Jennifer Granholm's office.

The project is also in line for Michigan historic and business tax credits.^[8] In January, according to *The Detroit News*, Governor Granholm “approved a substantial increase in historic tax credits, which would be worth millions to the stadium project. Tiger Stadium preservation is eligible to receive a 20 percent state historic preservation tax credit and a 20 percent historic federal tax credit. The combined value is an estimated \$14 million or more, said the conservation group.”^[9]

Detroit, Michigan, home of Tiger Stadium, already receives a disproportionate share of Community Development Block Grant funds

^[6] http://www.mlive.com/business/index.ssf/2008/07/committee_recommends_saving_pa.html

^[7] <http://www.detroitnews.com/apps/pbcs.dll/article?AID=/20090227/BIZ/902270368/1001>

^[8]

http://mlb.mlb.com/news/article.jsp?ymd=20090302&content_id=3909444&vkey=news_mlb&fext=.jsp&c_id=mlb

^[9] <http://www.detroitnews.com/apps/pbcs.dll/article?AID=/20090227/BIZ/902270368/1001>

According to 2005 data, Detroit receives \$43 million annually in Community Development Block Grant (CDBG) funds.

This is the largest total funding and largest per capita funding for CDBG entitlement communities located in Michigan.

This earmark is for activities not authorized by the law

This earmark is carved out of the Economic Development Initiative (EDI) grants issued by the Community Development Block Grant program of the Department of Housing and Urban Development.

EDI grants, by law, are meant to enhance the security of concessional loans issued under the CDBG program.^[10]

Instead of securing a federal loan, this earmark is intended for :^[11]

- Preserving the Tiger Stadium baseball diamond and 3,000 seats for youth baseball teams to use;
- Constructing a museum; and
- Creating banquet and retail space.

Detroit and the nation have much more important priorities than preserving the remnants of an old stadium

With Detroit's auto industry facing serious financial problems and the worst U.S. auto sales climate in over two decades, spending millions of taxpayer dollars to preserve the remnants of an old stadium seems foolish and shortsighted.

General Motors Corp. posted a \$9.6 billion fourth-quarter loss and the company announced that it has already spent \$6.2 billion in the last three months of 2008 as it fought the worst U.S. auto sales climate since 1982.

^[10] Section 108(q) of the Housing and Community Development Act of 1974, as amended; see also <http://www.hud.gov/offices/cpd/economicdevelopment/programs/edi>.

^[11] Flemming, Leonard N. and Christine MacDonald, "Tentative deal saves part of Tiger Stadium," Detroit News, 29 July 2008 - <http://tinyurl.com/dh36k7>; Kavanaugh, Kelli, "Game not over: Demolition begins, but efforts to save parts of Tiger Stadium continue," Detroit Metro Times, 9 July 2008 - <http://tinyurl.com/boz7zk>.

The nation's biggest domestic automaker lost \$30.9 billion for the full year and expects to state in its upcoming annual report whether its auditors believe the company remains a "going concern."

GM and its auditors must determine whether there is substantial doubt about the automaker's ability to continue its operations. Chief Financial Officer Ray Young said the determination will depend a lot on whether GM gets further government loans and whether it can accomplish its restructuring goals. Young said that auditors are studying the future of the company because "there's uncertainty with how the Treasury will view our viability plan," and "uncertainty on whether we're going to be able to execute the terms of our loan agreement."

The company has received \$13.4 billion in federal loans since December 31 and says it needs up to \$30 billion to stay out of Chapter 11 bankruptcy protection.