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The Economics behind Rebuilding Wrigley Field

This year marks the one hundred year anniversary of Wrigley Field, home to the Chicago Cubs major league baseball franchise. It is only 2 years younger than the oldest stadium in all of baseball, which happens to be Boston's Fenway Park. Despite its age, Wrigley Field is continuously voted year after year as being one of the top 5 most beautiful fields in all of baseball. There's no place quite like Wrigley Field to watch a baseball game. The back drop is truly an amazing site to behold, with the green ivy-covered outfield walls, the gigantic manual scoreboard in center field, and the roof top bleachers just beyond the stadium's walls. You'll never see anything quite like it.

The issues with Wrigley Field do not lie within the field itself but rather within the stadium. There's always going to be issues with any structure that is one-hundred years old. For instance, in July of 2004 it was reported that large chunks of concrete had fallen from the upper deck balcony onto the seating area below, a sign that the stadium might be declining. Fortunately, this incident didn't take place during a game where it could have seriously injured or killed people watching a ballgame. Hysterically, the solution to the problem was taken care of by placing nets underneath these troubled areas to catch the falling debris.

But the decaying structure isn't the only problem with this stadium. The concourses are very narrow, posing problems for people as they try to navigate around the stadium to find their seats or even purchase food and souvenirs. Space is so limited in the so called

concourses that the Cubs have to pay personnel to monitor fans from standing in one place for more than a few seconds at a time, so as to not block the flow of traffic. The restrooms are another issue, with them being so few and far between, they just aren't able to meet the demands of spectators, as standing in line to use these facilities could take up to thirty minutes. Despite all of the long lines and crowded concourses, perhaps one of the most negative aspects of the stadium is that there are so many obstructed views preventing fans from being able to visually see the entire field. If your seat happens to be too far up under the balcony you can forget being able to see portions of the outfield and the majestic views that make Wrigley Field so special. You may also be one of the many lucky fans that get to straddle a steel column as you sit, making you very uncomfortable and obstructing your view.

The Chicago Cubs have not had a championship team since 1908. In fact, the last time they were even in the World Series was in 1945. "The lovable losers" is one phrase that has seemed to define this team, because winning is just something they have not had a lot of success with. Most people across baseball blame this on Wrigley Field. Rick Riley, an analysis for ESPN.com made the following state, "I love Wrigley Field. But I'm not a Cubs fan. If I were a Cubs fan, I would despise Wrigley. I'd want Wrigley laid flatter than Wrigley gum. There's a reason the Cubs have never won a World Series at Wrigley. There's a reason they're 0-for-the-last 67 pennant races at Wrigley. The reason IS Wrigley." (Reilly) While not everyone agrees with Mr. Riley's statements, there are many reasons to believe that this is true. The training facilities are well below subpar as there just isn't enough room for all the amenities that all 29 other major league baseball teams enjoy. The batting cages are located under the outfield bleachers, so players can't just go and take a few extra swings in the batting cages before they are up to bat. The bullpen where the pitchers warm up is actually

located just inside the foul line on the field. These are just a few of the reasons that people point towards Wrigley Field as being a hindrance to the team.

In 2009 the Ricketts family purchased the Chicago Cubs from a struggling Chicago Tribune Company for an estimated \$900 million dollars. Shortly after purchasing the team Tom Ricketts proudly declared that he and his family would do whatever it takes to put a winning team out on the field. While it has been nearly five years since he made that statement, things finally seem to be pointing in that direction as the team has reached an agreement with the city of Chicago to renovate Wrigley Field to the tune of 5 million dollars, all of which the team will fund by itself. One of the ways the Cubs plan to pay for these renovations is through advertisements displayed throughout the stadium. In particular they plan to add a massive 5,700-square-foot jumbotron above the left field bleachers as well as a 650-square-foot sign above the right field bleachers. It is estimated that these signs will bring in an additional \$30 million dollars a year in added revenue. (Reilly) It seems like a win-win situation for everyone right? Well not exactly.

One of the unique aspects of Wrigley field is that it is situated in a neighborhood on the north side of Chicago. Just beyond the outfield walls along both Waveland and Sheffield Avenues are apartment buildings with roof top bleachers that look down onto the playing field. These apartment owners began to capitalize on this and started to sell tickets to spectators at a cheaper cost, allowing them to watch the game from the top their buildings. Rooftop owners were earning approximately \$24 million per year for a product that they did not own. In 2004 an agreement was reached between the two where 17 percent of all revenues earned by the rooftop owners would be paid to the Cubs. That equates out to a little more than \$4 million dollars a year. (Babwin)

With the proposed signage along the outfield walls, the rooftop owners are balking that the Cubs will be blocking their views and are currently in the process of suing the team. In a statement made by Tom Ricketts he said, "We've spent endless hours negotiating with the rooftop businesses. We've gotten nowhere in our talks with them to settle this dispute. It has to end. It's time to move forward." (Muskat) It is clear that the Ricketts family has decided that the meager \$4 million a year earned from the rooftop owners is worth sacrificing in order to earn \$30 million a year generated from the jumbotron and other signage. The team is planning on beginning renovations which are expected to take up to four years to complete this October.

Why should the Ricketts family spend so much money on something that is already paid for and earns hundreds of millions of dollars each year? Because it is costing the Cubs to keep it in the state that it is in, not just in revenues but also in providing a winning team. As Tom Ricketts said, "It's time to start investing in Wrigley. The time to build a winner is now." (Muskat) Despite the enormous \$500 million cost involved, it allows the team to gain so much more. It will provide a better experience for fans. It will increase points of sales around the stadium by 107 percent. It will also provide state of the art facilities for their athletes to train and prepare for games. Regardless of the Cubs having to give up income earned from the rooftop owners, renovating Wrigley Field is the best business decision for not only the owner, but also the team and the fans.

Work Cited

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