



Who's Paying for \$160 Million in Blues Upgrades?

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By: Joseph Miller

The Saint Louis Blues had a very successful season, making it deep into the playoffs and just two wins short of the Stanley Cup finals. And the team is likely to remain in the news during the off-season, even if it isn't for their play on the ice. Instead, the topic will be stadium financing, as Blues ownership seeks [\\$160 million in upgrades to the Scottrade Center](#). How much of that Saint Louis residents, rather than the Blues themselves, will cover is a troublingly open question.

The Scottrade Center, originally Kiel Auditorium, cost \$135 million to build and first opened its doors in 1994. While private interests covered most of the price tag, the city of Saint Louis provided \$15 million in construction subsidies (the city also built the stadium's western parking lot at a cost of nearly \$10 million). Aside from direct handouts, Saint Louis worked to reduce the stadium's tax liabilities. [Like Busch Stadium and the Dome formerly known as Edward Jones](#), the Scottrade Center sits on public land, shielding the Blues' ownership from standard tax rates. In addition, the LCRA (a city body), and not the stadium's owners, issued all the bonds for the stadium's construction, making those bonds tax-exempt.

Now, a little over two decades after the Scottrade Center opened, the Blues no longer find their accommodations adequate. They want a larger scoreboard, better seating, and an expanded team store. Perhaps with a jealous eye toward Ballpark Village, the Blues hope to build a year-round beer garden at the stadium. They estimate that these upgrades will cost \$160 million, which, adjusting for inflation, is slightly more than the original cost estimate of the Scottrade

Center when financing got underway in 1990 (yet [more evidence](#) that cities should only expect about 20 years out of their stadiums before they have to pay for them all over again). But who will pay this time around?

All we know right now is that, like in the '90s, the Blues expect the city to issue the bonds for the stadium's construction so they can avoid taxation. But for the city's bottom line, who will pay those bonds back is the most important question. Last time around, the city covered about 10% of those costs and stadium owners paid 90%. There's no guarantee that the Blues won't ask for more support this time, especially after the city last year showed itself willing to spend well over \$100 million to keep the Rams in town. Of course the Blues could pay the whole cost themselves, although the fact they are negotiating with the city to come up with a financing deal likely means that's out of the question.

Still, it will be better for Saint Louis residents if the Blues pay for the costly upgrades themselves. The proposed improvements, from a larger team store to a "Blues-park Village," are clear examples of nice-to-have amenities that would greatly add to the Blue's assets. The impact of the improvements on city's bottom line or its economy is difficult to determine, but [given the evidence](#), it's likely negligible. It's time the city focused on getting the basics of civic governance right instead of involving itself once more in how Saint Louisans spend their spare time.

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Joseph Miller was a policy analyst at the Show-Me Institute. He focused on infrastructure, transportation, and municipal issues. He grew up in Itasca, Ill., and earned an undergraduate degree from Georgetown University's School of Foreign Service and a master's degree from the University of California-San Diego's School of International Relations and Pacific Studies.

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