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## With Play on Pause, Sports Teams Forge Ahead With Real-Estate Projects

Amid lack of ticket sales due to coronavirus, alternative revenue streams could become increasingly important for sports teams



*A venture of the St. Louis Cardinals and Cordish is set to open an apartment tower in the coming weeks, featuring in-unit views of games at Busch Stadium. PHOTO: CORDISH COS.*

By Will Parker

American sports teams are doubling down on ambitious real-estate projects, despite [the coronavirus pandemic](#) that has shut down most live entertainment from coast to coast. This summer, the owner of the Los Angeles Angels baseball team laid out a master plan for 150 acres of apartments, restaurants and retail surrounding the team's Anaheim, Calif., stadium. A

venture of the St. Louis Cardinals and Cordish Co. is set to open a newly constructed apartment tower in the coming weeks, featuring in-unit views of games at Busch Stadium below.

As professional sports team revenues are [getting crushed](#) due [to the lack of ticket sales](#) and television deals, alternative revenue streams could become increasingly important for sports teams, which in recent years turned more to their real-estate assets to supplement their core business.

“A lot of ownership groups are not making a lot of money off the team,” said James Renne, national director of the sports and entertainment division of real-estate advisory firm JLL. Mr. Renne said teams that successfully monetize their land can boost annual revenue between 50% and 100% in non-pandemic times by adding cash-flowing businesses, such as bars, hotels or auxiliary entertainment venues.

But it can take a long time. Many investments don’t pay off for years and the Angels project, for example, won’t start construction until 2025. In the case of the Cardinals, it has taken seven years to get to the opening of the final phase of the 850,000-square-foot project known as Ballpark Village, which includes office, restaurants and outdoor space in addition to apartments.

“It is a revenue and an economic opportunity, but it’s kind of a long-term one. These are big investments,” said Bill DeWitt, managing partner and chairman of the Cardinals.

With the continuing demise of regional shopping centers [due to e-commerce](#), developers and planners have turned to stadium projects as new hubs of retail and entertainment. Meanwhile, the profits from these projects have helped teams reduce, but not eliminate, their need for public subsidies for new venues such as tax abatements or exemptions, [which are often criticized](#) for steering public money into projects that don’t substantially benefit taxpayers.

Cordish has done several of these projects, including working with the Cardinals in St. Louis and the Texas Rangers baseball team in Arlington, Tex.

In Saint Paul, Minn., the architecture firm Populous, which also specializes in sport-oriented development plans, has teamed up with the owner of the Minnesota United soccer team to develop 35 acres, or roughly 10 urban blocks, around the newly built Allianz Field. The planned project would entail a series of mixed-use buildings, including up to 800 apartments, approximately 200,000 square feet of retail and 720,000 square feet of office space.

Some stadium-anchored redevelopment projects have sparked complaints of gentrification from local residents. John Shreve, a principal architect at Populous, said the Saint Paul project has been trying to incorporate ideas from community members, particularly on the kinds of amenities and businesses they would like to see, including basic services such as hardware stores and hair salons.



*The St. Louis Cardinals's 850,000-square-foot project known as Ballpark Village includes office, restaurants and outdoor space in addition to apartments. PHOTO: CORDISH COS.*

Part of the idea behind these stadium developments is about “blurring the lines between where a sports building like this stops and starts,” Mr. Shreve said, by more closely integrating urban stadiums with their surroundings.

But for some people, the stadium and the team are still the biggest draw of all. Cardinals superfans Geoff Conway and Julia Chalfant, both 29 years old, said they are set to move into their new home at the One Cardinal Way rental building in Ballpark Village next month.

They and their neighbors could be the only Cardinals fans who can [watch live baseball in person this season](#), as ticket-holders [aren't likely to be allowed back](#) to the stadium in time for the beginning of play this year.

“It’s kind of a way of life,” Ms. Chalfant said of her lifelong Cardinals fandom, a history that includes breaking her hand to catch an unobstructed foul ball at a 2012 game against the Chicago Cubs at Busch Stadium. “I’m going to live and breathe it,” she said. “But within the building.”