

## **Philip Schwalb**

Go anywhere throughout the United States and you'll find a hall of fame or museum dedicated to sports. The International Boxing Hall of Fame is located in upstate New York, while the U.S. Olympic Hall of Fame is in Colorado Springs. The National Art Museum of Sport is in Indianapolis, while the Negro Leagues Baseball Museum is in Kansas City. You can even visit two surfing halls of fame - one in California and one in Hawaii.



But, there's never been a national museum dedicated to sports. Enter Philip Schwalb, a businessman with vast management experience (including a stint in the early 1990s as chair of the business and legal affairs committee for the Arena Football League). A die-hard sports fan, Schwalb wondered why there wasn't a single museum that celebrated all sports within the context of the American experience. In 2001, he decided to do something about that. He has spent the last five-plus years searching for financing and, once that was secured, building out the space for what will be the first-ever National Sports Museum.

The 44-year-old Schwalb promises that the NSM, dedicated to the history, grandeur and importance of sports, will feature interactive exhibits for fans of all ages. The NSM, writes Richard Sandomir in the *New York Times*, "will let visitors feel that they are on a tennis court or facing a slap shot by Wayne Gretzky. It will let them design golf clubs or examine the roots of tailgating. Visitors can learn the history of integration, play umpire, take a pit stop test, respond to a starter's gun on a miniature track, punch a speed bag or make an uphill climb on a Tour de France cycling simulator."

Schwalb has signed up many of the dozens of halls of fame, sports

museums and national governing bodies as partners; they will be represented in the “hall of halls” exhibition. In addition, the NSM will serve as the permanent home for the Heisman Trophy, while the Billie Jean King International Women’s Sports Center will showcase the women’s sports experience. Besides offering educational programs, the NSM will feature a restaurant, a retail store and space for evening events.

Located in the landmark Standard Oil Building in downtown New York City, at the foot of the Canyon of Heroes in lower Manhattan, the NSM will be near major tourist destinations, including the proposed World Trade Center Memorial as well as the ferries that transport visitors to the Statue of Liberty and Ellis Island. Schwalb says that the NSM will open in the spring of 2008. Recently, SportsLetter spoke to Schwalb at his temporary office in New York City.

— David Davis

**SportsLetter:** What was your inspiration to create the National Sports Museum?

**Philip Schwalb:** It was kind of an epiphany that came on the heels of a disappointing visit to the Basketball Hall of Fame in 2001. I’m a lifelong basketball fan - I went to school at Duke - and for my 38th birthday, I wanted to go to the Basketball Hall of Fame. It was something I always wanted to do. But I realized that I didn’t know where it was, which struck me as strange being such a big basketball fan. Anyway, I found out it was in Springfield, Mass., and made the visit. I was there two days, and I was shocked that the building was so empty. There were maybe 20 visitors over the course of a couple of days. When I thought about that relative to places in New York City - like the Empire State Building or the Intrepid Aircraft Museum or the American Indian Museum - it struck me as bizarre that something as popular nationwide as basketball would not have much visitation. When I came back and started doing research on this, I found that very few people ever visit Canton [home of the Football Hall of Fame] and, relatively speaking, very few people visit Cooperstown [home of the Baseball Hall of Fame]. On a personal level, it occurred to me that I hadn’t been to either, and I’m as big a sports fan as anyone. So, that was the

impetus for the idea.

**SL:** Why do you think those places get so few visitors: is it because of their geographic remoteness or is it a lack of marketing?

**PS:** I think it's both. The former aspect is enough to kill off attendance. The fact that the Football Hall of Fame is in rural Ohio, a couple of hours from Cleveland, is enough to ensure that most people from L.A. and Miami and New York and New Orleans just don't visit. It's not as if you'd be in Canton for some other reason. Cooperstown is even more difficult to get to: it's a five-hour drive from Manhattan and at least a three-hour drive from Syracuse. And, Springfield is a city in disrepair that very few people visit.

It's also that they're non-profits that, to most people's surprise, are not connected to, owned by, or supported by the leagues. They're entirely different and separate. They have to support themselves, and they just don't have any money for marketing. [Editor's note: The baseball, basketball, hockey and pro football halls of fame are independent entities, but each receives some level of direct and/or in-kind support from its respective major professional league.]

**SL:** What is your experience in museums?

**PS:** Immediately prior to coming up with this idea and pushing it forward, I was working for Caroline Kennedy's family. Her husband, Edwin Schlossberg, was the person I worked with primarily, and he has a museum design firm [ESI Design] and owns patents for different devices that, for instance, you carry with you as you walk through a museum. So, I got a chance, as a side thing, to see his museum design company and to learn about museum design.

**SL:** What are your favorite museums, and what museums do you aspire to emulate with the National Sports Museum?

**PS:** One museum model that's compelling to us is The International Spy Museum in Washington, D.C. It's gotten great attendance in each of its four years - a lot of buzz - and it is, like us, a museum that is not a

501(c)(3). Meaning, it's not a non-profit. And, that's a little unusual. It's been marketed in a very aggressive way, and it's been designed very cutting-edge, very interactive, very innovative. We're using the same museum designer who did that one.

I've really enjoyed the EMP [Experience Music Project] Museum in Seattle, built by Paul Allen. That's a cutting-edge museum, very interactive and hands-on. It's about music, which is similar to sports in that it's very evocative, very sensory. It's very inspirational to us.

But what happened with me was that as I visited more museums, I was stunned by how unimpressed I was. That became an impetus for us to try to do more innovative things and to put it in the right location.

**SL:** What was the most difficult obstacle that you had to overcome to establish the NSM?

**PS:** Securing the real estate. We wanted a building that would be within feet of the Statue of Liberty ferry, and that was very difficult to find.

**SL:** How will the National Sports Museum be different from other sports halls of fame?

**PS:** First, of course, is that we're celebrating all sports under one roof, as opposed to focusing solely on a single sport. And, we'll be very interactive versus the old-school museums, where you go in and see artifacts -- like Bob Cousy's sneakers and Wilt Chamberlain's jersey. We'll have some of that - that might be 30 or 40 percent of what we have - but that aspect will be layered with lots of films, computers, databases and mechanical things that you can touch and use.

My vision has always been more oriented toward highlight clips that you might see on ESPN - I'm big on footage because I think it gives you a visceral feel that's hard to get from books. On the other hand, the museum designer and the museum general manager don't want us to mimic too much of what you can see on TV. So, in an effort not to make us too much audio-visual, each of the different rooms offers different types of experiences.

**SL:** Where will your artifacts come from?

**PS:** The artifacts will come from the collections of the other halls of fame and museums that we are partnering with. We have over 60 partners, and they're either halls of fame - like the Basketball Hall of Fame and the College Football Hall of Fame - or sports-related museums, like the Negro Leagues Baseball Museum, the Louisville Slugger Museum and the Legends of the Games Museum. We also have agreements with governing bodies - like USA Track & Field, USA Hockey, and US Soccer. They will be the source that loans us artifacts. So, we don't have to own our collection; it'll all be borrowed. That makes it easy to switch out items if we want to.

If we find that we need other items, we'll borrow from private collectors interested in putting their stuff on loan. That will only enhance the visibility for the collectors.

**SL:** The Museum will serve as the permanent home of the Heisman Trophy. How did that partnership happen?

**PS:** The Downtown Athletic Club, which was located right around the corner from here, went under after 9/11. So, the DAC was sitting there with the trophy and the legacy, but as of 2002 they had no home and no building for it. What they tried to do was build a Heisman museum downtown, but their plan didn't pass muster. We talked to them over the course of three years and kept saying, "Look, there's no need to build your own museum. We'll build a whole wing for the Heisman. We project 800,000, 900,000 visitors each year. Let us leverage that to put people in front of the Heisman and make it part of our museum. It'll be win-win." Ultimately, they decided that was the way to go, and so we'll be the site when they televise the award show for the Heisman.

**SL:** How did your partnership with the Women's Sports Foundation come about and how important is it for the NSM to be able to showcase the story of women in sports?

**PS:** As we were collecting our numerous partners, we reached out to the Women's Sports Foundation. As discussions ensued, we realized that,

more than the standard partnership, we could serve as a primary home for a first-ever women's sports hall of fame. The women's sports hall of fame is very important for us because it enhances the visitor experience for a broad segment of the population, and this segment (girls and women) has become an increasingly important force in sports since the passage of Title IX legislation.

**SL:** You have partnership agreements with every major sports hall of fame except baseball. What happened there?

**PS:** We have, literally, partnership agreements with every sports hall of fame of significance in the country, including the Table Tennis Hall of Fame. So far, Cooperstown has not wanted to sign with us. I think they will sign an agreement before we open, but they may not ever be willing to sign the same agreement that everyone else did. The contract is onerous in the sense that it requires them to agree not to participate in any other cumulative sports museum. And, Cooperstown does not want to do that. So, we may do a modified agreement with them. We haven't approached them in three years. We've just let it be while we've done everything around them. But we expect to approach them again very soon.

**SL:** What does sports tell us about the American experience?

**PS:** Sport is emblematic of the American experience and has always served as a microcosm of what was transpiring across the nation at large. This includes triumph, perseverance, breaking gender and racial barriers, and a sense of opportunity.

**SL:** How does sports fit into the larger field of pop culture in America?

**PS:** It's a leader, not a follower, within American popular culture. Sports has defined and set trends within fashion, music, film, literature and even common, everyday language. For instance, expressions such as "covering all the bases" and "running neck and neck" have become part of the American lexicon.

**SL:** Why do you feel that there is a need for a national museum devoted to sports?

**PS:** It's shocking that there has never been one. The transcendent nature of sports, its role in American culture, its inherent beauty and inherent value certainly merit celebration and homage on a par with art, science, history and other subjects that have always had museums dedicated to them.

**SL:** Will the museum be confined to sports in the United States?

**PS:** It will always be anchored in the American sports experience. With the Olympics, for instance, we'll focus on American exploits at the Games: Jesse Owens, Mary Lou Retton, Mark Spitz, et cetera. We don't have a room for Australian Rules Football, we don't have a room for cricket.

**SL:** How large is the museum and how much are you planning to charge for admission?

**PS:** We have 100,000 square feet, but the part that the visitors will roam around is more like 30,000. Basically, the average ticket price will be \$17. But there's reduced prices for groups and reduced prices for seniors and children.

**SL:** Will there be space for traveling or temporary exhibits?

**PS:** Unfortunately, we won't have temporary exhibits for the first year or two. In our first building cycle, we left out the temporary space. We plan to build that space about two years after we open.

**SL:** How were you able to finance The National Sports Museum?

**PS:** All the money came from two sources. One was the selling of bonds, not unlike with other large municipal projects, like building a power plant or a toll highway. The difference being, our bonds were what's called triple tax-exempt bonds known as Liberty Bonds. When you bought these, the interest that you earned on the bonds was exempt from federal, state and local taxes. That's very unusual, and that was an award we were given by the governor [of New York] and the mayor [of New York City] together. And so, that was \$57 million of the financing.

These bonds came about after 9/11. In fact, if it were not for 9/11, the project probably would not have been able to occur. After 9/11, there was a commission put together to select what ended up being about a dozen projects that they thought would really help re-grow the city. Fortunately, we were one of those dozen that received the financial incentive package. It's a two-way street. The reason we've been given the opportunity is the expectation by the mayor and the governor and the officials beneath them that we will serve as a catalyst to drive re-growth in a decimated downtown.

And then, \$36 million came from private individual investors, a lot of them well-known figures in New York, ranging from the president of Goldman Sachs to the chairman of Showtime Network. I have some stock, as does my partner, [CFO] Sameer Ahuja, but it's a very small piece.

**SL:** Will you sell naming rights at the museum?

**PS:** I would prefer that it be within the museum itself, and there are a number of rooms and galleries that we would be very comfortable selling the naming rights. For instance, there's what's called an immersion theater, which is the first thing you do when you enter the museum. It's a 360-degree, surround-theater experience that gets you acclimated to the museum. If that were sponsored by, say, Sony or Panasonic, we'd be very comfortable with that. There's also an exhibition in the museum on people who broke gender, racial and ethnic barriers in sports. If that were sponsored by a company that felt that was part of their mission, like Home Depot, we'd feel comfortable with that.

The jury's still out on the idea of selling naming rights to the whole venue. I don't know whether that's a good idea or not. If we did it, it would be done in what's known as below-the-line form. So, it would be "The National Sports Museum presented by American Express." But the jury's still out on whether we want to do that.

**SL:** Are you happy about your location in downtown Manhattan?

**PS:** We didn't want to be in midtown Manhattan or Times Square. That was an environment we didn't want to be in. We felt that this was an



iconic, national museum of sports, so we wanted to be downtown. We're allied with the World Trade Center Memorial, the Statue of Liberty, and a couple of new entities, like the Museum of American Finance. Our goal, as a group, is to get people to visit downtown for a good day or two.

**SL:** You've had several projected opening dates. How frustrating has it been to work on this project and keep having delay after delay?

**PS:** I wouldn't say frustrated, but it's been tiring, hard, challenging. When we started in earnest on this project, after 9/11 in 2002, we felt we would open in 2004. Now, we're talking 2008. You learn that this is a process. Frankly, we feel pretty lucky to have raised almost \$100 million and to be able to have it where it is. That overcomes the frustration factor.

**SL:** What is the projected opening date?

**PS:** The good news is, we're now in construction. They're working every day, and they're right on schedule. The construction actually will finish in October, and then all the exhibits will come in over the next few months. We're on a schedule to open on April 15th of next year.