

At a recent New School University forum entitled, "Urban Conversations: U.S. Mayors and Innovative Leadership," three mayors — Tom Murphy of Pittsburgh, Kay Barnes of Kansas City, and Gavin Newsome of San Francisco - talked about how they had handled stadium issues in their cities. The panel was moderated by George Stephanopoulos. The following is an edited transcript of the discussion.

George Stephanopoulos: Let me ask about something New York is going through right now, the huge controversy of whether to build a new football stadium on the West side. Mayor Tom Murphy of Pittsburgh, you succeeded after losing a referendum and then pushing it through the state legislature, is that correct?

Mayor Tom Murphy, Pittsburgh: We sort of said we're going to do it anyway.

George Stephanopoulos: And you [Mayor Kay Barnes of Kansas City], that's where you were successful. You brought in arenas but not a new baseball stadium. Talk about the experience and what the difficulty was in getting public support for it.

Mayor Kay Barnes, Kansas City: We had an interesting experience in Kansas City with our arena issue; it was not doing well in the polling early on. [But then] we received a call from the leadership of Enterprise Car Company, which has its corporate base in St. Louis: Under no circumstance would they support what we had put on the ballot, which was an increase in rental car fees and hotel fees to fund the public portion of the arena. They said to us, "we're going to go after you. We will spend whatever it takes to fight you in this campaign." And the more they spent, the more it helped us. Because it created this situation where they were the enemy, and we played up the St. Louis part, because there's always this competition within Missouri between St. Louis and Kansas City. They ended up spending over one million dollars against us in the campaign and we won by 61 percent, thanks to Enterprise. So it was an interesting political experience to see the value of an identified enemy and then really making that the focal point of the campaign. We learned a lot in that experience and we're all very excited about what the arena will mean in terms of our downtown revitalization.

Mayor Tom Murphy, Pittsburgh: Let me just say that I was caught between belief and reality on this. I fundamentally don't believe that the public ought to be investing in ballparks. That said, we have built a new football stadium, a new baseball park and a convention center, and we

spent \$1 billion doing so. We did that because that's the reality of life; that's the market place. For a city like Pittsburgh or Kansas City, small markets competing with George Steinbrenner, who's spending \$200 million on [players for] a team when we spend \$20 million on a team. So it was a question to us of losing the teams, and it's hard to imagine a Pittsburgh without the Pittsburgh Steelers or the Pittsburgh Pirates, after having lost the steel industry. So the reality was [we had] to put a deal together. We went out to the public, had a referendum, 70 percent of the people voted against the referendum saying, "we don't want to use public money." Two months later, I said, "we're building them anyhow," and figured out a way to put the money together. That's not how you gain popularity with the electorate.

George Stephanopoulos: And once you've done it though how is it?

Mayor Tom Murphy, Pittsburgh: There are still people who are upset about it.

Mayor Gavin Newsom, San Francisco: Well, with respect, eat your heart out because we built a baseball stadium without any public subsidy: PacBell Park. And it's an extraordinary stadium even if it's not the number one stadium. Every mayor's going to sit here and say, 'Football stadiums are a great economic stimulus.' I think one of the great experts is your colleague, George Will, on this, who has made it crystal clear to me; he said, "You Mr. Mayor will be saying that, but you will be wrong when you do." Well I don't want to prove George right on anything. So I'm not going to say it. The fact is football stadiums are not a great economic stimulus, they are just not great for the economy. It's a sort of myth.

With baseball stadiums, however, you can make a very different argument and [a good example of] that argument, I think, is PacBell Park -- now called SBC Park. It's just an extraordinary city that's being built: 6,000 housing units around this area; a fixed light rail system; University of California San Francisco, which is our institution of higher learning where biotech and life science and nanotech really were conceived.

Our 49ers stadium, though, we're in the midst of that discussion and we passed an initiative that allowed for \$100 million -- barely passed -- in revenue bonds. So it's not a general obligation bond, it's got to be paid back with some revenue component. It's a way of subsidizing, modestly, the construction, but not a way of ultimately giving away a city subsidy, except in a bond capacity.

George Stephanopoulos: Is the basic critical problem you all face here when you're trying to get the financing that the voters say, "listen we're going to be paying for overpaid players and greedy owners'?"

Mayor Tom Murphy, Pittsburgh: Well you get two messages from the voters: Don't use public money for ball parks to pay for the greedy owners, but don't you dare let these teams leave. So you've got a mixed message in the same breath; that's part of the challenge of how you put together a plan and move forward.

George Stephanopoulos: And at the end of the day what pushes you to do it -- the fear of losing the team or the actual benefit of what having the stadium can bring?

Mayor Kay Barnes, Kansas City: I think it is fear of losing the team as much as anything. We get referred to all the time as small markets in major league baseball and football, and certainly that is true in many ways. But the reality is that it is a very important part of a city's image, large or small. As cranky as the voters will get over that kind of subsidy, when push comes to shove, I think there is a recognition that it may well be worth the investment, not only to "keep the team for psychological reasons," but also for economic development reasons. The baseball stadium is an excellent example of that in almost any community. That's why we see almost all that are being built, at this point, being built in a downtown, or very near a downtown area, simply because it is an economic development stimulus.

Mayor Gavin Newsom, San Francisco: And what we're seeing with football stadiums "and this is our discussion of the 49ers" is that you want to anchor them in mixed-use development. You want to create a component where you've got housing, perhaps hotels, you've got retail components, so it's all packaged together, so you can legitimately make that argument. But a stand-alone stadium, with just a few games a year, you're not gonna make an [effective] argument. For example, our number one issue in San Francisco is homelessness. If I'm going to say that I'm going to subsidize a multi-billionaire by getting him over \$100 million in subsidies, but I can't help people out there in the streets dually diagnosed with drug and alcohol addictions and bi-polar disorder, boy I've really made a difficult decision on the basis of my morality and judgment.

Mayor Tom Murphy, Pittsburgh: The economics of it are really that arenas make the most sense. They are used 250 times, so they generate a lot of activity. Baseball is next. Football, it's hard to justify a football stadium on economic development purposes for 14 weeks, 12 games a

year. Â

