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I dare you, Mr. Mayor

Commentary

By Dan Lawton

Mayor Kevin Faulconer is forming a task force to study how, exactly, to finance and build a stadium that

would keep the Chargers in San Diego. I can save the mayor and his task force a lot of valuable time.

Any stadium built with public money is a fiscal affront to our citizens. It is a public subsidy of an already-profitable private business owned by tycoons. It would take dollars away from worthier civic needs in neighborhoods far from downtown and Mission Valley. No honest leader who truly cares about all the citizens — not just the richest — could possibly be for it.

The public has provided 71 percent of all financing for NFL stadium construction since 1997 (not counting MetLife Stadium, which the Jets and Giants built with their own money).

Most publicly financed projects let teams collect almost all revenue that comes from ticket sales, concessions and parking. The resulting income doesn't flow back to the public; it goes to the club owners. Publicly funded stadiums rarely bring any measurable prosperity. Instead, they leave cities and states in debt that they can't repay.

This is not rhetoric or advocacy. It is the conclusion of disinterested economists such as Gregg Easterbrook and Judith Grant Long. They have studied the finances of the dozens of stadiums built with public money in recent years.

Understanding this doesn't require an advanced degree in economics. Think of it: Unlike most other public works, the publicly funded stadium sits empty and unused for most of the year.

Take the Chargers. In 2014, they played eight home games during the regular season, two home exhibition games, and no home playoff games. That's 10 home games total. Ten days comprise 2.7 percent of all of the days in the year. The nice adjective for a public asset that is used by its prime occupant and its customers only 2.7 percent of the year is "underutilized."

Stadium boosters point to the cash that fans flocking to a new stadium spend locally — on tickets, merchandise, food, beverages, hotel rooms and so forth. That is true as far as it goes, but there are better questions to ask.

First, would that money be spent anyway elsewhere in the local economy if the new stadium weren't there at all? (Yes.) Second, do such projects divert money from other geographical areas of the city? (Yes.) And third, to whom does the lion's share of cash generated at the publicly funded stadium go — the public or the club owner? (The club owner.)

The truth is this: These projects, stripped bare of the rhetoric and promises, are gifts of public money to plutocrats like the Spanoses.

Consider Santa Clara. There, the San Francisco 49ers enjoy a \$1.3 billion new stadium, whose cost the public generously underwrote. In return for use of the facility, the 49ers will pay annual rent of \$24.5 million for 40 years. In essence, the deal is a 40-year loan amortized at less than 1 percent interest. The club owner, Denise DeBartolo York, has a net worth estimated at \$1.1 billion. She loves the deal.

Then there is Seattle, home of the Seahawks. Their owner, Paul Allen, is one of the world's wealthiest billionaires. The state provided \$390 million of the \$560 million in construction costs for his club's new stadium, CenturyLink

Field. He pays the state \$1 million in rent. His take of the revenue is about \$200 million per year. Where do we sign up for that sort of deal for our own businesses? There are more examples.

I encourage you to do your own research, because I'm sorry to say that you won't read any honest account of this matter in the pages of the *U-T San Diego*. The paper once employed a writer who had the guts to write honestly about the issue. His name was Tim Sullivan. He was not "anti-stadium," he was "anti-stupidity," he wrote. He was fired, of course.

Doug Manchester and John Lynch are financially interested in the waterfront development of which they consider a new stadium a key part. They do not suffer dissenting opinions, or what they would call "fools." This is to their shame. A lot they care.

The mayor's task force will sink thousands of hours into their work in the coming months. Manchester, Lynch and their brochure masquerading as a newspaper, *U-T San Diego*, will ask you to read dozens of editorials touting the benefits of the new, publicly funded stadium that they want so badly.

There is no need. The research is done already and it's easy to find in the public domain. None of the noise you hear will change the truth. A new, publicly funded stadium in San Diego boils down to one thing: socializing the costs and privatizing the profits of citizens' "investment" in a colossal public work.

The Spanoses are one of *Forbes'* 50 most valuable sporting franchises in the world. If the economic returns of new stadiums that they promise truly are as they represent, let them build their own stadium and keep all the revenue. The Jets and Giants have shown it can be done.

If the Spanoses don't want to spend only their own money, then let them leave. They have the right, starting (again) in 2016. Who needs them? You don't. The Rams and the Raiders left Los Angeles. Life there went on, and families found other, perhaps better, ways to spend their time and money than cheering for a football team in person.

I doubt the mayor or any member of his task force will read these words. But if he does, let him take me up on a dare. Here it is: Let the mayor appear at a public meeting, led by a panel of independent sports economists who have studied public investments in sports venues. (Andrew Zimbalist, Roger Noll, Kevin Delaney, Rick Eckstein, Brad Humphreys and Judith Grant Long are all good candidates.)

Let the mayor give an opening statement. Then let him answer the economists' questions, which he is not allowed to have in advance. (He can have his own economist at his side, to make it fair.) Then the mayor can turn the tables, and ask them questions.

The audience will consist solely of journalists not employed by Doug Manchester and John Lynch, and broadcasters who don't cover the NFL or the Chargers. No applause, booing or other demonstrations will be allowed. Let all the local television stations (except the one that broadcasts Charger games) air the meeting live, in prime time. Then let *U-T San Diego* print, without editorial comment, a full transcript of what is said at the meeting.

I don't expect the mayor to take me up on this dare. That is because he is honest. His honesty would require him to answer the hard questions honestly. And this, he knows, would kill any chance of a publicly funded stadium succeeding.

Even so, maybe he'll surprise me. If he does, and the taxpayers fund a new stadium, I will buy him a hot dog. (I will have to have it carried to his box, because I will not be allowed on the premises.) If he refuses, he can buy me a hot dog, which he can have one of his aides bring to me at my office any day.

The mayor should be a mayor for all people. The local newspaper's owners should care about what's best for the whole city, not just themselves, their advertisers and their buddies. Economic improvement throughout the city, and not just in Mission Valley or on the downtown waterfront, should be their focus.

Sports stadiums are poor municipal investments. Every independent study to have looked at the matter has come to this conclusion. Pretending it isn't true is unworthy of our city's leadership.

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