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**Time for the Stadium Authority to Help the City**

Only in Pittsburgh would it be necessary to have a Stadium Authority even though the stadium it once owned and managed has been demolished. Remarkably, the Stadium Authority-- not to be confused with the Sports and Exhibition Authority (SEA), which owns and manages the two new stadiums-- has been assigned responsibility for the development of the land between the two new stadiums. How convenient since the Mayor appoints all the members of the Stadium Authority Board. And how convenient it is that the chairman of the Stadium Authority and the SEA are the same person. And to complete the incestuous picture, the two authorities also have the same person as executive director.

A perusal of the Stadium Authority's financial statement is extremely revealing and points to an incredible level of coziness between the City, the SEA and the Stadium Authority. Perhaps the most astonishing finding is that the Stadium Authority has over the years received grants of \$22.8 million from the City of Pittsburgh. The \$22.8 million is still carried on the Stadium Authority balance sheet as a liability owed to the City. According to the financial statement, the City is entitled to repayment if Authority revenues exceed expenses and debt service costs.

Of course, the Authority is currently being operated in a way that offers little or no chance that revenues will exceed expenses for a long time. However, in view of the City's financial plight, the Authority has a moral obligation to do what it can to help the City that came to its assistance time after time in the past. Indeed, the Mayor should ask the Board members, all of who owe their appointments to him, to begin selling the land owned by the Authority with the proceeds to be dedicated to repaying City grants.

There have been ongoing attempts to obfuscate the value of the property owned so that calls for sale can be brushed aside. For example, the audited financial statement has no entry for land owned by the Authority even though some parcels are leased to a parking company. That ruse won't work. Any land between the two new stadiums has to be highly marketable. Even more troubling is the fact that the Stadium Authority has been transferring parcels of land, via quit-claim deed, to the SEA for \$1 per parcel. In effect, the Authority is disposing of its saleable assets. That practice should be stopped at once. In fact, the SEA should be required to return the parcels for the same \$1 price.

Even if an auction of Authority land does not generate \$22.8 million, whatever it does raise will be of help to the hard-pressed City. Then too, instead of being authority owned and tax exempt, the land would be in private hands and would pay taxes to the City, County and school district.

Obviously, the Mayor and the Stadium Authority will not willingly sell the strategic property on the North Shore. They would lose their 100 percent control of what happens on that land. But here is the counter argument: Why should the legislature be willing to consider raising taxes on Pittsburghers, commuters, and businesses unless and until the City has explored every avenue to generate revenue for itself? The Mayor's desire to control North Shore development is not and will not be an acceptable reason for refusing to sell Stadium Authority assets to assist the City.

One last point on the Stadium Authority's excessively close relationship with the Sports and Exhibition Authority: In 2002, the Stadium Authority agreed to loan the SEA up to \$4 million. The outstanding balance on that loan as of the latest audit was \$2.25 million. How can an organization whose expenses exceed revenues and which purportedly has negative net worth be in a position to make large loans to another authority?

The time has come for the General Assembly to enact major reforms to bring these municipal authorities under better control. One reform that could go a long way to reduce the abuse of power in these authorities would be to stop the practice of having one elected official have exclusive board appointment power. A second needed reform would be to require that different auditing firms be used for at least three consecutive years. A third reform would be to disallow having a person serve on more than one municipal authority board at the same time.

One of the important discoveries in the search for the causes of Pittsburgh's financial crisis is the enormous size of Pittsburgh's municipal authorities and the depth of their involvement in the economy of the City. And, as we have come to learn, much of that involvement has either not helped the City or has actually been counterproductive-- Lazarus, Lord and Taylor, and Fifth and Forbes Marketplace as examples. Finding a way to curb the misuse of authorities and finding a way to extract cash from the authorities to help the City through its crisis should be priorities of the General Assembly.

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