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The stadiums' economic impacts laid bare

By Colin McNickle

We all remember the hard sales pitch of nearly 30 years ago:

The tax-our-way-to-prosperity crowd was pushing, if not attempting to shame, the public in 11 Southwestern Pennsylvania counties to vote for the misleadingly titled 1997 Regional Renaissance Initiative (RRI) referendum.

A new and wondrous economic revival was promised for the region. Collectively, Greater Pittsburgh finally would rise above the long-stinging collapse of the steel industry. *If* they agreed to raise taxes, that is.

But RRI not only would impose a new tax on the region to build new stadiums for the very wealthy barons of sport -- supposedly supercharging our moribund economy while bolstering our pride and maintaining Pittsburgh as the City of Champions -- it would create an entirely new cadre of unelected bureaucrats to disburse the remaining spoils from the raid on John and Jane Q. Public's wallets.

Voters saw through the subterfuge and overwhelmingly rejected the hustle of the conspirators, the owners of the Pirates and Steelers, community and corporate titans and their government-knows-best acolytes.

Of course, that wasn't the end of the raid on the taxpayer kitty. In a series of end-arounds that made Al Capone look like a choir boy, government thugs conscripted and compromised the board of the Allegheny County Regional Asset District to do the dirty work that voters had rejected and raided taxpayer coffers anyway.

And 27 years later, the economic data proves what RRI opponents and those appalled by government-sanctioned theft of taxpayer dollars contended all along: the long-term economic benefits would be, and have been, illusory.

As a new white paper by Jake Haulk, president-emeritus of the Allegheny Institute for Public Policy shows, in part, the construction and operation of the stadiums, along with that of a new convention center, could not even muster the chimera of economic progress. It was, in fact, a mirage.

"Indeed, looking at the experiences of the past 20 years and of the past 30 years remind that new taxpayer-funded stadiums do not stimulate growth as was once strenuously argued by stadium advocates during the 1997 Regional Renaissance Initiative referendum debates over adding to the sales tax rate in 11 southwest counties," concludes Haulk, a Ph.D. economist (in *Policy Brief Vol. 24, No. 31)*.

"High government costs along with high taxes in Pittsburgh -- combined with an expensive, underachieving school system -- are hard to overcome for the purposes of promoting a thriving, growing economy," Haulk says.

That has been Pittsburgh chronic malady, then and now, Haulk's numbers-crunching show.

"Recent substantial downward revisions to assessments for Downtown buildings are an indication of how much work Pittsburgh must do to improve its economic competitiveness," he also reminds.

And the proof continues to be laid bare in the metrics that matter most – a still-foundering census and jobs numbers that redefine "malaise."

It should be more than enough ammunition for the tax-paying public to intellectually fire back the next time – and that time is coming sooner than later – at the barons of sport and government command economists planning to collude yet again to either fully renovate or replace the playgrounds for which these owners alone should finance.

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