



THE CASE FOR FAIR ELECTIONS

How the Yankees deal still leaves New Yorkers paying big bucks for peanuts

What does the richest major league baseball team do when it wants public dollars for a new stadium in one of the poorest counties in the nation?

The answer: Dole out hundreds of thousands of dollars in contributions to elected officials and hire politically connected consultants to win more than \$600 million in public subsidies.

In this report, the Center for Working Families, an independent, unaffiliated research and advocacy group, reviews what the Yankees spent and the generous hand-outs they received. We also review how New Yorkers still are paying for the stadium because of broken promises and the extraordinary cost of replacing public parkland.

These new broken promises and costs include:

- **A loss of six jobs** rather than 55 new jobs at parking garages built after the Yankees demanded the new structures as part of the stadium deal¹
- **Likely default on tax-exempt bonds** held by the Bronx Parking Development Co., which built and manages the garages. Private shareholders will be on the hook, but the public may shoulder maintenance costs and the construction of any new buildings.
- **Only three public ball fields** replace the five that Bronx residents could use before the Yankees took over their parkland, and players lost six seasons before they opened. Pick-up games will be heavily restricted. No additional dedicated funding has been allocated for the maintenance of the replacement park facilities.

The new stadium also has failed to create the thousands of jobs that government leaders claimed justified the enormous subsidies. If we had Fair Elections with public financing, it'd be a major step toward ending expensive giveaways to undeserving private entities. Here's the whole story:

What they gave: Yankee contributions to New York political campaigns

To build its new stadium in the Bronx, the Yankees—the most valuable team in baseball with a value pegged at \$950 million—needed the support of state and city elected officials. (The team's value is now at least \$1.7 billion, the third highest valued sports team in the world.²)

In particular, the state legislature had to approve the seizure of 25.3 acres of heavily used public parkland. The Yankees were able to secure that support in record time over the vociferous opposition of local residents, community organizations and parks advocates.

How did the Yankees pull it off? Our review of the team's contributions to New York political campaigns

shows how campaign cash heavily influenced legislative decision-making:

- **The Yankees contributed \$50,000 to the Bronx Democratic County Committee** from 2005 to 2010.³
- **Top Yankee officials contributed a total of \$25,600** to the campaigns of city and state politicians key to the stadium's development.⁴ They made these gifts from 2003 to 2006.
- **Assembly Member Jose Rivera, former head of the Bronx Democratic County Committee, and his children received \$8,850** in campaign contributions from the Yankees between 2006 and 2008.
- **Republican Senator Joseph Bruno, then majority leader, received \$18,000** from the Yankees between 2006 and 2008.
- **The Yankees paid more than \$300,000 in the first quarter of 2006 to the Mirram Group**, a firm run by Roberto Ramirez, a former Bronx Assembly member and chair of the Bronx Democratic Party who had long-term relationships with Bronx elected officials. This was the single largest lobbying fee registered in the city in 2006.⁵

What the Yankees got in return: State, city and other government subsidies

As the Yankees spread the wealth to politicians, New York City and New York State each faced multi-billion dollar budget gaps, and the Bronx Bombers' home borough remained the poorest urban county in the nation, with 43 percent of Bronx children living below poverty line.

But this did not faze elected officials. In June 2005, a member of the Bronx County Democratic Committee, Assembly Member Carmen Arroyo, and Senator Frank Padavan introduced bills authorizing the seizure of the Bronx parkland. The legislation was supported by the New York City Council and other city officials. Within eight days, the state legislature passed both bills.

Government Subsidies to the Yankees⁶

Taxpayer Subsidies	Amount
<i>New York City subsidies</i>	
Direct subsidies for land/infrastructure	\$203.9 million
Forgone property taxes, sales taxes, and income taxes on bond interest	\$166.8
Rent rebates	\$13.4
City TOTAL	\$384.1 million
<i>State Subsidies</i>	
Direct subsidies for garage construction and stadium maintenance	\$74.7
Forgone sales taxes and income taxes on bond interest	\$33.3
State TOTAL	\$108 million
<i>MTA Subsidies</i>	
Metro-North station	\$51.2
MTA TOTAL	\$51.2 million
<i>Federal Subsidies</i>	
Forgone income taxes on bond interest (for stadium and garages)	\$120.2
Federal total	\$120.2 million
TOTAL	\$663.5 million

The legislation passed in 2005 and the takeover of public parkland began in early in 2006. Tax breaks, subsidies and other benefits, secured through the New York City Economic Development Corporation and other entities, continued to roll in.

Replacement of much the public parkland was finally completed in 2011, two years behind schedule. The new stadium has failed to create the thousands of jobs that government leaders offered as justification for the enormous subsidies. Meanwhile, local business owners now report that the new stadium has depressed commercial activity in the surrounding area, though no economic impact study has been conducted.

The Solution: Fair Elections with Public Financing

”Fair elections” involve strict contribution limits, public financing for candidates who adhere to those limits and aggressive enforcement. The results? Increased voter participation, limitations on the influence of big money, and even better laws and policies. With sweetheart deals like the one described here, we can’t afford not to have fair elections with public financing.

¹ “EDC Subsidizes Empty Job Promises,” news release, Office of the NYC Comptroller (March 19,2012) Retrieved on April 12, 2012 at http://www.comptroller.nyc.gov/press/2012_releases/pr12-03-025.shtm NYC comptroller report.

² Badenhause, Kurt, “The World’s 50 Most Valuable Sports Teams,” Forbes (July 12, 2011). Retrieved on April 12, 2012 at <http://www.forbes.com/sites/kurtbadenhause/2011/07/12/the-worlds-50-most-valuable-sports-teams/>.

³ All New York State campaign contribution and lobbying data in this report was analyzed by NYPIRG unless otherwise indicated.

⁴ “Insider Baseball: How Current & Former Public Officials Pitched a Community Shutout for the New York Yankees,” Report, Good Jobs New York (July 2007). Retrieved on March 12, 2012 at http://goodjobsny.org/sites/default/files/docs/insider_baseball_report.pdf.

⁵ Brodsky, Richard. (n.d.) The House That You Built. An Interim Report Into the Decision By New York City To Subsidize the New York Stadium.

⁶ A version of this table appeared in the 2007 report by Good Jobs New York, “Insider Baseball: How Current & Former Public Officials Pitched a Community Shutout for the New York Yankees.”