

No Sales Tax for Stadium

by
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We need to keep the Pirates in our area. The economic impact can be debated ad nauseum. However the psychological impact is huge. From the fanciest Pittsburgh corporate board room to the most spartan elderly care home, the Pirates are an important component to the psyche of our people.

Terry Van Horne, Joan Orié and Melissa Hart are three of the finest legislators in the state. They not only represent their districts well, they are highly intelligent and have excellent political instincts. So it was with some surprise to find all three making a pitch for a half-percent regional sales tax referendum which has absolutely no chance of passing in all but one of 10 counties. "There has to be something behind this that I'm missing," I repeated to myself.

Make no mistake, it was primarily business leaders that recommended this sales tax government approach to stadium financing. Ironically, it's a good bet that everyone of these business leaders has complained from one time or another about onerous taxes or government meddling in their industry. Yet when things get tough, where do they turn for the solution? Yep, the government.

With all the talent, business acumen and savvy in the Pittsburgh region, it is amazing that we have only been able to come up with two solutions to keep the Pirates in Pittsburgh. We have been told that we either need a sales tax or a sports lottery.

These three legislators didn't have much choice but to show business and industry what kind of support a sales tax has throughout the region. While the intent of the referendum is good, the climate couldn't be worse. This referendum has no chance.

But then it finally hit me. After this referendum gets voted down big- time, government can turn back to business and put the burden back where it belongs. This referendum is nothing more than a trial balloon for what the real solution will be.

The Pittsburgh region doesn't need a duplication of the Baltimore or Cleveland approach to stadium financing. We need a Western PA approach. We need an approach that will invoke civic pride in a stadium like no other in the country. That's why the only solution cannot involve the government.

The Pirates and Steelers are privately owned franchises. Why can't the private sector put together a stadium fund and solicit private investors to buy shares? Employing Western Pennsylvania know-how, a new corporation called the "Pride in Pittsburgh Corporation" should be formed and shares sold to business, industry and the general public. The goal

would be to get all sectors to invest \$208 million in a stadium with a 30 year lease to the Pittsburgh Pirates.

Could we get 208,000 people in Western Pennsylvania to invest \$1,000 in a stadium which may pay dividends and return the principal invested over time? Maybe not but factor Mr. McClatchey and his partners, business and industry and you have a realistic possibility. It definitely would have far broader support than a corporate welfare sales tax approach and it averts the millionaire support issue. Despite the spin being put on this thing, this sales tax plan represents unconscionable corporate welfare.

We have numerous fund-raising gurus in Western Pennsylvania. There are more clever ways to raise money for various good causes than anyone can imagine. Why not tap into that additional talent for the stadium cause? Given a choice, any civic-minded citizen would rather invest \$1,000 in an accountable entity, owning a small piece of Pirate Stadium rather than divest \$1,000 over time through taxes for an inefficient bureaucracy.

So maybe we won't get a stadium in Slate Lick as Commissioner Scahill has suggested. But wouldn't it be fun if investors from Armstrong County (where the referendum is doomed) ended up owning the voting majority of shares of the stadium corporation? That stadium would then become the tractor-pull attraction of the USA when the Pirates went on the road. Maybe that's the real reason why the club owners want a sales tax.



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