

# HOW PHILLY WORKS Want a Seat in the Mayor's Box?

A squabble is going on between the mayor and a next-mayor-wannabe. It's about an issue that may not be the most important in town, but it's the kind of thing that gets Philadelphians' blood boiling.

This issue is the use of free tickets in suites called the "mayor's box" for every event held at the Wells Fargo Center, Citizens Bank Park and Lincoln Financial Field. Between April 2008 and December 2012, nearly 30,000 free tickets were available for some of the best seats in the house.

City Councilman Jim Kenney (he's the next-mayor-wannabe) believes the city is missing out on significant dollars for the public schools by not leasing the box. Mayor Nutter disagrees: his Press Secretary says the city will continue giving the tickets away, which it does in accordance with a written public policy.

We searched for the policy on the city's website. It isn't there. We asked the Press Secretary for it over a week ago. We're still waiting. We finally got it from the city's Chief Integrity Officer.

Since the mayor's boxes actually belong to the taxpayers, we think you should know how they are used. And if you have a point of view in the Nutter-Kenney debate, tell us by e-mailing <u>futureofthecity@seventy.org</u>.

--September 27, 2013

#### My blood is boiling because the Eagles are 1-2, not because of the mayor's box.

OK, maybe not you. But to lots of others, this perk (and it is a perk for reasons we'll explain) has symbolic importance, especially when public officials, their friends and employees get tickets for free and they have to spend big money to see Springsteen or your beloved Philadelphia Eagles.

#### Why does Philly even have mayors' boxes?

Construction deals with sports stadiums and entertainment venues all over the country often include boxes for city government in exchange for financial support from city taxpayers.

#### So who do the tickets go to?

From April 4, 2008 through December 31, 2012, over 23,000 people (including many we know and like) used the tickets for 1,682 events. Just over half (54%) were distributed to schools, nonprofits, recreation centers and other (unexplained) groups. Requests for 1,785 tickets came from City Council, with 1,040 recorded as attending. Other elected officials requested 561 tickets and used 455, and city employees requested 7,809 tickets and used 4,008.



## Do we know the actual names of people who use the tickets?

The good news is that you don't need binoculars anymore. The list of people using the mayor's boxes is released by the mayor's press office to the media and others who happen to be on the office's distribution list. But if you go to the press office's archives, you can only read one-page summaries. The lists of attendees aren't posted. So our best guess is that most people never see them or even know they exist. Here's the list of <u>2012 attendees</u> so you can see what it looks like.

#### Where's the ticket giveaway policy you mentioned earlier?

You can read it <u>here</u>. To his credit, Michael Nutter is the first mayor to have a written policy for giving out free tickets to the mayor's boxes and to publish the names of attendees. In 2007, Seventy asked all the mayoral candidates to pledge to make public the names of people using the mayor's boxes and to ban the use of city-owned facilities or the dispensing of free tickets for political fundraising. Nutter agreed and followed through once he became mayor.

#### How do we know political fundraising isn't happening?

We can't know for sure. But the ticket distribution policy specifically forbids political fundraising by elected officials. If a non-elected city employee tried to fundraise, it would violate the city's rules. As for non-city employees, you may remember a corruption scandal in the mid-2000's that revolved in part around using the mayor's box to raise dollars for John Street's 2003 reelection campaign. Mayor Street denied campaign fundraising was happening, but he banned the practice a week after the FBI released a secret tape of one of the mayor's chief fundraisers talking with him about "selling tickets" for dollars.

#### I see city employees use a fair number of tickets. Nice perk if you can get it.

Given the nature of this town, it probably won't surprise you that a number of people who are close to our city's boss got to see "The Boss," a.k.a. Bruce Springsteen, in 2012. According to the mayor's policy, any of the city's 25,000 plus employees can get two tickets in the mayor's box for one event every 30 days if they get approval from a higher-up and don't go during work time. San Diego, by comparison, imposes much stricter rules for most city employees by limiting free tickets to highly qualified people the city is trying to attract for jobs or city employees the government wants to retain or recognize for a job well done.

#### What about elected officials using tickets? They get thanked for a job well done by getting reelected!

A growing number of elected officials in other cities have been criticized for using free tickets for family members or to reward friends and allies. To avoid this, some elected officials pay for their own tickets. Two members of the San Francisco's elected Board of Supervisors (including its President), for instance, reimbursed the city for their tickets to the 2012 49ers-Packers NFC Divisional Round game at Candlestick Park. City officials in San Diego can only use free tickets if they reimburse the city for their face value, treat the tickets as taxable income or use them for public purposes (e.g., promoting local or regional businesses, economic development, job creation, tourism or city-controlled programs and events).

#### You said there were some financial questions around the use of the mayor's box.

That's where Jim Kenney's proposal comes in. What he says, and you can read his letter to Mayor Nutter <u>here</u>, is that leasing the mayor's box on a per game/per event basis – especially to big events – could generate at least \$1 million a year. He suggested using the money for a school supply fund for public school kids launched by the mayor a few weeks ago.



### Is this a good or bad idea?

Frankly, we think any credible idea that could raise money to benefit school kids should be on the table for discussion. The Phillies sell individual game party suites with 22 seats for just under \$4,000 per game. Assuming the 18-seat mayor's box at the ballpark could be leased for a similar price, it could bring in some appreciable dollars. Not enough to bridge this year's shortfall, but any little bit helps.

## What about selling off the mayor's box altogether?

That's what happened in New York City in 2009. After harsh criticism for insisting upon free luxury boxes at Yankee Stadium and Citi Field (home of the Mets), Mayor Bloomberg agreed to sell the boxes (reportedly worth \$600,000-\$850,000/year for the Yankees; \$250,000-\$500,000/year for the Mets). The terms weren't disclosed. According to the *New York Times*, the deal is limited to the Bloomberg administration. No word on what the next mayor of NYC, who will be elected on November 5, will do.

## What does Seventy think about the use of the mayor's box?

We think the policy should be reexamined as part of a broader discussion about revenue options, especially since the city is still feeling the impact of the financial crash in 2008 and faces continuing financial challenges, including the nearly bankrupt public schools, unresolved municipal labor union contracts and an unsustainable pension system. We're betting the 2015 candidates for mayor will have their own ideas for how to get the best use of free seats in the mayor's box.

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