

OPINION

The ballpark: What jobs will it bring?

By Enrico Marcelli

In the coming weeks, the details of the ballpark district agreement will be subject to intense scrutiny. Is it a good deal for the taxpayers? Will there be sufficient funds to cover the annual costs and debt service? Where will the \$21 million in "other" funds come from? Are there adequate protections to guarantee that core services such as libraries, police, fire and park maintenance are not threatened?

But there is one crucial question that has been noticeably missing from the ballpark debate — what kind of jobs will result from the City's \$225 million investment?

It has been noted that one of the central economic benefits of this new project will be the creation of hundreds of permanent new jobs. Who would argue that economic development and job creation are not legitimate goals of public investment?

That includes public investment generated from visitors to San Diego in the form of a Tourist and Occupancy Tax — the so-called "not-a-real-tax" tax. And the taxpayer contribution to the new ballpark district goes beyond direct tax receipts. The revenue we lose through tax and fee waivers on new private development projects is yet another form of investment in economic development.

But our investment in job creation must be subject to the same level of scrutiny as other any public spending to determine if the return on our investment is broadly shared. To determine the overall economic impact of these new jobs requires an assessment of not just the quantity of new

jobs created, but more importantly, the quality of these new jobs.

The release of SANDAG's Economic Prosperity Strategy Report unveiled that one of the most persistent and troubling features of our new economy is the growing economic disparity between the high-income, professional, hi-tech occupations of the future and the low-wage service industries that are producing the greatest number of jobs. The income gap is real and it is growing.

In addition to wage disparity, several other features of our economy merit equally serious attention. The proliferation of the use of temporary and contingent workers undermines job security, and therefore economic security, for many families. In addition, the 600,000 San Diegans who lack health insurance are a threat to the security of our families as well as an impediment to economic growth of the region.

These structural weaknesses in the regional economy are issues that must be addressed in any and every economic development initiative.

The success of the ballpark project ultimately depends on tax revenues from significant ancillary private development, including additional hotel rooms, new office space and retail establishments. Therefore, in the absence of specific policy to create good jobs, the very financing structure of the deal guarantees the creation of low-wage service and tourism jobs.

Politicians and planners have the responsibility to evaluate critically the ability of these new employment opportunities to promote shared economic growth that supports working families. If this is not done, the distinct possibility exists that the Ballpark and the economic "development" it spawns as a result of what economists call a "multiplier effect," may actually perpetuate an already established trend of people working more and earning less.

At the very least, publicly supported investments should result in the creation of jobs that provide family-supporting wages, substantial job-training opportunities for career development, health benefits and pension benefits that provide for secure retirements. In short, we ought not promote low-wage or "dead-end" employment opportunities with public funds. It's a bad investment of limited taxpayer dollars.

The mayor and City Council have an opportunity to guarantee that our contribution to building the new ballpark and entertainment district is an investment that will create good jobs and shared economic prosperity.

First, the city should produce a Jobs Impact Report that would describe the quali-

ty of net new jobs created by our investment. Are they, in fact, new jobs or are they simply substituting for similar jobs lost in other areas of the region as a result of new competition from downtown development? Do these jobs pay family-supporting wages? Do they provide health benefits and pensions? And is there sufficient employer commitment to training and human-resource development so that each job is a pathway to an even better job?

Second, the City Council should require that any benefits we give to private businesses in the form of development subsidies or credits are based upon basic principles of mutual responsibility and accountability. The council can condition any public subsidy or credit to a private business, *quid pro quo*, on that firm's commitment to hire workers at decent wages and provide health benefits.

Finally, the City Council should set as a matter of policy that no public dollars will be spent on economic development to create jobs that don't provide livable wages or that increase the ranks of uninsured workers.

MARCELLI is research director for the Center on Policy Initiatives, a San Diego-based research and policy center formed to investigate the changing regional economy and the impact on jobs.