PUBLIC ARENA PARTNERSHIP WITH THE SAN ANTONIO SPURS

By Christine Drennon

I want to begin by being very clear about what this is, and what it is not.

This is not an argument against the *Spurs*. I love the *Spurs*. It is not an argument against downtown development. I love downtown. And it is not an argument to stop what has already been set in motion. I respect the democratic process.

It is an argument about city council's duty—right now—to ensure that the final, binding arena agreements reflect the best possible deal for the public you represent.

You have approved a framework. But that framework is nonbinding. The enforceable decisions—the ones that will govern risk, cost, and return for decades—are still in front of you. And that means **this is the moment where your fiduciary responsibility is at its highest.**



The *Geography of Prosperity Index* is a national index developed by *Motivf and Human Change.* It ranks the largest 250 cities—not on growth—but on a range of factors that are intended to represent future-readiness for a prosperous life. https://geographyofprosperity.com/gop/home

I have two points to make about this process, but I do so in the context of the report released last week by the consulting company *Human Change* called the *Geography of Prosperity Index*, that measured a city's preparedness for the future. That report named San Antonio the 151st of 250 cities for *"their structural readiness to thrive in the decades ahead."*

As a researcher, I approach these indices and measurements with extreme caution and even suspicion. I do my homework, I work to understand their assumptions, I trace their data. Most I discard for a number of reasons; this one I like.

This index is receiving national attention since its release in March, 2026 at *SXSW*. It's been covered in the *New York Times* and has a *Wikipedia* page, it is also mentioned by the *Brookings Institute*, and the *Hamilton Project*. A link to it is on realtor.com. They call it the *Geography of Prosperity Index*—and rank SA as #151 of 250 cities—mostly due to poor governance (33%) and our lack of social cohesion (48%).

Your unwillingness and inability to negotiate terms favorable to our city and to keep OUR interests front and center exemplifies why we received such utterly failing grades in these two indices.

So, I will use it to frame my comments: **First, good governance and shepherding of public resources.** The researchers define and measure governance as the capacity to plan, invest, and execute at the scale of long-term community need. We earned a 33% for this index, and a warning that to reverse this trend would require substantial structural change in the way we govern and do business—that a single high-profile project will not change this— that is a way of doing business, not just one bad deal. Yet, here we are with another single, high profile project.

So, let's talk about the project and particularly about the fiscal burden on the public and the ability to execute "*at the scale of long term community need*". Our ability to responsibly shepherd public resources.

First, let me turn to the *Spurs* as a financial partner:

- The *San Antonio Spurs* are not a marginal franchise. Public estimates from Forbes place the team at about $4.4 billion in value, generating roughly $400 million in revenue and about $150 million in operating income.
- The *Spurs* rank near the top of the league—around eighth in operating income, third in overall scale, and fifth in operating margin.

It is these measures of profitability, not market size, that determine a team's ability to finance its own arena.

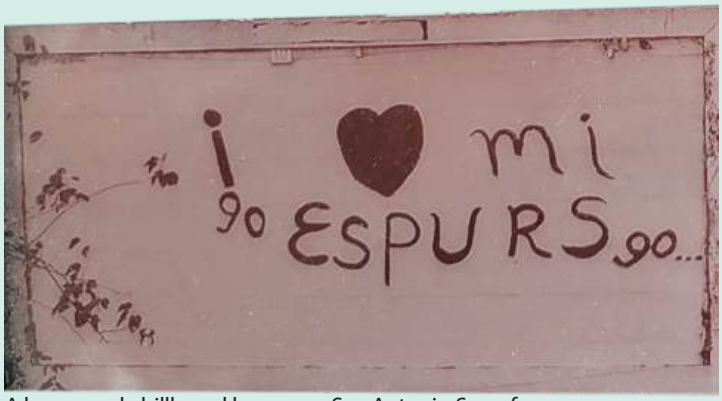
When you compare the *Spurs* to their peers, the proposed *Project Marvel* funding structure looks out of alignment. The franchise just ahead of them in operating income, the *Los Angeles Clippers*, financed their arena entirely from private sources. Ours, on the other hand, finances our arena with 62% public sources, despite comparable resources.

A partner with a balance sheet like this has substantial access to capital. It can absorb construction risk, support a larger upfront investment, and participate more meaningfully in long-term returns. So, the issue is not whether the *Spurs* are a strong partner, they are. The issue is whether the current framework for this public arena partnership reflects

their actual financial capacity AND how well it reflects ours.

It does not. It overexaggerates ours and underexaggerates theirs.

So if they are not funding it to their capacity, who is funding it? The answer is: We are. The public is. You say visitor-funded, but we all know *"visitor-funded"* is an oversimplification. The deal relies on visitor-oriented taxes up front, but it still exposes the public to lifecycle costs, foregone local tax capacity, lost opportunity costs, and revenue risk over time.



A homemade billboard by a crazy San Antonio *Spurs* fan.

As Mayor Jones remarked in her *State of the City* address, we are entering an era of economic uncertainty–and we must act accordingly. Instead, as the geography of prosperity measurement indicates, we are NOT preparing for what's next.

This is why we receive a 33% grade for governance. Are we making long term, sound investments based deeply in data that shepherd public resources responsibly, or have we negotiated an historically poor deal in comparison to every other city in the United States that has recently renegotiated terms with their NBA teams (which includes at least 7 other cities).

My second point, and their second measurement: social cohesion, for which we earned a 48. They define social cohesion as our trust in public institutions, civic participation, inclusion and social stability.

They remark that *"SA remains deeply economically segregated and divided,"* suggesting that it *"isn't well-positioned for what's coming."* This is strongly reflected in the vote taken in November, and even more so in the response to that vote. An electorate could not BE MORE DIVIDED.

52.1 percent of voters countywide voted in favor of using county venue tax to fund a new SPURS stadium downtown, closer to 50% of San Antonio voters approved the use of funds

In the wealthy suburbs of *Alamo Heights*, *Olmos Park*, and *Terrell Hills*, 80% of voters voted in favor of using public county funds to build the new stadium. Their fiscal responsibility for this project stops there though; the rest of the financial responsibility lies with the *City of San Antonio* and the various partners we'll tap along the way. Looking even more closely, three council districts voted against, and one was in favor by less than 1%. The only elected official who might even come close to legitimately claiming a 'mandate' would be City Council District 9, Councilwoman Misty Spears, where 56% of voters approved Proposition B. In all of the other city council districts, an average of 50.3% voted in favor.

That vote was closer than we've been made to think. **There was no mandate**; instead, the vote reveals a public torn over the use of public money to fund a new arena—but a public willing to come out and participate in the democratic process, believing deeply that our representatives will listen to our desires and move to implement them accordingly because they are the people we chose to represent our interests. But when our interests are split 50:50 who is being represented?

Since that vote, all has been quiet. No one has returned to us to discuss options; no one has returned to us to try and understand why so many are not in favor; no one has returned to us to invite us to join a wider conversation.

This is exemplative of the reasons San Antonio has recently ranked as one of the worst governed cities in the United States with low levels of social cohesion.

While a strong mandate may have provided our city council representatives with a clear directive to implement the *Project Marvel* agenda, **they did not receive a strong mandate**. Instead, they represent a clearly divided electorate whose will they must now represent.

It's still a democracy, and the majority still wins. But when the decision rests on 0.3% of votes, it is a signal. And, therein lies the opportunity. **How do our elected officials gain the trust of the nearly 50% who voted against Proposition B and represent them accordingly?** By negotiating terms more favorable to our city and county. Currently a non-binding term sheet and a community benefits agreement remain outstanding.

Your attention to this may begin to address their finding that we lack social cohesion, and that we distrust our public institutions. To treat a 50.5% vote as a mandate with no further public input or engagement needed exemplifies this lack of social cohesion, civic engagement, and trust.

Let me close with this.

This report is getting nationwide attention. It was released at *South by Southwest*—one of the biggest venues in the country. We want to attract economic development and investment, yet here we are again, we're back in the news.

Your unwillingness and inability to negotiate terms favorable to the *City of San Antonio* and to keep OUR interests foremost in those negotiations exemplifies why we received such utterly failing grades in these two indices. Let's disprove them and take this back to the negotiating table—and fight for our *CITY* rather than caving once again to powerful private interests. Let us be as strong and as principled as they are.

BIO: *Christine Drennon is an associate professor of sociology and anthropology and director of the* Urban Studies *program at* Trinity University. *Her academic interests center on urban geography and community development, particularly examining San Antonio's inner-city neighborhoods, the interplay of housing, education, and community development, and patterns of economic segregation and inequity in the city.*