

THE BROOKINGS INSTITUTION

ENGAGE AND LEAD:  
A CONVERSATION WITH  
FORMER LOS ANGELES MAYOR RICHARD RIORDAN

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**Moderator:**

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**Featured Speaker:**

RICHARD RIORDAN  
Mayor of Los Angeles, 1993-2001

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## P R O C E E D I N G S

MR. O'HANLON: Good afternoon, everyone; welcome to Brookings. I'm Mike O'Hanlon with the Defense Center here in the Foreign Policy Program and we are thrilled today to have the former Mayor of Los Angeles, Richard Riordan, with us for a discussion about his new book and his tenure as Mayor and his life. And it's a fascinating life. A New York Stater and a Princeton grad, so he began out here -- he's not unfamiliar with northeastern winters and he looked pretty hardy walking up the sidewalk this morning on his way to Brookings -- but then had the good sense to move out West. Very successful entrepreneur venture capitalist and had a lot of success in various areas in his law and venture capital days. Had the great civic duty and sense of obligation to create a foundation, the Riordan Foundation, with a focus on early education and spent a lot of time and effort and money on the effort to get young children with access to materials for school and reading during the period of the 1980s especially and ever since, was elected Mayor of Los Angeles in 1993, a very difficult time. There had just been the riots of 1992, there was about to be the earthquake of 1994; we'll hear a little bit about that very shortly, and crime was a serious issue. This was a period when some of the reform mayors were coming into office led by Mayor Riordan and did a lot to turn around the major cities in the United States, and again we'll hear some of the stories as well as his lessons of leadership that he distilled from that experience. And then finally he was Arnold Schwarzenegger's Secretary of Education early in the 2000s and has stayed involved in technology, entrepreneurial issues, public service, bicycling, and many other matters ever since.

So, Mayor Riordan, I will give you the floor in just a moment after we welcome you, but I'll then sit down and listen to your remarks. I'll come back up to join you for a little discussion and then we'll go to all of you thereafter. But please join me in

welcoming the former Mayor of Los Angeles, Richard Riordan. (Applause)

MAYOR RIORDAN: Thank you very much. Thanks, Mike. Mike and I met at the Allen Conference at Sun Valley where you had a lot of people who were very important in the world. And we were talking outside here about the book, the Outliers, and about how a lot of people who did well lived in a certain time in history or what have you. I was born in 1930 and you have Warren Buffet, Rupert Murdoch, born the same way; Jim Baker who was a classmate of mine, Frank Carlucci was a classmate, Bob Oates who is a classmate. And there were a lot of people there and I think one of the reasons we did well, very few of us were born in the early '30s, so we little competition and even fewer obviously their parents could afford to get a quality education. Although I'll give you one tiny example, my dad who was very successful, his income in 1946 when my two brothers had come out of the Army and four of my sisters were in college, he sent six people to private colleges, bought a new car, on a \$25,000 a year salary. And things were a little different in those days.

I'd like to start out by telling an embarrassing moment as Mayor and loosen it up for me and maybe loosen it up for you. I remember one where I was going to the Jewish Home for the Aged in Van Nuys which is part of LA, and I had two TV stations following me and a couple of newspapers trying to show how humble I was waiting on tables for the senior citizens. And I walk into this big dining room and I look across the room and there was a woman in her 90s who I knew I had known extremely well at one time, so I walked over to her and I said hi, there, I can't remember your name but we used to know each other extremely well. What was the context where we knew each other? And she said I've never met you before in my life. (Laughter) And I said do you know who I am, and at this she gently grabbed my wrist, she said let me take you up to the front desk and we'll ask them who you are. (Laughter)

I teach at the UCLA Anderson School of Management, it's a graduate school, and I'm starting there because I teach a lot of the things I learned as Mayor at the school. I teach on axioms, figuring they can remember axioms rather than some complicated book, and the main axioms I have are courage and obviously having the courage to do things, anything. There's a corollary to that that says only a mediocre person never makes a mistake and everybody here I'm sure has made a mistake. But the second one is caring which I think a lot of the people running for president should be thinking about, getting people to care for them. President Reagan spent two hours with me when I was running for Mayor and he told me the first thing you want to do when you give a speech is not have people think you're brilliant, but have them like you, have them care for you and think you care for them. So I used the word caring like -- I think we talked earlier, Mike and I, about it, Gore, Kerry, Mitt Romney, all likely would have been president if the people liked them. And I think Romney would have been a great president, but people just didn't feel good with him. So caring is good, caring is caring for the least person, the janitor as much as a president of a company and learning from them.

The next is empowering, empowering people. Surrounding yourself with the best and the brightest and empowering them to do things, not telling them. I told people you come downtown thinking about how you can make LA a better city, not what's going to please the mayor or what the mayor wants. And I used that continuously and I had the best people want to work for me and the best in the private sector who made things happen. For example, Eli Broad who gave us Disney Hall, Steve Soboroff and Charlie Isgar who gave us Staples Center, the Alameda Corridor, Venice, the poor drop in center for the homeless, and on and on. And I wasn't seeking the advice of people, I was seeking to get them actually to do it, to make it happen.

The next is relentless pursuit of goals, being a closer. That is an easy one to picture. And then the next one is a sense of humor. And I'll ask you all here, how many here think they can teach people a sense of humor? Anybody here? You think you can? (Laughter) By doing stupid things?

QUESTIONER: (off mic).

MAYOR RIORDAN: But I think the consensus is you can't do it, but I'm not sure.

And then I have two that are on the fringes of being axioms which are curiosity, which maybe goes with caring and others, and innovation. And that's what Mike is the expert at, innovation.

The LA election in 1993 was unique. I was the first republican to be elected in about 50 years, was 2-1 democrat. But what happened is we had the Rodney King riots, we had a first recession in the history of LA, we had the media, particularly national media selling us down the river, and I came in with the motto, tough enough to turn LA around. And I was telling my handlers I don't think I feel that way, you know, but it worked. We won by eight percent. I remember spending a two hour meeting with Ronald Reagan where he taught me about how to care about people and how to make them feel good.

After becoming Mayor we did a lot of things. I'll just give you an in or example. A month after I was Mayor we had the first of many meetings with trade associations. We had one with a fashion association talking about how we can have more fashion shows in LA, et cetera. And at the end of the meeting two of the leaders there dragged me into a corner and they said, Mayor, this is trivial but could you help us, we have good customers whose cars are towed away behind the fashion mart even though there's not a lot of traffic, but they have tow away zones. And so I finished talking

to them, I went out the door, and the first person I ran into was one of my people that work for me, Bill Vialotti and I said, Bill, I've got a project for you now. I want you to figure out how we can get rid of tow away zones quickly, stupid tow away zones quickly. Come back with me within two weeks, I want to have a report on them. Two weeks later he came back with a report from the Department of Transportation that showed how you could easily get rid of the tow away signs in about four to five years (laughter) and I said this is not -- I'm the businessman, I'm supposed to be somebody that gets things done. Come up with a simpler plan. And then I forgot about it for about a month and I ran into him a month later and I said hey, Bill, where's that plan to get rid of tow away signs, and he said it's been taken care of, Mayor. I said I haven't seen anything on my desk, how? He said, Mayor, it's taken care of. I said what do you mean. He said my son and I went out the next night and we took the signs down. (Laughter) I promoted him on the spot. But we came up with one of our great corollaries, it's much easier to get forgiveness than to get permission, so just do it.

The earthquake happened about six months after I was Mayor, the Northridge Earthquake, which was the biggest natural disaster in the history of the country up to that point. Fortunately it came about very early in the morning; I think it was 5:30 or 6:30, but very few people were at work or were on the freeways at the time. And it happened, I got knocked out of bed, I ran to the phone, the phone wasn't working. My phone in the car which I had as Mayor didn't work. So I threw on a sweat suit, I didn't take a shower, I didn't comb or anything, and jumped in my car and I went to the Santa Monica freeway which goes into downtown from the west side where I lived and I got on the freeway. There were no lights because the lights in the city were out and I rode down the freeway about 80, I think pushing 90 miles an hour and all of the sudden I see two big lights coming at me and I slowed down and then swerved a little bit to the left and it was a

big truck which had apparently gone up to where the bridge over La Santica had collapsed and then turned around on my side. But in any event the guy saved my life. But I turned around too, went out of one of the exits, ended up at City Hall and when I got there the next person in was the head of transportation. And we went to the emergency operation center which is four stories below City Hall. We have about 40 corrals or desks there, one for each department of the City, and then we have a large room for the police, another large room for the fire department. But Bob Yates and myself worked over this map of the bridges that had collapsed and we got to the Santa Monica which was the busiest freeway, and he showed how the only feasible detour had three intersections going through Culver City which is a neighboring city. And I said okay, fine, just take them over. He said, no, no, you're not allowed to. By law you have to report to Sacramento, they'll have a study done by an outside consultant and, you know, usually it would take a couple of years but I think we can get it done in a couple of months here. And at this I said you have five minutes to take over those intersections, and I mentioned it's much, much easier to get forgiveness. And I said here is me home telephone number and I literally gave my home telephone number. And if anybody complains give my number to them, they can call me and I'll ask for forgiveness. Well, nobody ever complained.

Another thing I learned through all this is perceived power can be turned into real power. People think you have power. For example, on the earthquake, a natural disaster like that the state constitution provided that the county would take over control of the emergency. I ignored that. The county never complained that I took over control, the state never complained, nobody ever complained. We just went smoothly through things. And we went over the map of the city and then the next meeting we had on that took place at the governor's office, Pete Wilson's office next morning. And we

met with about 20 people from the state transportation department that were in charge of construction and everything, and I asked them, I said where are the architects and engineers who came here yesterday, can you tell me what they have said? What problems we have with these bridges? It took them an hour to tell me that they didn't have anybody out there that afternoon, but they had a plan. And I said okay, fine, would you give me the dates they're going to be there on the plan? It took them a half hour to say well they hadn't done the plan yet. And at this point I dragged the governor and I grabbed two of the people from Washington who had flown out that morning and went into a small room next to the conference room we were out and I swore -- the only time I swore after the earthquake, and I said we have to take over. We can't get these bureaucrats to do a damn thing. And you, Pete, you have the power to take over and I'll follow through with you on it. And he agreed. We took over. We had architects and engineers out at every site that afternoon. By Friday of that week -- this was on Tuesday -- we had agreements with all of the contractors to repair the bridges, there were five of them, and within two months we had repaired all of them. And they earned bonuses. The *LA Times* criticized me for giving them bonuses for doing this. And I hate the *LA Times* almost as much as the *New York Times*. Actually I like the *New York Times*.

At that point a guy named Dean Dunphy who worked for Pete Wilson was the key with that and we worked together getting the contracts out and getting things done. San Francisco took 15 years after Loma Prieta to get their freeways fixed. So that is the best lesson I think we learned. After the earthquake Dean Pregerson who is now a Federal Judge in LA was on my rec and park commission, and I called him up at home and I said get your ass down here right away, I've got a job for you. So he came down and I said here's my rolodex, you go through every important person in this city who's head of a private corporation, call them and ask them for help now. And he called that --



later on he called it management through our rolodex. But he called up and we got like 30 of the biggest companies in LA to pro bono have things within hours out at the parks where we had the people who were homeless at that time. For example, we had the biggest tent company in Southern California put up big tents. Anheuser-Busch delivered two million beer cans with water in them. And we had the supermarkets give pampers and all kinds of other things. And it was beautiful. And nobody charged anything. And we were talking, Mike and I, about Katrina and unfortunately I mean both of us like Bush, I think he was good, but at that point nobody -- there was no leadership in New Orleans in that area and companies like Wal-Mart, Target, and everything wanted to bring things in the city right away and they were turned around for not having permits or what have you. But it shows that I think again you need somebody who is willing to ignore the law and just get it done.

One thing about the earthquake I kept telling people, just get your house together, get your business together, don't wait for the city to give you permits, just get it done, get it done, get it done. And people throughout the city got it done and it restored the -- they had no confidence from the early part of the '90s. The early part of the '90s was a recession, there were Rodney King riots and everything, and the media sold the city down the river. Now the people felt total confidence in themselves, and the rest of the '90s was perfect. Crime was cut down about 50 percent, the number of jobs went up dramatically, and the city was in fabulous shape.

Now people ask me a lot what is my proudest moment as Mayor and it's funny because I took -- I was very interested in helping the poor. And I went down to this poor neighborhood in south LA and I got everybody there together and asked people what they want and they sort of yelled at me, they were angry at me. They said look at our sidewalks, we have graffiti all over the place. You have to get the city to send people

down to take care of those, you have to cut trees, you have to fill holes in the roads, and we have prostitutes on the street corner at night, and we have a drug house where people are selling drugs all over the place. What are you going to do about it, Mayor? And what do you think my answer was? I said I am going to do nothing, you're going to do it. I'm empowering you to do it, but you just don't wait forever to get the city to send bureaucrats down here to solve your problems for you, but just get it done and don't get permits or anything. And again I gave them here's my home number, and I will -- if any problems come you call me. If you need my help call me at home. Nobody ever called me by the way. Six months later they invited me back to the neighborhood and I went there and it looked so different. They said on the graffiti they just painted over the graffiti every morning until the graffiti artist got tired of putting graffiti on. And they filled the potholes themselves, they fixed the cracks in the sidewalks, they cut the trees. On the prostitutes they had some of the mothers walk rings around the prostitute early in the evening until the prostitute disappeared. And we're through with that and I said how about the drugs? And one of the men there stood up and with a little smirk on his face he said oh, that drug house mysteriously burned down the night after you were here. And so somebody on city council accused me of vigilantism and I said yeah, I am guilty. But I'm proud of that neighborhood and there are a lot of neighborhoods like that in LA. After the earthquake we did like -- Bill Ouchi, who is one of my top people, prepared project safety which we added over a 1,000 more police out in the street. And we just had an awful, awful lot going after there.

Now I'm going to get to something which I maybe should with questions and answers is what's the future of LA and what's the future of California. Do you want to come up?

MR. O'HANLON: I'll make that my first question. Let's make that my

question. It's better to get your help on the questions. So how do you see the future of your city and your state?

MAYOR RIORDAN: Well, you mentioned technology to me and there was a study by I think it was Boston consulting group or something just out in the last couple of days how robotics -- the number of robotics that are built every year now will be going up ten percent a year for the next ten years, the number of them, and that will take away jobs from people. Jobs will disappear from anybody. Also our education system is just not giving the poor, even the lower middle class, the education to do the high tech jobs of the future. And I have to -- it's going to me to be very interesting where we're going to be at that point. And I think it's going to be -- well, I will back off into something, it's going to be the working poor are not going to have jobs. I tell people, I say you're going to have to learn to mow your own lawns eventually because you're not going to have people to do it. But part of that is -- how many people know what the word "gentrification" is? Well, you have it here in D.C. I guess a lot and -- somebody can explain to me what's happening here better than I can. You raised your hand back there, tell me what is happening that --

QUESTIONER: (off mic) I'd say normal and natural in a neighborhood and I say this is as someone who has probably gentrified two neighborhoods, one in Brooklyn, New York and one here in D.C. Essentially what it means is that when houses in poor neighborhoods begin to be bought by people who have a lot more money to pay for them and then try to fix them up and move into them, thus making them too expensive for the poor people who were living there. But everything I know about urban history says this is a natural evolutionary process and it's not to be hated, but you do need to worry about what happens to the people who can no longer live there. In D.C. they've basically started moving out to the suburbs. So people in the suburbs are moving in and

people in are moving out. That's essentially what happened.

MAYOR RIORDAN: Well, today the people in Washington, D.C. have the highest per capital income of any city in the country I believe, which it's hard to believe so quickly. But you see it in New York, you see Harlem as being gentrified, you see across the river in Hoboken and other parts of New Jersey, (inaudible) Brooklyn as you mentioned is part of the gentrification. Well, it's happening all over Los Angeles, the gentrification. LA was considered for years as a bunch of suburbs in search of a city. And we have Brentwood, Pacific Palisades, Encino, all these places are really part of the City of LA. But right now the cost of homes has gone up so you see like in Watts in that area which used to be 100 percent African American is about 5 percent African American now. Mostly the Latinos have taken over there and two or three of them will buy a house, overpay for it. I just wonder if anybody could confirm this if what happened is the 2008 depression that went on the houses stopped being built and if that has had anything to do with, you know, the buying of the houses that were there going up in value when things came back. Did you have something in mind?

QUESTIONER: It's really an honor to meet you. I think it was Marty Wilson -- I'm sharing that voice of a moderate, who worked for Pete Wilson who told me that you were going to be a colorblind mayor and I want to say thank you because his words proved to be true. I don't know if you remember Marty Wilson. But what I would like to say is that in 1992 I was asked to go to the LA riots by people connected to (inaudible) and I went. Got a little too early, then I went to Malibu and my only opinion because I was young, kind of dumb, didn't even know I was flying into a place with all this smoke, was that it seemed more economic than racial because it seemed like everyone hated each other. And then I went to Malibu and I'm at a restaurant and here's black people, white people, hanging out with Asian people and Hispanic people. And I really

felt that the way you led the city was a little bit like Rudy Giuliani because then I was sent to New York City and I got to work to help get Mr. Giuliani elected. Did you ever conspire or do anything with Mr. Giuliani because both of you were obsessed with graffiti? Thank you.

MAYOR RIORDAN: Well, we knew each other quite well. I remember going out to cigar clubs after midnight with him in New York and I was dying. I had three hours ahead of him because were three hours earlier, but I still was tired. But he was quite a guy, an interesting guy. And after 9/11 he did a great job.

QUESTIONER: I married a Los Angelino in 1967, was out in -- since you know everything -- one block south of Sunset between Westgate and Bundy, and I think you'll know the area. And I'm not asking this question to make you defensive at all, that's not the point. Los Angeles has boomed. I happen to be going out there in transit to somewhere else tomorrow, but it's a nightmare to move around Los Angeles.

MAYOR RIORDAN: God.

QUESTIONER: I can remember when we used to say between 7:00 and 9:00 and between 3:30 and 6:30, now it's all the time, I mean Sunday morning. And the reason I'm saying I don't want you -- what do you do about this? I mean you succeeded, the city has succeeded, but it's an impossible place to move around in.

MAYOR RIORDAN: Well, because I live in Brentwood -- by the way did you know the Piatagorskys? They lived exactly in the area where you lived and she was Philip Rothschild's sister and they live right where Bundy turns into -- I've forgotten what it's called.

QUESTIONER: (off mic).

MAYOR RIORDAN: Oh, Kenter turns into Bundy at that -- she had that estate there that went all the way back to Saltair. But go ahead.

QUESTIONER: Mr. Mayor, I wish you would answer the question how did you a republican get elected in a democratic city. I wish you'd speak to the seeds that you planted before you became a candidate with Sister Jennie Lechtenberg who's a friend.

MAYOR RIORDAN: Who?

QUESTIONER: Sister Jennie Lechtenberg.

MAYOR RIORDAN: Oh, sure. Oh, yeah, Jennie, yeah.

QUESTIONER: Jennie. I wish you'd speak about that because you had a presence in that community before you became a candidate.

MAYOR RIORDAN: Well, I think I had a reputation for doing a lot in the inner cities of Los Angeles. I had my foundation in the Latino area working with, you know, with barrios through there, and under Tom Bradley I was head of the parks and recreation department of the city and I wanted to do -- they were -- prop 13 that really hurt the poor, it should -- you think theoretically it should have helped. And that's where they lowered the amount of taxes you paid on houses, but what happened with that type of area is the city didn't get as much money as it turned all the power over to Sacramento and they couldn't improve the parks. But the wealthy areas of the city were willing to take private money and improve the parks where the millionaires in Watts and the poor areas didn't take any of their money out because they didn't live there.

Did somebody else have?

QUESTIONER: Mr. Mayor, when you ran the City of Los Angeles what reports, what data, what kind of measures did you monitor on a regular basis when you were leading the City?

MAYOR RIORDAN: I missed --

MR. O'HANLON: I think she's asking what did you monitor to know how

things were headed in terms of crime, education, real estate, whatever, what kind of indicators did you look at to assess progress?

MAYOR RIORDAN: I'm not sure I did any of that? I'm trying to think back. I noticed things of course. You know, where crime was going and you have like -- Jim Wilson had the broken window theory, that if your window is broken you better fix it or else you'll come back in a week and there will be 20 windows broken. And the same with little crimes. So I learned a lot there. But LA -- I mean first of all I came there out of Michigan Law School and I was raised in the Bronx, New York and lower Westchester, and LA was like a dream. I mean the climate there was great. In the winter you could surf in the morning and ski in the afternoon. And the thing I was most impressed with is I would like step off a curb on a very busy street in LA back in the early '50s and all the traffic would stop to let me go across the street, even though I was illegally going across the street. Now you have people in the crosswalks that won't wait for you. And right now the traffic is horrendous. Any meetings I have downtown I schedule for 7:30 in the morning. I own the Pantry, do you know that? Anybody know it? It's the oldest restaurant in LA and it's a 24 hour restaurant, high cholesterol and wonderful. But I have my meetings there so I beat the traffic. And one thing I have found about every two week the traffic gets another one percent worse because I used to at one point say if I could leave right at 7:00 I could sail downtown. Now I've got to leave at 10 minutes before 7:00 to do that which I'm happy to do. But anybody here I'll share you my ideas on traffic. I don't think they're going to work, but --

QUESTIONER: (off mic).

MAYOR RIORDAN: Yeah. Right. Well, you know what zip cars are?

QUESTIONER: (off mic).

MAYOR RIORDAN: Yeah. Well, it's like you get little cheap cars and

you rent them out to people where they can pick it up for an hour, they can rent it for an hour, they can park it anywhere they want, and you have a debit card that you can get into this with. That's something I've discouraged from people from bringing their own cars downtown. The second thing, the main one is stop building all these high rise condominiums and things. And do you know the real estate developers are the worse people for giving money to politicians so they can get their permits. And the politicians brag because they say oh, we require that five percent of the units in the new condominium building have to be affordable. And that does nothing for the problem. I mean virtually nothing for the problem. And there are a lot of other little things that can be done, but I don't think that in our lifetime it's going to help a lot. I think maybe keeping the population limited which essentially it is now or becoming, and the gentrification may help a little bit, but I don't think it's going to solve problem. So I suggest everybody move out to the country. (Laughter)

QUESTIONER: (off mic).

MAYOR RIORDAN: Yeah, I forgot what they call them. If you're wealthy -- or if you want to get on them you have to pay extra money to get on the lane. So it used to be if you owned a Prius or you had two or more in the car you go on, but now -- I've forgotten what the word is we use -- you have to pay extra money to be on what used to be the diamond lane. And that's discriminatory. It means wealthy people like myself, that money is not meaningful, a poor person it is meaningful.

QUESTIONER: Sir, I grew up in Los Angeles. In 1994 I still retained my childhood home in --

MAYOR RIORDAN: That's why you left, because I was elected?

(Laughter)

QUESTIONER: No, I left after I graduated from the University of



California in 1965 and I retained my home because I always intended to go back, which as you can see I haven't done. In 1994 when I sold the home -- but I should tell you that my childhood home was in Northridge, California, which is why I know that the earthquake happened at 4:37 a.m. I was sitting at my desk in New York when I heard the news report. I want to ask you about building codes. I went out to LA to take care of business and I toured the neighborhood and there was a pattern to the buildings that collapsed and there were a lot of people killed in the buildings that collapsed. Northridge is full of single family stick homes and three story apartment buildings made mostly out of concrete. The latter collapsed. The people who lived on the first floors of those buildings died. The other disaster were homes that were built into the hillside. Now Northridge isn't on a hill but you know the valley so you know where they are. So I found myself wondering were the building codes changed to keep that from happening again. I mean if people were simply doing what you say and putting things back up without getting permits they probably put them up as quickly as they could and yet I saw disasters from a certain type of building.

MAYOR RIORDAN: I'll get to the answer to the question in a minute, but my observation during the earthquake was that if you had little joints in the manufacturing building, a little joint in each -- which are like \$2-\$3 each, it would help destroy damage during an earthquake. And I think we've required that, we've required it for a long time now. And also which is interesting, take a modular home, a modular home on dirt survived much better than the ones that were tied into concrete because they could move and they would -- where the concrete they would break because they can't move because they are tied in to it. And I think there are a lot of things to be learned. Mayor Garcetti, our current Mayor has announced that he's going to change building codes to make them much resistant to earthquakes. I'm going to hold my breath on that because

the one thing on a building is you have the incredible costs of having rollers at the bottom of a building to make the building move on rollers rather than break up. But if you did that for the little buildings that might be too expensive.

QUESTIONER: Thank you, Mr. Mayor. You are a living example of a republican who can or could be successful in California, but also in a big city. I think you were the last republican mayor of Los Angeles and when I look at big U.S. cities today, I think among the first 20-25 there is one or two republicans. Why is that so? That hasn't always been the case. Why is that so? Why have the republicans lost urban areas and cities in America?

MAYOR RIORDAN: Well, I think the unions and everything have been very, very smart. The unions give far more money to politicians than any corporation does. And then once they get control you have a majority. Even the unions will give money to the republicans to vote their way. And there's a split between the people live on the water and the people inland. People inland tend to be republican, but they don't vote as much as the people by the water. And the people by the water are much wealthier. And ask me the question why are the democrats wealthier than the republicans and I don't know the answer.

MR. O'HANLON: Mr. Mayor, if I could ask a question. Let me ask one quick one and then come to you. What do you think that our upcoming presidential race at a national level should do about cities? I realize most of the answer is probably stay out of the way or don't interfere with city's own efforts to improve their entrepreneurial and economic environment, but is there a role for Washington? Or maybe Washington just needs to reduce the number of regulations and burdens and stovepipes. I'd be curious how you would advocate that the next presidential race should talk about cities.

MAYOR RIORDAN: I think they should but I doubt that they will. I had

an op-ed in the *New York Times* in September of 2010 and it was on this very subject. I thought the federal government should get involved; they should have the cities pay like it's a big insurance and the insurance will go to the city if they have any real problems. But I think the people just don't feel up to something like that. But as pensions and healthcare are just destroying cities not just in LA, but throughout the country. You take LA which is one of the wealthiest cities, when I was mayor the unfunded liability for pensions was zero in LA. Ten years later it's \$12 billion. And the thing that's scary when you learn who owes that money to the pensioners, it's the tax payers that do. So what would happen if they tried to make the tax payers pay it, they'll move out of LA and California. So it's not healthy.

QUESTIONER: My question, this goes to the republicans also. When you got reelected you got reelected by 60 percent of the vote carrying most minority groups. You said at the beginning of your remarks that engendering trust is essential. My question then, have other republicans running for office sought your counsel and advice as to how to generate trust and do what you've accomplished?

MAYOR RIORDAN: Yeah, an awful lot of people seek my advice right now; republican and democrat seek my advice on it. And I give it to -- republicans right now is -- you take Jeb Bush who I think would be a great president, but he just doesn't come across when he's giving speeches. He's got to take lessons on how to speak. And you agree with me. (Laughter) And there are a lot of good people out there. I supported Obama in '08 and I look in hindsight and that was the stupidest thing I ever did, because I think he's turned out to be a terrible president. He has no concept of management.

Did you have something?

QUESTIONER: (off mic) one of the conventions, and you're right, it's like being a good public speaker matters. And you were a good leader who then people

admired and then they listened to what you said. And I think that if you could do anything for the GOP is exactly what this gentleman said. So thank you.

MAYOR RIORDAN: Yeah. And I'm starting to do that actually. I had breakfast with Darrell Issa this morning who is underrated. He is a very strong leader and he cares about the poor.

Break it up with some of your own questions.

QUESTIONER: Thanks, Mayor. For your examples, just do it and don't ask for permit, that type of doing business maybe it works for some GOP but it don't necessarily work for all the people, general population, or poor. Because if they don't even steal candy they were sent to jail. So it's not working. So I'm thinking then if the Reagan who committed Iran-Contra without Congress permission and then later will be pardoned, all officials will be no problem. So this type of thing is really dangerous. And thinking that for budget the same thing. You know, financial institution rob all the people's account and then they are saying too big to jail. So this type of thing we must fix the problem rather than just take the easy. We got to power.

MAYOR RIORDAN: This is immigration we're talking about?

QUESTIONER: I'm thinking that this kind of management, the concept of doing things you do your way without taking care of the law. And about the law, that's true, but I think if that's the law we ought to get rid of those appointee of issues rather than say we just break the law. So I just wonder if you can comment on it. We must do things right rather than individually just abuse their power.

MAYOR RIORDAN: What nationality are you?

QUESTIONER: U.S.A.

MAYOR RIORDAN: I mean before that? Filipino? No?

QUESTIONER: No, I'm from Taiwan.

MAYOR RIORDAN: Taiwan. A great country. Do you understand?

MR. O'HANLON: Yeah.

QUESTIONER: But the law, they say it's not a country. (Laughter) Did you see the news?

MAYOR RIORDAN: I had a funny incident like that as mayor because when the President of Taiwan came to LA when I was mayor the State Department didn't want me to meet with him and for some reason we decided we meet with him, but we arranged to go in a back elevator, a service elevator to hide my way up there so nobody would see us. So I come up there, I get out of the elevator, there must have been 50 cameras waiting for me outside the elevator. (Laughter)

What were you going to say?

MR. O'HANLON: Well, yeah, I think the question also was about -- I think part of the answer to your question is that he was talking about emergency situations and that's where sort of looking for the gray area in the law allows you --

QUESTIONER: (off mic) sometimes very smart, but sometimes I'm saying that can be interpreted in the wrong way in abuse of power. I just want to say there's a little comparison, the poor who do nothing wrong will be sent to jail but here you can abuse of power with nothing at all but approval.

MAYOR RIORDAN: Well, I can tell you that the difficulty of getting permit and everything hurts the poor more than anybody, hurts the small business person much more than the big business person. And I can give you samples. There's a poor catholic school in the inner city which we helped get a permit on something. I can get them a lot easier because I know everybody in the thing, but the average -- they had worked for two years to get something to fix cracks in the sidewalk which are impairing their toilets in the school, and I finally got it in six months but it was just -- I would have

killed somebody if I had -- if I was (inaudible).

MR. O'HANLON: Okay. That's a good place for me to ask the last question. And we're about up to 3:00 almost, but let me ask one more question because, Mayor, this has been fascinating and you've taught us a lot about leadership and about your experiences as mayor, and a lot about the earthquake and a lot about the crime epidemic, but I also wanted to ask about building on this question, another proud accomplishment that you might think back to and feel it was one of your signature accomplishments that was not about the crisis management after the earthquake, but that was more about a lasting change either in law or city finance or education.

Maybe this would be a way to sum up some of your recollections and your hour you spent with us today with another positive memory that you might want to offer for us.

MAYOR RIORDAN: Okay. Well, there was something I did, there was an African American charter school group made up of 12 charter schools and they came to me because they were going to go bankrupt. They didn't have the money to pay teachers the next week. And I had done a little homework on them and I said okay, I'll come up with the money to get that, but you have to resign and everybody around you has to resign and I'll hire you back if I want to. And they agreed to do that.

First of all the guy got caught, he had stolen the withholding tax money and spent it not on himself, but on the school. But it was illegal and he got caught by the federal government and things like that. So I had the perfect person I thought in mind. It was called ICEF, Inner City Educational Foundation, and I came up with \$3 million of my own money the next week to pay the teachers thinking that's all I'd ever have to do.

And then we kept coming -- actually I had to raise money and put money in for two years to the tune of about \$22 million before we finally saved the schools, but

we have saved them and they are great, great schools. And I always thought that's the most difficult, most important thing I've ever done.

MR. O'HANLON: Fantastic. Well, listen everyone, please join me in thanking Mayor Riordon. (Applause)

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