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How Bloomberg Rose

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Bloomberg wanted to be more than a mere dabbler in the public realm. But he wasn't sure just how to take the next step.

"He was musing that he wanted to do more in life," Ms. Gotbaum, who is the city's new Public Advocate, said of their conversation. "We talked about Lincoln Center and what it's like to run a not-for-profit. He talked about putting much more money into cancer research. He said, 'Wouldn't it be wonderful to be behind the cure for cancer?' One thing he never talked about was running for office."

As it turned out, Mr. Bloomberg at that moment was in the middle of phase one of what would be a rapid, three-step transition from private to public citizen—a transformation that will be complete when he's sworn in as Mayor on Jan. 1, 2002. Motivated by equal parts instinct and design, as well as an amorphous desire to remake himself as a public figure, Mr. Bloomberg pursued his goal in successive stages: First, he endeared himself to the city's civic elite with huge donations to charity; then he wooed the media with a series of lavish parties; and finally, he used his immense wealth to construct a political network that enabled him to rise with astonishing speed from relative obscurity (for a New York billionaire, that is) five years ago to become the most powerful elected official in New York City.

And so it was that on Dec. 3, Mayor-elect Bloomberg again assembled a group of civic-minded New Yorkers at his townhouse for a lively discussion of current affairs. As was typical of Mr. Bloomberg, he wooed the group with $300 bottles of Château Haut-Brion Bordeaux, exotic orchids and caviar hors d'oeuvres. This time, however, he was the Republican Mayor-elect, and the people he wined and dined were incoming borough presidents and City Council members—that is, mostly Democrats whose good will could be invaluable to him over the next four years. One guest was particularly taken with the appetizers, which he later described to *Newsday* as "a little meat in a blanket that I'd never seen before." Welcome to the new world of municipal politics, Bloomberg style.

Mr. Bloomberg's trajectory is unique in the annals of wealthy business leaders who attempt the transition to public service. Unlike Senator Jon Corzine of New Jersey, who threw himself into politics with seemingly little warning, Mr. Bloomberg took a far more deliberate approach, carefully raising his profile as a philanthropist before plunging into politics. Unlike Nelson Rockefeller, who came from a famous family, Mr. Bloomberg was unknown to many New Yorkers only several months before winning City Hall. And unlike cosmetics heir Ron Lauder, who spent $12 million in a failed 1989 Republican primary against Rudolph Giuliani at the behest of then-Senator Alfonse D'Amato, Mr. Bloomberg is not the tool of any political party or group.

How did Mr. Bloomberg pull off such an astoundingly rapid transformation? By giving away cash all over town, wooing important allies with lavish parties, and enlisting expensive help to get through previously closed doors.

As he set out on a course that would take him to City Hall, Mr. Bloomberg began spreading the wealth in ways that endeared him to the city's leading civic lights, and raised his visibility in the world of nonprofit organizations and high-profile cultural institutions. Indeed, it is telling that one of Mr. Bloomberg's first appointments was to name Patti Harris as deputy mayor for operations. Ms. Harris, a former Koch administration official, oversaw Mr. Bloomberg's charitable giving, which allowed her to act as her employer's liaison with the plaque-and-ballroom circuit. That world functions according to a simple un-



On his road to City Hall, Michael Bloomberg made a point of getting to know high-profile opinion makers in New York society—in this case, Barbara Walters.

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written law: Your esteem in civic circles rises in direct proportion to the number of $25,000 tables you buy at charity balls.

"Patti Harris was the key to Bloomberg's becoming a well-known figure in New York City," said Mary Holloway, executive director of the Association for a Better New York, a civic group founded by the late developer Lew Rudin. "[Mr. Bloomberg] became well known on the social circuit by giving huge amounts of money to charity. There's a small circle of people that really buy into this, and he created a favor bank among them. And he was obviously a plum board member for the big institutions, because he would write very large checks for them."

That tendency certainly wasn't lost on Beverly Sills, the outgoing chairman of Lincoln Center and a supporter of Mr. Bloomberg. As Ms. Sills once noted in an interview, she only has to mention a cause and, within days, she'll get a call saying that Mr. Bloomberg, a member of the center's board, has given money to the charity in question.

"To a great degree, the social hierarchy really is determined a great deal by charitable participation," said Georgette Mosbacher, a top Republican fund-raiser.

Although Mr. Bloomberg's visibility was rising on the charity circuit in the mid-1990's, he didn't seem serious about politics yet. In 1998, the same year he gave nearly $34 million to charity, he was more interested in basking in the speculation about his political ambitions than in actually running for office. In fact, he took the line that political speculation was just another way to further his business.

As his name began to be whispered among the city's cognoscenti, Mr. Bloomberg told the *Securities Industry News* in 1998 that "the more people speculate in the next year or two, the more that will help our brand name. So there's certainly no reason in a million years for me to come out and categorically say never, because why not take advantage of that?"

Nor did Mr. Bloomberg seem all that serious about public service. In the interview, he added: "Somebody asked me [if he was running for office] while we were sitting on a chair lift in Vail in March, with brand-new powder and bright sun and no wind, and I said, 'Well, you know, today has been a pretty good day. I'd have to give this all up.'"

Over the next couple of years, as he began to give more serious consideration to politics, Mr. Bloomberg's charitable giving increased. In 1999, he gave nearly $47 million; in 2000, he gave more than $100 million. Through it all, though, he went out of his way to refuse public credit for his generous donations. Richard Kahan, president of Take the Field, a nonprofit organization that rebuilds athletic facilities in public schools, recalled a visit from Mr. Bloomberg during which the billionaire gave the organization $1 million. "I said, 'Would you like to have a press conference?'" Mr. Kahan told *The Observer*. "He said no; he was quite reluctant to get recognition."

SLY HINTS

Still, Mr. Bloomberg's charitable inclinations inevitably overlapped with his political ambitions. His growing generosity fed speculation in the press, which led him in turn to address that speculation. Mr. Bloomberg began to drop sly references to his future when appearing at civic events.

Ms. Holloway recalls a speech, for instance, that Mr. Bloomberg gave at the 21 Club in 1999. During the talk, he singled out Fran Reiter, a former deputy mayor who was running for Mayor and sitting in the audience.

"In the speech, he said, 'Fran Reiter is running for *Mayor*—and, by the way, I have no interest whatsoever in running for *Senate*,'" Ms. Holloway recalled. "I misunderstood, and when I saw him afterwards I said, 'I'm so glad to hear you're not running for Mayor.' He said, 'I didn't say that!' From then on, I was convinced he was running."

When the time came, Mr. Bloomberg's charitable donations at times seemed to aid his political prospects. He won important endorsements from groups he had previously supported. The Citizens Union, one of the city's oldest civic groups, endorsed him over Democrat Mark Green—even though the group is a vigorous proponent of the city's voluntary campaign-finance program, and Mr. Bloomberg was a self-financed candidate who scornfully dismissed it as an "incumbent-protection program." The endorsement was important, because it helped weaken the argument of good-government types that Mr. Bloomberg was only a rich dilettante intent on buying City Hall.

As it turns out, however, the group received annual donations from Mr. Bloomberg from 1994 to 1999, according to a C.U. staff member. The C.U. member wouldn't reveal how much Mr. Bloomberg has given to the group.

Having earned a reputation among the civic elite, Mr. Bloomberg's stock with the media soared in 2000. He got City Hall insiders talking by buying a bunch of tickets to the annual Inner Circle dinner, a show put on by City Hall reporters for the movers and shakers in city politics. He threw enormous bashes for the press and politicians during the Republican and Democratic conventions in the summer of 2000. Later that year, he threw the party, which cost about $3 million, after the White House Correspondents Dinner. And on election night in 2000, he and Tina Brown threw a party at Elaine's with hundreds of friends, including Barbara Walters and Barry Diller, where they watched the election returns on TV. The press returned the attention, showering him with stories speculating on his political ambitions.

Finally, earlier this year, Mr. Bloomberg began to crack the political world in earnest. After he decided to run for Mayor, his money enabled him to construct a political network with astonishing speed. He assembled the most expensive political talent available, hired a friend of Mr. Giuliani, relied on well-connected Washington attorneys to open doors in the capital, overtly rewarded political groups who supported him with cash contributions, threw fund-raisers for powerful Republicans like Senator John McCain (who later campaigned for him), and donated hundreds of thousands of dollars to the state Republican Party at a time when he needed the support of Republican leaders.

According to one friend of Mr. Bloomberg, it was Senator Corzine's victory in 2000—achieved after the former chief executive of Goldman Sachs spent more than $60 million—that assuaged his last-minute doubts.

"Michael had to believe he could win," the friend said. "I think Corzine's victory showed him that someone out of the private sector who wasn't a professional politician could run a credible campaign."

ALMS FOR SUPPORTERS

Having decided to run on the Republican line, Mr. Bloomberg began building a political infrastructure. He invited the well-regarded Republican state chairman, Sandy Treadwell, for a visit to his corporate headquarters on East 59th Street. Mr. Treadwell professed himself dazzled by his host's wealth and accomplishments.

"I had never met a billionaire before," Mr. Treadwell told *The Observer*. "He was relaxed and down-to-earth. He had no office of his own. There's no executive dining room—only a cafeteria island."

Meanwhile, Mr. Bloomberg's aides made no effort to disguise his willingness to offer generous donations to groups that backed him. In one instance, he donated $40,000 to a political club on the same day that the club's leader, a Democrat, crossed party lines to endorse him. On another occasion, when the Bloomberg campaign was criticized for donating $30,000 to the Independence Party just weeks after it endorsed him, his adviser, Bill Cunningham, offered a simple explanation: "We have always said we would be helpful and supportive to those organizations that supported Mike." A onetime liberal Democrat, he donated more than $300,000 to the state Republican Party in the months leading up to Election Day.

Republican Party officials, in turn, provided Mr. Bloomberg with the help he needed. In the closing days of the race, he consulted frequently with Mr. Treadwell. At one point, Mr. Treadwell called Mr. Giuliani to ask for his support in the closing days of the race, when the Mayor appeared increasingly reluctant to designate Mr. Bloomberg as his heir.

"Obviously, the Mayor's endorsement was extremely important," Mr. Treadwell told *The Observer*. "I wanted it to happen."

It did happen—and, arguably, it was the reason Mr. Bloomberg will be taking the oath of office on Jan. 1. On that day, his transition from acquisitive businessman to public servant will finally be complete.

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