



**City Council Response to
Grand Jury Report titled
“Qualcomm Stadium.”**

City Council Meeting of
September 21, 2010



Grand Jury Report

- Filed on May 19, 2010
- Reviews history of Stadium, operational funding issues, and implications for potential new stadium
- 11 Findings and 3 Recommendations
- Superior Court granted extension to October 1 due to Legislative Recess



City Council Response

- For each finding:
 - Agree
 - Disagree wholly or partially
- For each recommendation:
 - Has been implemented
 - Has not yet been implemented, but will be
 - Requires further analysis
 - Will not be implemented



City Council Response

- IBA received copy of Mayor's draft responses
- For each item, Council may:
 - Join the Mayor's response
 - Modify the Mayor's response
 - Respond independently of the Mayor
- Recommended responses presented to Rules Committee on September 8



City Council Response

Findings: 1, 2, 4, 6, 7, 9, 11 *Join the Mayor's Response*

Recommendations: 10-44, 10-45, 10-46

Finding: 8 *Modify Mayor's Response*

Findings: 3, 5, 10 *Respond Independently of the Mayor*



Finding #3

- *“The City’s direct operating losses on Qualcomm Stadium after crediting net rents paid by the Chargers, and excluding efforts by the City to mitigate the shortfall with other events, are at least \$17.1 million for FY 2010.”*
- **Mayor’s Response:** Partially Disagree.
 - Using stated methodology, \$17.1M is accurate
 - However, City considers total revenue less total expense to be the direct operating loss
 - City’s methodology yields loss of \$11.7M, which is subsidized by TOT revenues



Finding #3

- **IBA Recommendation: Partially disagree.**
- FY 2010 Budget is \$18.1 million, which includes expenditures for non-Chargers events;
- Budget also includes \$3.8 million in revenue associated with these events;
- Inappropriate to include expenditures for these events but exclude associated revenue
- Budget includes \$11.2 million in TOT revenue, more accurately reflects operating deficit.



Finding #5

- *“The Tampa Bay Buccaneers pay the Tampa Sports Authority fixed rent of \$3.5 million per season, a minimum of \$3.5 million on account of premiums from the sale of Club Seats and a ticket surcharge of \$2.50 per ticket, all with no rent credits, for a total of at least \$8.1 million.”*
- **Mayor’s Response:** Partially disagree. While the City does not dispute the accuracy of the Grand Jury’s research, it cannot confirm this information.



Finding #5

- **IBA Recommendation: Disagree.**
- Tampa Bay Bucs pay \$3.5M fixed rent annually
- 8% surcharge (\$2.50 cap) placed on tickets for all events; TSA receives maximum of \$1.93M
- Buccaneers make no add'l payments from sale of club seats; TSA receives total of \$5.43m
- TSA must also share revenue from other events, which offsets the rent and surcharge revenue.



Finding #8

- *“The \$800 million estimate [of the cost of a new stadium] may be significantly increased by the addition of a retractable roof.”*
- **Mayor’s Response:** Partially disagree. The City cannot estimate the potential cost impacts of the inclusion of a retractable roof.
- **Rules Committee:** *Agree. However, while* the City cannot estimate the potential cost impacts of the inclusion of a retractable roof, *it is reasonable to assume the cost will increase.*



Finding #10

- *“There is almost no evidence that professional sports franchises and facilities have a positive impact on real per capita income or employment, and may have a negative effect.”*
- **Mayor’s Response:** Disagree.
 - Each large scale event employs 600-800 part time employees for Food & Beverage alone
 - Another 1200 employed part time as ushers, security, etc. for a total of approx. 2000 part time jobs
 - Sales tax is generated from sale of food, drink, merch.
 - Academic studies have shown costs and benefits, finding does not acknowledge contrary viewpoints.



Finding #10

- **IBA Recommendation: Partially Disagree.**
- Substantial body of academic research that finds little or no tangible economic benefit
- Economic impact studies have shown significant benefits to jobs, income and tax revenues
 - However, such studies criticized by economists on a number of theoretical and methodological grounds
- New academic research studies finds potentially significant intangible benefits, such as civic pride, quality of life, regional identity and community image.



Conclusion