

CITIZENS' TASK FORCE ON CHARGERS ISSUES

MINUTES

August 8, 2002

Meeting held at:

**Balboa Park
War Memorial Building
3325 Zoo Drive, MS 33
San Diego, CA 92101**

Mailing address is:

**City of San Diego
Special Projects Administration
1010 Second Avenue, Suite 500, MS 658
San Diego, CA 92101**

ATTENDANCE:

Members Present

David E. Watson
Nikki Clay
Cassandra Clady
Pepper Coffey
Timothy Considine
Tom Fat
Bruce Henderson
Karen Heumann
Bill Largent
Joseph Martinez
Geoff Patnoe
Patti Roscoe
Ron Saathoff
Jeffrey Smith

Members Absent

Leonard Simon

Staff Present

Libby Coalson
Rick Duvernay
Jack Fishkin

CALL TO ORDER

Item 1: First Citizens' Task Force on Chargers Issues Meeting called to order – David Watson, Chairperson

Item 2: Roll Call – Libby Coalson

AGENDA ITEMS

Item 3: Swearing-in Ceremony

Jack Fishkin, Assistant City Clerk, administered an oath of office to the Citizens' Task Force on Chargers Issues

Item 4: Welcome – Mayor Dick Murphy

Mayor Murphy extended his appreciation to task force members for their willingness to serve, summarized the composition of the group, and outlined the mission of the task force. He stated three

important ideas including 1) the importance of public participation, 2) the fact that there is no hidden agenda and that he wants the task force to recommend what they think is best for the City, and 3) that the task force should keep in mind that any final recommendation including a significant commitment of public money would be put onto the ballot for public vote. Mayor Murphy thanked the task force members and wished them well.

Item 5: Introductory Comments by Chairperson

David Watson, Chairperson, indicated that this is an organizational meeting and that there is much work to be done by the task force. The plan for the meeting is to organize and establish a schedule, identify the issues we want to investigate and analyze, and determine how to obtain information needed. He requested a copy of July 17 City Manager's Report received and Mayor's memo dated June 7.

Wants process to be open and accessible to public, and would like public to have the opportunity to thoroughly present their points.

Various stakeholders and resources should be heard from, including the Chargers, the International Sports Council, Chamber of Commerce, and the Environmental Community. Task Force should hear from the critics as well, and have a real dialogue and be exposed to all opinions.

Task Force members were asked to speak freely and feel comfortable to ask questions, participate fully, and make recommendations to the chairperson if they have suggestions for how to do things differently.

Item 6: Presentation by City Attorney

Rick Duvernay, Deputy City Attorney, presented an overview of the Brown Act, conflict of interest and ethical considerations. The Task Force operates under the Brown Act, which provides for the business of the public to be conducted in an open manner, thus meetings of the task force should be open and that the public should be able to attend. Public noticing policies and public comment rules were outlined. Additionally, Mr. Duvernay outlined the requirement of task force members to disclose all personal financial interests that could affect decisions they make in the capacity of a task force member. The specifics are outlined in a resolution adopted by the City Council, but relate to investments, business positions, or gifts and income related to the San Diego Chargers, investments or business positions related to Qualcomm Stadium, and any real property owned within a two mile radius of Qualcomm Stadium.

Item 7: Process & Issues

- A) *Organization of Task Force*
- B) *Establishment of Work Program*

David Watson, Chairperson introduced staff that will be assisting the Task Force. Staff support includes Libby Coalson, Special Projects Manager; Bruce Herring, Deputy City Manager; Les Girard, Assistant City Attorney; and Dan Barrett, Barrett Sports Group to provide consultant expertise.

E-mail communications should be limited to administrative or logistical items, and are better sent by City staff. E-mails to the task force can be a violation of the Brown Act as all activities of the task force need to be public. Information presented to the task force should be available on the web page.

Mr. Watson asked each member to share their ideas regarding information or process the task force needs to achieve its mission, beginning with his suggestions:

- Analyze the current contract with the Chargers
- Information regarding the Chargers current financial situation, why a new stadium is needed
- Quantification of the Chargers economic contribution to the City
- Expertise and information from the Chamber of Commerce and other organizations
- Members of the public such as Mr. Ryder and other could be asked to speak, or at least provide presentations on their studies and opinions.
- The current state of the stadium
- Various ideas to finance the stadium
- Other ways the site could be utilized

Nikki Clay, Vice-Chairperson:

- How best to get the ideas from the public about how to keep the Chargers here. Hopefully the web-page will help, and perhaps a partnership with the media in town
- Information from the Chargers, and how they would work with the City to keep the Chargers in town

Ron Saathoff:

- Web-site for making information available to the public and e-mail for gathering ideas from the public
- Quantify the Chargers economic contribution to the City – hard and soft dollar components - value of the NFL team to our community
- Current state of the stadium and how often it is used, what is its economic value to the City as is
- Study the value of the property surrounding the stadium, identified as 166 acres, not just the stadium
- Current cost of operating as well as the economic value of that site if it was developed or utilized to the highest best use - the potential revenue generation of that site, its value to the City.

Bruce Henderson:

- Letter in the Union-Tribune from Sol Price indicating the site was worth a billion dollars – perhaps Mr. Price would speak to the task force
- Determine whether there is a demand for an NFL team in Los Angeles
- Suggestion for the task force to condemn the ticket guarantee as detrimental to the City and to the Chargers

Geoff Patnoe:

- Ensure that this is an open process available to the public
- Develop other ideas for noticing to make more of the public aware of the task force, particularly in other areas of the City outside of downtown
- Determine whether the Chargers and NFL are important assets to life in San Diego
- Best use to the Qualcomm site, whether with a stadium or without a stadium, and with teams in or out of that site
- Information from other cities who have been confronted with similar situations - cities that have had a two-in-one facility, decided to move into a baseball only facility, then shortly thereafter had a discussion of upgrading a football-only facility. Seattle is an example.

Tim Considine:

- Divide into subcommittees to focus on certain topics then report back to the big group given the limited timeframe of the task force.

Bill Largent:

- Requested a copy of the Chargers contract with the City of San Diego
- Interested in seeing an audited financial statement from the Chargers
- How other cities that have built new stadiums have financed them, and what their alternative uses are
- Use subcommittees to focus on specific topics

Tom Fat:

- Requested an overview of the Chargers contract at next meeting
- Information on what is wrong with the existing stadium – look at new stadiums, perhaps Seattle and Washington, D.C., to see how they were built and financed
- Could the existing stadium be improved upon to satisfy the Chargers given that a lot of money was recently spent to renovate it
- Any decisions/recommendations from the task force need to be a win-win for public and Chargers
- Would like to hear from the Chargers' owner – could they finance a new stadium themselves
- Potential role of the NFL in financing a new stadium
- Would like to have a financial consultant provide expertise
- Consider whether the Chargers are a valuable asset to the County as a whole; get county into the discussion
- Qualcomm real estate is important to the discussion – value of the land and the alternative uses impact there should be a new stadium

Cassandra Clady:

- Review the Chargers contract
- What other cities have done to fund or raise funds for a new stadium
- Subcommittees are important to look at the different issues

Karen Heumann:

- If a new stadium were built, whether privately funded through local businesses or publicly funded through taxes, the ticket prices would likely change and what the possible implications would be given the current ticket guarantee.
- Separate the San Diego Chargers team from the economic value of any other NFL team – another NFL team may have more economic value to the City than the Chargers themselves
- Look at whether we want to support an NFL team in our City
- Review the ticket guarantee, analyze it, and determine if there is a way to get out from under it.
- Value of the property around Qualcomm not only as the best use economically, but also the best use from a quality of life standpoint.
- Think about redevelopment from all angles
- How other cities have dealt with similar situations in terms of financing and use
- How Qualcomm stadium is inferior in its present state.

Patti Roscoe:

- May need additional resources – what expertise is available, including City expertise, experts who can talk about the possibility of using the existing Qualcomm site for mixed use development including a sports complex or stadium, environmental issues, housing, art, and tax ramifications especially from the standpoint of the state.
- Need to look beyond the Chargers to the Aztecs, Holiday Bowl, Super Bowl, and other stadium users/uses -should we lose the Chargers and not replace or upgrade the stadium, how will other users be affected
- Take a look at cities that have lost teams, fought hard, and spent a lot of money to get teams back.
- Need to have long-term vision and think of what would happen in the future if we lost our NFL team
- E-mail should be available on the web site to offer the public a way to comment if they cannot attend the meetings

Jeff Smith:

- Look at the social benefits of having an NFL team in town
- Universities might be of assistance in analyzing issues
- Super Bowl – part of the economic feasibility of a new stadium, perhaps a source of revenue that could be tapped

Joe Martinez:

- Look at other City assets to see if there is the potential to combine for a greater framework – City has other resources such as the zoo, ballpark, convention center – where does a new football stadium fall in line, what amenities does a great City need
- Determine the economic benefit, economic base to answer questions such as whether San Diego can support luxury skyboxes
- Where does a football team fall in line in terms of priorities

Pepper Coffey:

- Analysis of contract
- Need consultant assistance in the area of economics and finance, how important to the general public and corporate entities it is to have an NFL team in town
- Sports consultant to help determine whether we should be pursuing other NFL teams, issues associated with the monopoly of a sports team, tv rights and how they work, and generally how professional sports teams really work
- Need to do community outreach to get communities, and planning groups, involved, see what they say about the possibilities of a new stadium in town

A common theme pulled from the task force members' comments included analysis of the contract. The City Attorney's office was asked to prepare a presentation for the next meeting and a temporary subcommittee including Mr. Watson, Ms. Clay, Mr. Henderson, Mr. Saathoff, Mr. Patnoe, and Mr. Fat was formed to meet in advance to discuss the content of such a presentation.

Staff was asked to provide copies of the Chargers contract, any contracts available for the Super Bowl, and the Statement of Qualifications for Barrett Sports Group to the task force members,

It was indicated that the Chargers would also be present and able to speak about their participation in the task force at the next meeting.

A future presentation on environmental issues associated with the Qualcomm site was requested.

It was determined that subcommittees in the areas of operation and financing of a stadium, the Chargers contract, redevelopment and facilities would be established and all task force members were asked to submit their preferred committee assignments to the chairperson.

It was determined that the next meeting would be August 29th (at the War Memorial Building at 6:30 p.m.) and beginning in September, future meetings would be held on the 2nd and 4th Thursdays of the month, at 6:30 p.m., locations to be determined.

Citizen Comment #1: Mr. Teyssier asked that all information be put onto the web site and made available to the public, suggested e-mail be used, and possibly a bulletin board. He is concerned that task force follows the Brown Act requirements. He requested public comment be earlier in the meeting.

Public comment will be held early each meeting for approximately 20-30 minutes

The task force requested regular times, including evening times, for the video-taped replay on TV Channel 24

ADJOURNMENT

The meeting was adjourned at 8:15 p.m.

**The next scheduled meeting is: Thursday, August 29, 2002 @ 6:30 p.m.
War Memorial Building
3325 Zoo Drive**

City of San Diego
Special Projects Administration
1010 Second Avenue, Suite 500, MS 658
San Diego, CA 92101

Submitted by,

Libby Coalson
Staff Representative