

CITIZENS' TASK FORCE ON CHARGERS ISSUES

MINUTES for meeting of

September 26, 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
Bruce Henderson
Karen Heumann
Bill Largent
Joseph Martinez
Geoff Patnoe
Patti Roscoe
Ron Saathoff
Leonard Simon
Jeffrey Smith

Members Absent

Tim Considine
Tom Fat

Staff Present

Libby Coalson
Bruce Herring
Les Girard
John Mullen
Dan Barrett

CALL TO ORDER

Item 1: A tour of the stadium was conducted by the Assistant Stadium Manager.

Item 2: Citizens' Task Force on Chargers Issues Meeting called to order at 5:05 p.m. – David Watson, Chairperson

Item 3: Roll Call – Libby Coalson

AGENDA ITEMS

Item 4: Minutes for September 12, 2002 Task Force meeting passed by all present.

Item 5: Chairperson Comments postponed to later in the meeting

Item 6: Task Force Member Comments postponed to later in the meeting.

Item 7: Committee Reports postponed to later in the meeting.

Item 8: Public Comment

John Cheney – Requested information be put onto the web page regarding the Task Force budget and agrees the Denver trip should be cancelled. (Task Force agrees to have budget information put on the web and updated as expenses are incurred.)

Phil Hart – The trip to Denver is totally premature and implies that a decision has been made to build a new stadium. The task force should get the information by mail or by phone. He is concerned about taxpayers supporting any private business. The Chargers have the benefit of a lease with a ticket guarantee, and NFL provides other benefits. Why should the City participate financially?

Noel Neudeck - (distributed 36 pages of information and requested that this be filed with the City Clerk's office – *this has been done*) Will a new football stadium with a moveable roof be built in San Diego? Mr. Spanos could get a loan and construct a new stadium as a business. Privately built stadium information is included in the packet of information provided. Qualcomm Stadium has 13 ramps that are too steep per ADA.

Ed Teyssier - takes issue with UT editorial. Nothing would be less fiscally responsible than to build a new stadium here. Instead of Denver, the Task Force should be going to visit towns that have older stadiums and have kept their teams without building new stadiums. NFL rep Horrow's presentation was subjective and missing important facts.

Item 9: Task Force questions regarding the tour of Qualcomm Stadium -

Q: The impression is that seating almost looks like all areas provide good views except those close to field. The facility is attractive, maintenance is good. Seems to be a stadium from which fans enjoy watching a game. Is there anything that indicates that the stadium should be torn down?

A: Shushan - There are areas that the tour didn't cover - some concrete restoration is needed, there are some drainage issues, and expansion joints with leaks, for example. All the seats in the stadium were recently replaced; there is nothing out of the ordinary that needs to be done.

Q: What is it that is inadequate about Qualcomm Stadium for NFL football today? What is it that makes it difficult or impossible to improve upon by renovating?

A: Chris Hardart (NFL representative) – The critical difference with the new generation of stadiums is that they are being built specifically for football with a configuration that locates people closer to the field, and has better sightlines, more sideline seats, and a more intimate setting. He hasn't seen a proposal for a renovation to make Qualcomm state-of-the-art, so he can't really comment specifically. Other cities have had challenges with similar configurations to Qualcomm and they decided to build new stadiums.

Q: Maybe some renovations can address all the issues?

A: Hardart - fan experience isn't really fixed by renovations, based on what he has seen around the League and the trends in stadiums.

Structural engineering issues can cost a lot of money – moving sheer walls means redistributing the load way into the ground - piles go 150 feet down. Some cantilevering might be required which would result

in having to dodge support columns. There are issues with exiting too. Renovations can be done and numbers add up really fast. Could easily spend \$50-\$60m just for structural things in the ground that one would never see.

The expense for renovations may be much more reasonable than the cost of a new stadium.

Q: Any sense of how many new seats would be added if the field was lowered?

A: 2,500 but they would not be any closer to the field with field lowering. In new stadiums, fans are about 50 feet from the field in the lowest seats. Shushan – Newer stadiums have seats bunched in the middle of the fields between the goal lines. Hardart - Focus has been to put the seats more on the sides of the field, with steeper inclines to the seating areas.

It might be useful to have a comparison of the seats in other stadiums to the Q.

More seats could be added, but this would require going deeper into the ground and pumping water out which would add to the costs.

If lowering the field could pick up 4,000 seats, and get them closer, it would be desirable but how much would it cost? The field has not been lowered to date because it cannot be done with baseball played in the stadium also – it would interfere with the ability to move the seats around to configure for baseball.

Task force would like an opinion about remodeling the stadium and what the value would be. At what point is it not worth it? The task force needs a list of improvements needed at the Qualcomm (*a letter has been sent to the Chargers requesting this information*). The tour was very useful, good questions, needs to be convinced that just can't remodel the stadium. Flaws shown are expected for a 30 year old building.

Item 10: Overview of stadium uses postponed to later in meeting.

Item 11: Future Meeting agendas postponed to later in meeting.

Item 12: Preliminary Due Diligence Report postponed to later in meeting.

Item 13: Fact-finding Trip to Denver

Chairperson - fully appreciates the need to tour a new facility to understand what is wrong with Qualcomm Stadium and the differences between Qualcomm and new stadiums. On Oct. 10th, two architects will be presenting virtual tours which will perhaps help explain differences. Feedback indicates that a trip to Denver is perceived as either vacation or an indication of pre-ordained results. Would like to refer the issue of a fact-finding trip to another stadium to the Facilities & Redevelopment Committee for consideration with other analyses being done to decide whether a trip should be taken, and if so, which stadium should be visited. Not a good idea at this time.

Patnoe - thinks touring a new facility is justifiable but all perspectives need to be considered. It is premature at this time. The task force should make the decision. Motion - cancel any further discussion of trip and let the Facilities & Redevelopment Committee decide if, when, and where to go at the appropriate time. Clay seconds

Henderson - if there is a recommendation at a future time he would like to see the rationale behind it.

Sathoff - voted for the trip originally, but it does seem premature and will support motion. Perhaps computer modeling of new stadiums would be helpful and perhaps the committee could consider that technology as a way of viewing other facilities.

Martinez - eventually the task force will probably need to see a new facility. The tour of Qualcomm Stadium was valuable.

Coffey – it is never too early to get information. Is interested in viewing another stadium and learning what they were they able to do, what they accomplished, how they did so, etc. Fact-finding is the way to understand why or why not to have a new stadium and what the alternatives are. A trip is not for entertainment and she doesn't want the task force to let anyone influence the task force, including preventing a tour of another facility. Her mind is open and her commitment is to public good.

Clady – the task force is entrusted to make a huge decision and it is important to see a new stadium and understand what a state of the art facility looks like. Okay to wait until later.

Simon - deferral of the issue is fine, but thinks there is value in going and information is helpful. It is illogical for anyone to say we are prejudging the question - wants to know what the big deal is about a new stadium. If there is a trip, it should go as quickly as possible to keep costs down and not involve a game.

Roscoe - agrees with many comments. She is supporting the motion because the general public is not happy, but does not agree with them. All task force members are looking at the facts and want to do a good job. Would like to see the task force view a new facility, hear from the people who worked on it, people in the communities who had issues with it and can get all sides –does not want it to be just a one-sided view.

Watson – it is important to really think through the task force's goal in regard to this issue.

Martinez – Denver would be one of the best cities to compare San Diego to as they have a new baseball field, a convention center, a new library, the population is similar, and the social infrastructure is very similar.

Watson - Soldier Field should be looked at too.

Unanimous of the 12 folks present (Heumann not yet in attendance, Considine and Fat absent).

Item 5: Chairperson Comments –

The task force is currently in an important information-gathering phase. We are analyzing the economics of having an NFL team in San Diego – the Finance Committee sent a letter requesting financial information of the Chargers. The Contracts Committee is sending a letter as well requesting information geared toward the trigger event. The NFL is going to be providing Super Bowl Economic Impact information. Looking forward to responses to these letters. Thanks to the chairs and co-chairs of the committees. Mr. Simon is now the vice-chair for the contracts committee and will be handling the logistics.

Item 6: Task Force Members Comments -

Mr. Saathoff has to leave a bit early.

Mr. Henderson - commenting on letter to editor that ticket guarantee is irrational. Is there some kind of encouragement for the Chargers to address the marketing of the tickets? Not sure that Contracts Committee is going to take it up. Henderson would suggest that if the other members want to address the ticket guarantee, and would like to meet with him about it, to feel free.

Chairperson - task force members should feel free to bring ideas to their committees.

Simon – Ms. Heumann did agree to analyze the ticket guarantee and has prepared some information. The ticket guarantee is part of the current status. The task force needs to focus on priorities.

Martinez – would like to know the basics of what the attorneys on the task force are thinking about the ticket guarantee.

Coffey - letter to the editor mentioned grand jury report and she would like them posted on the web page (*the documents have been posted*)

Item 7: Committee Reports –

Finance Committee: At the September 30th meeting there will be presentations by City staff and the Redevelopment Agency on financing tools for large projects.

Henderson - not clear from the letter whether the Chargers were being asked to provide information on amount of money involved in the NFL waiver, and understand that costs are in the range of \$1.2m annually. Was this requested?

Barrett - specific information on the waiver has not been requested. Mr. Barrett is available to talk more specifically regarding this issue to follow up.

Chairperson – if there is any additional information any task force member feels a committee needs to address, please tell the committee chairperson.

Contracts Committee: Committee has attempted to identify issues in the Chargers contract that could use additional analysis. To make the tasks manageable, the committee is trying to focus on sections of the contract that would enable the Chargers to depart prior to 2020. Numbers provided by Mr. Barrett indicate the Chargers could have triggered last year. Perhaps preparations need to be made between now and December in anticipation of the triggering event occurring.

Facilities & Redevelopment Committee: Committee met last night. Staff from the trolley and MTDB presented information and the bottom line was that the carrying capacity of the trolley is unlimited for Qualcomm Stadium. The most used station for the trolley is San Ysidro. The Holiday Bowl has usage of 13,000-14,000 people, the Super Bowl is 30,000, Rolling Stones concert was 15,000, Monster Truck and Super Cross are 5,000-6,000, and the Aztecs usage is 1,000 people.

Gail Goldberg, Planning Director, provided information on the City of Villages. Traffic information was provided. Average daily trips are the measure of traffic. There are about 900 average trips per day from Qualcomm now. If the site were to be redeveloped with a fair amount of density, there could be 30,000 trips per day. On Friars Road between Qualcomm and Mission Valley, there are about 32,000-34,000, and from I-15 east is 35,000-40,000. Bruce Herring provided information on several other site

issues. Site ownership is split between the Water Department and the City's General Fund so to redevelop would require some sort of land swap to get the Water portion under the GF.

The committee will be preparing findings to present to the task force.

At September 30th meeting, developers will be sharing their vision for the site. On October 21, the meeting will be a public forum for neighbors to share their points of view. On October 30, the Chargers will present information on some of things they are thinking about doing at the site.

Coffey – The City of Villages presentation indicated that Mission Valley could be designated as a sub-regional district which would have major employment or commercial areas with residential areas adjacent and be served by major regional transportation systems.

Item 11: Tentative Agenda Schedule –

Chairperson - The draft of future meeting agendas is a preliminary draft; not all inclusive. It does not contemplate the return of Mr. Horrow which needs to be added somewhere. There is room to add in items as they come up through the committees. Dates are based on the 2nd and 4th Thursday of the month, but the committee could add other meetings. Additional dates could be added or the chair can call a special meeting. November 7th, December 5th, and January 16th to be added and the October 10, 2002 agenda will include this item for additional discussion.

Libby was asked to call Linda Kaufman to invite her to present on the 10/24 meeting (*she has been invited*)

Chairperson – the November 14th date is reserved for public and expert presentations. Has heard second-hand that these folks want to make presentations, and would appreciate a request from the Chamber to speak. If experts are coming, the task force could possibly pay for their air fare. Thinks these presentations will be academic, not pro or con. The issue of paying for expenses is referred to the Finance Committee and chairperson would like to schedule these folks as soon as possible.

Clay - not a lot of time to look at subcommittee reports - wants to build time in for that. Maybe can do on the extra meetings. Maybe in late Dec or January at an extra meeting.

Item 10: Overview of Stadium uses and Revenue – information posted on web page

Item 12: Dan Barrett - presentation of due diligence report and general introduction of what is included. Mr. Barrett will be available at a future meeting to answer questions.

Patnoe - can we get the cost of each facility and a breakdown between public and private funding. (*the next report provided by Mr. Barrett will include that information*)

Roscoe - how does this info compare to the quartile info provided by the NFL? Per Mr. Barrett, the information corresponds and the teams in the newer stadiums are generating more revenue.

Henderson - wants to know what went wrong from the time the Chargers renovated and it was supposedly a “state of the art” facility at the time? Is there something special about the SD market in comparison to others? Would like Mr. Barrett to answer at some point.

Mr. Barrett's market analysis will compare SD to the other NFL markets – this information to be

provided at a later point in the process.

Heumann - in assessing the corporate base, will there be an assessment of San Diego County as a whole? Could it be done to look at drawing upon residents further north? Perhaps two different perspectives - local and broader based to see where best to locate a stadium.

Possible teams that might want to come here - will Barrett look at how attractive our market would be for others.

Barrett - Other teams that might want to relocate would be in similar situations as the Chargers so less likely to be interested in moving to San Diego as it wouldn't incrementally improve their situation.

Martinez – If a new stadium were to be built, would we need to build again in 25 years and would other cities be in the same position?

Barrett – we are going to see a longer lifespan of facilities. Older facilities were multi-purpose, had fewer club seats, the sightlines were not as good, and they had fewer skyboxes. The development of newer facilities was intended to provide for revenue generating amenities. It is hard to say what the future holds, but he thinks the stadiums will have longer lives.

Martinez – If there is another cycle in ten years, how do we guard against that? There is not an infinite amount of revenue available.

Barrett - part of that will be handled by respective investment made by each party, public vs. private and lease agreement. Teams are less likely to walk away if they have made a substantial investment. Leases should go the length of the bonds and have significant penalties if teams try to leave.

The Task Force would like Mr. Horrow to come back November 7 and maybe again on January 16 - Mr. Fabiani will ask that he return.

ADJOURNMENT

The meeting was adjourned at 7:15.

**The next scheduled meeting is: Thursday, October 10, 2002 @ 6:30
Patrick Henry High School**

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1010 Second Avenue, Suite 500, MS 658
San Diego, CA 92101

Submitted by,

Libby Coalson
Staff Representative