

CITIZENS' TASK FORCE ON CHARGERS ISSUES

MINUTES for meeting of

October 10, 2002

Meeting held at:

**Patrick Henry High School
6702 Wandermere Drive
San Diego, CA 92120**

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
Cassandra Clady
Pepper Coffey
Tim Considine
Bruce Henderson
Karen Heumann
Bill Largent
Joseph Martinez
Geoff Patnoe
Patti Roscoe
Ron Saathoff
Leonard Simon

Members Absent

Nikki Clay
Tom Fat
Jeff Smith

Staff Present

Libby Coalson
Bruce Herring
Les Girard
John Mullen
Dan Barrett

CALL TO ORDER

Item 1: Citizens' Task Force on Chargers Issues Meeting called to order at 6:30 p.m. – David Watson, Chairperson

Item 3: Roll Call – Libby Coalson

AGENDA ITEMS

Item 3: Minutes for September 26, 2002 Task Force meeting passed by all present.

Item 4: Chairperson Comments – this meeting is taking place at Patrick Henry High School

Item 5/6: Task Force Member Comments & Committee reports –

Finance: City staff presented information regarding various financing options. The City of Carlsbad will be attending the committee meeting of October 28th to talk more specifically about the Infrastructure Financing District funding mechanism used for Legoland. On 14th, there will be a Super Bowl economic impact overview. The committee discussed whether outside experts should be invited

and their expenses covered. Two of three experts contacted would be unable to attend for only expenses and had requested a \$1,000 stipend to cover their time. A vote was taken to pay the expenses of Mr. Baim and Mr. Rosentraub – unanimous of those present. The Finance Committee will take up the issue again to discuss any others.

The infrastructure financing mechanism is complicated and could be challenging with multiple property owners - 2/3 votes would be required.

Finance Committee has not yet received a response from the Chargers regarding the requested financial information.

Facilities & Redevelopment Committee: The Committee met on September 30th and October 7th. On September 30th, representatives from Price Entities and TransWest Enterprises spoke about development ideas – the site could be developed for mixed-use. San Diego River Foundation representatives spoke and discussed their grant. The October 7th meeting focused on the methodology that would be most appropriate for moving forward with recommendations to Council. Criteria were developed that could be the focus of a matrix to be used to evaluate various scenarios. The committee could then use the matrix to prepare a recommendation to the Task Force. It would include options such as types of uses in addition to a facility; if just a renovation is done, what that might entail; cost impacts; and advantages to the City and Chargers. Parking and trolley ridership could be taken into account. Contract provisions, financing, and program all included. A few more committee meetings are needed before all issues are addressed.

The committee briefly discussed the 95-acre sports arena site as a potential alternate location.

Henderson - given the recent renovations of Qualcomm Stadium to make it a “state of the art” facility, has the F&R looked at the “no changes” alternative? There could be two such approaches - one is no money spent at all, the other is no City/public funding.

Suggestion made that the Facilities & Redevelopment Committee talk to other NFL teams regarding all the issues raised.

To how many teams has the NFL promised Super Bowls? The rotation cycle could be longer in the future. The NFL has guaranteed the Super Bowl to Houston, Jacksonville and Detroit but it has not been promised beyond that – they try to stay 3 years ahead.

Contracts: Professor Jan Stiglitz from USD will be at the next meeting, on Monday October 14th.

Item 7: Public Comment

John Cheney - wants a copy of the budget and wants to see it updated on a regular basis. Wants the Task Force to be 100% open and have the expenses on the web page too.

Tom Whiting – feels it is important that Qualcomm continue to attract valuable tenants. Must have an NFL team to keep the Super Bowl, and need an updated facility to do that. Maybe have world cup soccer, but the existing stadium field is too small. Location hated by most MV folks. Solution is to build a new facility. A possible location could be near the clock tower downtown. The site could be a neighborhood park when not used for the games.

Mr. Stillwell – says we are subsidizing millionaires. Professional sports team owners make big money operating and selling teams. Read the article by Don Bauder regarding sports team owners and a book called Sports Economics.

Edward Teyssier – concerned about the record of task force. Minutes should be the basis for the final report. Need the questions and answers and points made by the different speakers for minutes.

Jim Schmidt - sent a letter via City staff. Likes the football-only stadium. Reverse the field, make the field cozy. A lot at stake, TOT tax needs to be considered. Need creative ways to use redevelopment, maybe use the practice field, redevelopment is key.

Item 8: Presentation by HNTB Architects – Mr. Joe Diesko (*presentation on web page*)

HNTB built Arrowhead stadium, one of the first single-purpose stadiums. Football field is an acre to acre and a half. Baseball is 3 acres or over - hard to make both in one stadium, and have them be compatible. HNTB just finished the Broncos new stadium which has 76,000 seats. Denver considered renovating Mile High, but determined it was too old, had small concourses and facilities, and would be too expensive to renovate.

Qualcomm has seats 20-40 feet back from the field and lower seats for which the view is obstructed by players and camera crews. Lowering the field would steepen the angle of the seats and make it a long way to reach the facilities; there are 52 rows in that section. Suites are also a long way from the field. In southern California, teams need to have fun stadiums. The way the field is oriented in Qualcomm results in less noise - newer stadiums go for more noise. Other stadiums in comparison to us are at least 4'2" above the field and situated closer to the field. The lowest seats in Qualcomm are about 3' above the field, and the distance from the field results in sight lines equivalent to seats being only 2' above the field.

Denver has a larger seating bowl - more seats than some of the other new stadiums. An overlay of the seating angles compared to Qualcomm was presented. In Qualcomm, one has to be 22 rows back before they can get to the comparable sightline of the first rows at the Denver stadium, 14 rows to compare to the Baltimore stadium, 15 rows to compare to Philadelphia's first row, 12 rows back to compare to Seattle. Newer stadiums have more of the atmosphere the NFL wants to create.

Some of the differences in stadiums are related to market differences, ie., the number of suites that can be sold. Suites are designed to be marketable and serviceable. The amount of space around concession stands and the location of restrooms, etc is an important aspect of new stadiums as well. Comparisons are done based on square footage per fan.

Ohio State University stadium was renovated at a cost of \$187m, and they started with a pretty useful stadium. Renovating Qualcomm would require doing so over the course of several seasons if they continued to play in the stadium during construction, which would increase costs.

Renovations result in more opportunity for unexpected costs. A new building allows more opportunity to better gauge costs.

Invesco Field in Denver was built right next to Mile High Stadium then Mile High was torn down. The concourses in Denver are about 40-feet wide at the narrowest point.

If field lowered, would the higher level seats lose sightlines? *Joe did not study this specifically, but thinks not based upon baseball sightlines being further out.*

Is there any change to the level of comfort sitting in seats in the newer stadium? *Do not lose any comfort in the new stadiums.*

Could we see a cross section of the seating at Miami's stadium in comparison to Qualcomm's? If they have a less steep seating area and continue to have success in getting Super Bowls, perhaps Qualcomm would be in the same position? Can Mr. Barrett get a section of Joe Robbie stadium to compare to Qualcomm? *Great cities with great weather will continue to get Super Bowls. Miami's concourses are wider.*

We have not received many fan complaints, why is that? *Many people haven't been to other stadiums. Qualcomm is not a bad stadium, it is just not competitive with other stadiums.*

Item 9: Presentation by Richard Rider

Mr. Rider presented his understanding of the history of the Chargers deal – it was a no-bid contract, there was a validation action, and he got involved. The old contract was until 2003, so the new contract was not to keep Chargers in town. Public didn't know much before deal was signed. There were no negotiations. The purpose of the rent was to pay the bonds. The ticket guarantee was a substitute for a \$10m up-front payment.

\$66m of revenue bonds originally issued - rent was to pay \$5.4m each year for the bonds. Revenue bonds didn't require a vote. Rider took it to court. The guarantee is for 60,000 general admission seats and when 7,000 Loge seats were changed to club and not counted in guarantee anymore, there was an impact.

Result is that we pay Spanos to put a bad team on the field. Chargers give 40% of ticket rev after \$2 surcharge and 10% to City to the visiting team. Ticket prices increased in 2002.

Suggestions for recommendations to City -

- 1) City needs better press coverage
- 2) Should go to a vote on deals like this - important for democracy and it makes people look harder at an issue before putting it on ballot
- 3) Should use bonds that obligate the City to go to a vote
- 4) Should change the policy for pre-season games so Chargers pay City directly a certain amount per ticket, perhaps \$35, and not require the tickets be purchased and not pay the visiting team – Chargers would make more and City would save, and also black out the tv coverage of the games to encourage sales. Thinks people would tolerate this and it would help save money
- 5) City needs an independent analysis - from the taxpayer standpoint.

Item 10: NBBJ Sports & Entertainment Architects - Ron Turner, Dan Meis (*presentation on web*)

In the 1960's and 1970's, the multi-purpose stadiums became popular, though they tended to compromise both sports.

Ericsson Stadium (Charlotte) - a lot of attention was given to the bowl and the seating area, not so much the architecture. Reliant Stadium has the only retractable roof in the NFL. Soldier Field in Chicago underwent a renovation. Cincinnati - one of the innovations possible is to create a connection to the city

surrounding the facility. They cut the corners out, areas which didn't really sell well, so there are standing room areas and fans can see the city from inside the stadium. San Francisco's facility is connected to a shopping area. The idea is that there is more to the experience than just a game. Eagles - also opened up the corners. Has a "head house" that is the center of the facility - club seating. A canopy or a roof can help enhance the intimacy of a stadium. Some of the newer stadiums have these really steep seating areas and the high seats are not great. Every stadium is predicated on the market that it is in and what they can sell.

Thinks Qualcomm could be renovated, it has unique architectural aspects. The seats open to the air are good - people can enjoy the sun. Suggests raising the field three or four feet, not lowering it, which gives the end zone seats better views. The seats could be made comparable to newer facilities. Concourse areas could be widened and enclosed, and modifications could be made to make lower seats closer to the field. Need to have more sideline space for Super Bowl, and camera needs - so wouldn't want the seats too close. They would connect the club level to the new lower level.

There would still be good sightlines in all the seats. Proposes changing the seats to put them into a regular geometry. We have a nice oval shape, versus round which is disliked. The area around the ticket windows could be opened to create a better feel and increase revenue opportunities. They could make changes so that it feels like they were always there. Bones of Q are good and better than many new ones. Can make the old look new and keep the original feel.

They have not talked to the Chargers. They have not done a cost estimate, but it would be in excess of \$100m. In two off-seasons could handle the field and the bowl, can do other things while the season is happening. Renovations could be done with the team using the stadium, Chargers would not have to leave.

Have to commit to a renovation program, but wouldn't have to update everything. The changes would probably not trigger a requirement to upgrade the whole facility for seismic reasons.

In three to four months could develop a good cost estimate, but would need to talk to the Chargers to get their input.

The seating ratio is good in comparison to other stadiums. No actual seat count has been done yet. The sky box, locker rooms, and press area renovations would be easy.

TF - What would the return on investment be? *Half of the lower bowl will become better seats with suggested changes. Holistic nature of the changes is what is important and would enhance the fans experience.*

TF - The amount of parking Qualcomm has is comparable to other stadiums. *Changes could be made such as adding landscaping, breaking down the parking, thoughtful planning issues, removing the bunker ring and creating an "entrance" to the stadium. Parking is a good revenue source.*

TF - expressed concern about whether Qualcomm would be in compliance with Super Bowl requirement for 72,000 seats.

Stadium could make use of the spaces off of the concourse for other events when no games are happening.

TF - Need to consider security implications for anything that would be done. Taking into account the Southern California experience is positive.

TF - The TF should formally ask the Chargers to look at the proposal and give a response to us. F&R is going to add this item to their agenda to do.

Item 11: Future meeting dates and agendas approved

Item 12: Introduction of NFL Stadium Development Case Study Report – Dan Barrett

It is difficult to compare the deals of stadiums apple to apple. Encourages TF to look at the report in detail to understand the differences.

ADJOURNMENT

The meeting was adjourned at approximately 10:00.

**The next scheduled meeting is: Thursday, October 24, 2002 @ 6:30
Scripps Miramar Ranch Branch Library**

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

Submitted by,

Libby Coalson
Staff Representative