

***CITIZENS' TASK FORCE ON CHARGERS ISSUES***  
**MINUTES for meeting of**  
**January 9, 2003**

**Meeting held at:**

**Tubman Chavez Building  
415 Euclid Avenue**

**Mailing address is:**

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

**ATTENDANCE:**

**Members Present**

David Watson  
Nikki Clay  
Cassandra Clady  
Pepper Coffey  
Tom Fat  
Bruce Henderson  
Karen Heumann  
Bill Largent  
Joe Martinez  
Geoff Patnoe  
Patti Roscoe  
Ron Saathoff  
Leonard Simon  
Jeff Smith  
Tim Considine

**Members Absent**

**Staff Present**

Libby Coalson  
Les Girard  
Bruce Herring  
Dan Barrett

**CALL TO ORDER**

**Item 1:** Citizens' Task Force on Chargers Issues Meeting called to order.

**Item 2:** Roll Call – Libby Coalson

**AGENDA ITEMS**

**Item 3:** Task Force minutes of December 5 and December 23 approved unanimously.

**Item 4:** Chair comments – We are meeting in Council District 4, at the Tubman Chavez Building. Happy New Year and we have a lot of work ahead of us.

**Item 5:** Task Force comments

Henderson – Concerned about the Task Force transforming itself into dancing bears. Wrote a letter on 11/19 saying the Task Force would be unable to do a thorough review until April, and now the schedule has been condensed. (Mr. Watson asked that comments be held until Item 7)

Clady – “Hi” and thank you to the residents of Council District 4. Referred people to the website and requested input on the polls that are posted.

Heumann – Congratulations to David Watson and Geoff Patnoe for being recognized in San Diego Magazine as one of the Top 50 People to Watch in 2003.

#### Item 6: Committee Reports

Finance – appreciates the turnout of residents at tonight’s meeting - probably the best turnout so far. There have been a lot of media representations about financial statements and what has been provided by the Chargers. Wants to clarify that the offer made by the Chargers to provide information is in regard to the trigger, not the other financial information requested to determine whether the Chargers are financially viable. Will confirm in writing whether there will be any additional information provided by the Chargers and proceed from there.

Watson – Jan 6<sup>th</sup>, a report was released by Fitch that might be of interest. The Economic and Fiscal Impact of Tourism Report prepared for the Taxpayer’s Association in March of 1999 will be posted on the web page. This study will be updated fairly soon.

Clay – The Facilities & Redevelopment committee met on Monday, and had a large meeting with all 10 members. The committee reviewed three items. First, we heard about the flood conditions in a report from City staff, and will be getting a map. The floodway area of the river is considered to be 300 feet. Can’t do any sort of development in that area. The rest of the stadium site is in the floodplain fringe. Rough definition is that if there is the chance of a 100 year flood, then the area is within the fringe. Lots of construction is possible within the flood plain fringe. Buildings would need to be constructed to withstand a flood. The second item from the committee meeting will be addressed under Item 11. Third, committee has put findings together to summarize the information heard during 20+ presentations and will continue to refine for inclusion in final report.

Henderson – has concerns about the Taxpayers report on Economic Impact. There has been no corresponding analysis of costs to the City. The report uses a multiplier like that used by the NFL and it is subject to debate. Feels uncomfortable with posting it. (Watson wants it in the record as he has used it as reference). Henderson wants to make a point of adding any comments. No data was presented from the Chargers in response to his letter asking for trigger information. There have been two very serious omissions of data and he would have expected that the data would be made available.

Considine – is the Facilities and Redevelopment committee going to consider sites other than the Qualcomm site?

Clay – have not looked at other sites to-date, but during Mr. Martinez’s presentation you will see that there is an option for redeveloping the entire site.

#### Item 7: Future Meeting dates and agendas

Watson – the schedule has been revised and compressed, and it currently reflects meeting weekly until the end of February with the exception of Jan 23<sup>rd</sup>. This schedule would have this process complete by the start of the trigger period if it is moved to March 1<sup>st</sup>.

Simon – suggests waiting until after the City Council votes next week on the trigger date and discuss the future schedule on January 16, 2003.

Watson – would like to set a date for the workshop. What about February 8<sup>th</sup>? Perhaps the meeting could take place in Balboa Park and lunch could be provided. Maybe start at 10 and be done by 2 or 3.

Henderson – concerned about trying to rush on such a large, in cost and physical size of a park, project (parking lot is a park). Trying to compress the schedule too much puts the task force in the position of dancing to the Chargers tune. One example is that one of the Task Force's jobs is reporting to the City Council about whether there is a fiscally responsible proposal and there has been no criteria established in the last 6 months. Need to deal with some of the basics still. There are many things that need to be done to review a billion dollar proposal of this complexity. A short timeframe won't allow for proper public input.

Simon – laughable to say that the schedule is in the hands of the Chargers when the Task Force just voted 14-1 to recommend to the City Council that the trigger period be started later.

Henderson – made an alternate motion to ask Chargers to provide additional information.

#### Item 8: Public Comment

Art Kuehn – representing Salerno Livingston Architects. Feels strongly about what has seen in the news. Feel would be able to renovate the present stadium, feel strongly. Represents a firm of 40-60 people, good size firm. Thinking of teaming up with a larger firm. Has been in community for a number of years. Was the architect for Tony Gwynn stadium. Willing to put forth some time and effort for a feasibility study.

Watson – referring Mr. Kuehn to the Facilities & Redevelopment Committee to work directly with Ms. Clay, probably put information in writing and will let the committee determine how best to get the architects' information.

Guy Preuss – serves as chair of Paradise Hills planning group. Had a conversation with maintenance folks I SDG&E who were moving to downtown because the new ballpark was going in – this was 8 months before the ballpark task force began. His community needs trees, etc. Doesn't want to hear that it makes the City better financially, enhances redevelopment, etc. Let the free market build a new stadium. Let them stand on their own profit and loss. Need a reality check. The City money is needed for sidewalks.

Scott McLachlan – if there is new development on Friars Road, there will be gridlock due to traffic. Just makes things worse for everyone. If going to put in new condos, it will impact surrounding neighborhoods. Reducing the number of parking spaces will result in people parking in the neighborhoods. Since Chargers aren't providing information, the finance committee is unable to move forward. Need to be able to show City and taxpayers whether Chargers actually have a problem. Know there are some truth, some lies, and some statistics and can't tell which is which.

Daniel Beeman – agrees that more information needs to be put in front of public. Parking lot was full when he came in – need to consider the space for future meetings. Stadium can be improved, need to consider who the stadium is for and what the taxpayers want. Development fees of the area should go for purchasing of new facility, land sales too. Land sales, development fees, and taxes could go for a new stadium. Needs more solar equipment at the facility if a new one is built.

Item 9: Professor Dean Baim

*The presentation slides, along with an executive summary and speaking points with additional detail, are available on the Task Force web page.*

Clay - Why do jobs go away if a City has an NFL team? *It could be that resources are being devoted to the stadium, not education, redirecting revenue.*

Item 10: Dr. Ronald Utt

*The presentation is available on the Task Force web page.*

Dr. Utt introduced himself as not being someone who focuses on the economics of sports or stadiums, but someone focused more on the issue of economic revitalization of urban areas and community development. It doesn't take long to realize there are many advocates of entertainment infrastructure strategy – make a significant investment in an entertainment facility that brings people down to an area for an entertainment purpose and helps reverse years of decline.

Q&A of both experts:

Henderson – for both – in San Diego, we have a stadium and just put \$78m into it a few years ago, do we spend \$540m for a new stadium? Would this change their economic analysis of a sports franchise – instead of bringing a new one in, replacing one at a high cost?

Baim - not aware of any statistical studies – looking at a franchise – that is the part that has the economic impact.

Utt – it doesn't really make any difference in terms of measurement. NFL teams aren't really that big of a business. Not big stuff on an ongoing basis in the long term for the City. Not making much of an impact ongoing.

Baim – If build half-billion dollar structure, there is going to be an impact. Building a Walmart won't raise your national awareness level. Get a bigger national splash for a franchise team – which would work for any of the cities.

Clady – thank you both for coming to the task force meeting. The information provided was very valuable. Many stadiums financed by private and public partnerships, for example Reliant Stadium. Do they think states should intervene in a stadium versus cities?

Utt – both stadiums in Washington, DC area were largely privately funded. There was minimal infrastructure investment by communities, between \$50-\$80m. Bulk was handled by team's owners. Redskins are considered one of the most highly valued and most profitable, even though put most of the money for the stadium up themselves.

Baim – one reason states are being asked to participate is because projects are so large and costly that cities, and even counties, can't do them alone. Need help from larger cash cows. His 1999 study in regard to Houston, tried to find rationale for why small cities like Nashville, St. Louis, Oakland are taking franchises out of bigger places – smaller tv market, etc. The reason is they get a sweet stadium

deal. A medium size city might realize a larger economic impact so are more willing to put in public money. LA lost Texans for this reason.

Simon – no mention in either presentation of impact of event like Super Bowl – do either of you have an opinion on that in terms of economic impact? Whether the Super Bowl brings in big money or has no impact?

Utt – can't evaluate yet, make investment and evaluate the return – haven't invested yet. Question is how much and how often. Have to determine what the boost would be that you would be likely to get every five or six years and how much will get, then have to compare to a bank account. Need to know how much it will cost to get to a new stadium, to know how impact is. Super Bowls bring in people from outside and the press in large quantities. Recalls a statement provided to Task Force previously that probably contains enough numbers that we would be able to turn that into an estimate.

Baim – more skeptical in numbers, when talk about leakages. How much of filled hotel room money stays in town? Where are the franchise owners? How many more people are working in the hotel that week to take care of guests? These would be the important numbers, not that a VP from Pepsi comes in and spends a bunch of money that will then leave the area. Trying to determine is like “nailing jello to the wall”.

Martinez – with regard to cities that have taken a number of years to construct their stadiums, what was the catalyst that allowed it to go forward? Was it an economic condition that existed? Use Green Bay, as example. Where were the economics or change in strategy that allowed it to go forward? Is there information that says that at a certain threshold projects can go forward?

Utt – in the end, nobody builds a stadium because it is good for jobs – like team, think its good for communities. Have to talk about economic impact. Economic analysis is what makes the whole thing respectable. Patriots worked out a super deal with Hartford. The NFL got concerned and provided some financial subsidies to keep the patriots in Boston – tv revenue is important, so can't afford to not have teams in the major tv markets. Trading down works well for one team, but poorly for all NFL. Philly will have to subsidize \$8m per year and the new stadium is not even open yet.

Baim – a lot of what gets the job done is the threat of the team moving away. Chicago Cubs complained about ballpark and were going to move to several different locations. Site that was going to be used in Hartford was a toxic dump so took time to cleanup and in the interim, the mayor of Boston he decided wasn't going to lose the team to that situation.

Fat – would they change minds on public subsidy if it would spur redevelopment to help pay for a new stadium?

Baim – not saying he is against subsidizing a stadium with redevelopment. Has nothing to offer about whether redevelopment would improve life in San Diego. Too general to say whether he is for it or not. Where would money come from? If coming from sales tax, might have a problem if taxing low income people buying milk for their babies. Would depend how funding the development.

Fat – For Utt, on private development said that WA makes a profit, is it based on operations when add value of depreciation or new facilities? What mean when say are profitable

Utt – have a waiting list that is eternal, so no trouble filling the stadium. The team is well-marketed, the owners run a great business so they can afford to build their own stadium when other cities and counties refused to do it themselves.

Roscoe – thank you for interesting presentations. Detroit, Baltimore Cleveland and St. Louis spent more than \$200m to get teams back. Would wonder what economic and social elements would have gone into all the negative social issues that have occurred in these same cities. Saying a sports franchise has caused all these problems isn't really fair to an industry that has done a lot to communities economically and socially.

Utt – when monies are available, focus of attention appears to be how to deal with a team. What to do with social services? The focus by the political leaders on the sports rather than meaningful social issues is what makes kids hungry.

#### Item 11: F&R Committee Presentation

*Presentation is on the Task Force web page*

Clay – Committee wanted an opportunity to provide some guidelines to the task force for how to analyze development presentations being heard. Facilities & Redevelopment committee has had over 23 presentations and has tried to take some of the information received to develop to share these approaches. Mr. Martinez has worked hard on this.

Martinez – has developed several approaches. Need to look at some of the approaches over time – some of the development would take a number of years. Need to see other opportunities for the popular tailgate experience by picnic-ing in the park, using the trolley, etc. Have a joint use type program. Trying to develop land-use and density appropriate to the area.

Watson – pleased with presentation. For public, the caveat on this information is that this still needs to be reviewed and analyzed. These are just ideas at this point, have to learn about the various options and analyze them. Have to look at all the redevelopment options. This information presented tonight is not a decision of by the Task Force. Still has no idea what everyone wants to do.

Roscoe – the reality of getting a project done is that it is important for all partners in the community to come together and have their needs met. In the analysis, have to look at the ramifications and the results of each approach, how the community would feel, pros and cons economically, and traffic is a huge issue. The area will eventually be developed at some point in the future and have to acknowledge this. There is a lot of work to be done and need to make this very clear. This is the best effort at coming to a starting point from which can move forward. Facilities & Redevelopment has worked hard to get all the info can possibly get. The Task Force has been an enjoyable learning experience.

Henderson – Simply approaches to be utilized to try to evaluate what the Chargers come forward with. As far as he can tell, with exception of first approach, all others would involve a, assuming Chargers don't fund everything, tremendous diversion of public funds. Doesn't see any of the approaches paying their own way. Start with paying off outstanding debts first, thus would be in a financial hole to begin with. Then have to build from there. Doesn't want anyone to entertain false hope that they are identifying projects that pay for themselves.

Saathoff (on behalf of Finance Committee) – outstanding work, looks forward to working with Facilities & Redevelopment. Intention is develop alternatives and need to look at what the financing mechanisms can be, premature to make any judgments – need to finish this analysis first.

Patnoe – excellent presentation. Q – is Facilities & Redevelopment going to be coming forward with a recommendation about the current facility about whether it needs to be replaced or not?

Watson – if there is a proposal, is it something that is a good use of land? Would the City Council and others vote to approve? These are the types of questions we have to ask and Facilities & Redevelopment is trying to determine whether something is a good use of the site. From a planning perspective, have four viable approaches. Is it possible to develop a site at a level that would be a good land use and generate enough funds to pay for itself? Tonight is to just show the public and the Task Force how to approach the question from a pure land-use position.

Simon – Supports committee, done a good job. Have to figure out whether cost out or not. Nobody would go through this analysis if thought it wouldn't be good for the City. Looking at alternatives to try to create a way that the facility can pay for itself. It's an integral part of the analysis. Parking & trolley – if have little enough parking, the trolley ridership and bus ridership will go up and can get along with a much smaller parking lot. Will there be an answer for this?

Martinez – other cities across the country have 5,000 spaces. San Diego needs to become more urban and think regionally, then public transportation system will work well. Need to use the assets we have in San Diego in an effective manner.

Clay – community planning groups are concerned with leakage of parking into their neighborhoods, business lots, etc. Have interesting issues to address. Community wants to be sure that new facility is not under-parked due to the impact to them.

Watson – San Diego is already on the way to this with the new Ballpark having so few spaces. We have committed ourselves to this. Thank you and a good preview of what is to come next week.

## **ADJOURNMENT**

The meeting was adjourned at 9:15.

**The next regularly scheduled meeting is: Thursday, January 16 @ 6:30  
San Ysidro Middle School, Multi-Cultural Center  
4345 Otay Mesa Road**

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

Submitted by,

Libby Coalson  
Staff Representative