

QUALCOMM STADIUM ADVISORY BOARD

Minutes of Regular Scheduled Meeting

APPROVED MINUTES

Thursday, March 12, 2009
STADIUM ADMINISTRATIVE OFFICES

I. CALL TO ORDER / ROLL CALL

Chairman Rudy Castruita called the meeting to order at 8:15 am.

Board Present:

Chairman	Rudy Castruita	Present
Vice Chair/Administrative Chair	Jeff Jeffery	Present
Member	Si Coleman	Excused
Member	Ben Clay	Present
Member	Kim Folsom	Present
Member	David Baron	Present
Member	Michael Simonsen	Present
Member	Carlos Vasquez	Present
Member	Les Williamson	Present

Staff Present: Mike McSweeney, Stadium Manager, Steve Wightman, Stadium Field Manager, Michele Kelley, Event Coordinator, Vicki Summers, Payroll Specialist

Others Present: Chet Barfield, Council District 6, James Barwick, READ Director

II. APPROVAL OF MINUTES February 12, 2009

Approved, unanimous

III. PUBLIC COMMENT

No Comments

IV. COMMUNICATIONS

None

V. CHAIRPERSON REPORT

Chairman Rudy Castruita noted that it has been past practice for the Chair to have a Vice Chair to fill in case the he could not be here and invited interested members to send him an email for consideration. Jeff Jeffery commented that there has also been an Administrative

Chair in the past who gets involved with leases. Rudy added that they will take that as it comes along and will assign Board members to issues on leases as they come up.

VI. BUSINESS PARTNER REPORTS

For efficiency, Rudy Castruita requested that if Business Partners had information germane to the Board that they submit the information in writing to the Stadium Manager or Board Secretary at least a week prior to the meeting so it could be emailed to the Board members for review so they could come with questions or place on the agenda.

A. CHARGERS

No Report

B. AZTECS

No Report

C. HOLIDAY BOWL & POINSETTIA BOWL

Bruce Binkowski noted that they should have the official game dates in a week or so. Rudy Castruita asked about the process, and Bruce explained that they go to ESPN with a favored date of December 30 for the Holiday Bowl and they usually grant that. He added that for the Poinsettia Bowl, they try to get it as far away from Christmas as they can without being too early with December 22 or 23 being the optimum dates. He noted that they had worked to get December 22, but with 20 bowl games it was a chess game and it looks like the 23rd will be the date. In response to Rudy Castruita's question about the impact on hotels when the games are that close together, Bruce noted that preliminary numbers show that the Poinsettia Bowl will have an all time record thanks to the Boise State fans who came down in large numbers. He added that that the combined economic impact of both Bowls is expected to exceed 50 million dollars. Rudy requested that some numbers be put in place to have as part of the agenda. Bruce said that he should have an official report by the April meeting.

D. OMBAC

Lin Walton noted that since Rugby Sevens had been at Petco there is a tremendous interest in growing the sport of rugby in San Diego. He noted that OMBAC is planning next year to have an under 14 and the following year to have an under 16 and this year to host a summer camp for high school kids. He added that they believe that they are not getting the right kids yet and are working to increase diversity in the sport.

Rudy Castruita asked what the opportunities were to bring Rugby Sevens back to Qualcomm as a revenue generator. Lin noted that they wanted it back here, but explained that the reason Rugby Sevens moved to San Diego from Long Beach was because they wanted to make it an event and grow it. He added that downtown San Diego is more compact and has hotels, and from a business perspective and an economic impact it makes more sense downtown.

Jeff Jeffery asked if there was any difference in revenue to the City from where it's played. Jim Barwick noted that at Petco the City received 70% of the revenue and the Padres 30%. He added that the Ruby Sevens people liked the downtown venue, and he noted that with attendance at 17,000 people a day Petco looks fuller than if the event were at Qualcomm. He noted that this event has great potential to grow and added that at some point they hope it outgrows Petco, and at that point, they would have a conversation with the producers to bring it out to Qualcomm.

Ben Clay asked about revenue at Qualcomm and Mike McSweeney replied that we keep 100% of the net for the City here. Responding to Ben's comment that it was a better deal here for the City, Jim Barwick explained that it really depends on how many people come in to the park noting that people like the idea of Petco; they like the idea of being downtown.

Mike McSweeney commented that yesterday they had a conversation with the producers of the event saying that they had discussed two subjects, the World Cup for 2013 and the producers had also had requested a rent expense scenario for the Sevens for next year or the year after that. Rudy Castruita concluded that because of the potential for generating revenue, it was incumbent upon the Board to make this a viable venue for this kind of event and to keep their finger in the pie so when it does grow, Qualcomm will be a Stadium they will want to look at.

E. ACE PARKING

No Report

F. CENTERPLATE

Scott Marshall commented that PETA had voted them the most friendly vegetarian NFL stadium based on their menus. Rudy Castruita asked if the Board got an annual report from Centerplate to review to give them a better feel for the revenue generation by Centerplate. Scott Marshall replied that they had not in the past but it would not be a problem to provide.

G. SAN DIEGO AUTO CONNECTION

Archie Nielson reported that they were moving forward, starting next weekend with back – to- back events, they have an auto sale and the first RV sale of the year. He noted that along with San Diego they were reaching out to Riverside and Colton dealers as well and would have 300 to 400 RVs in the sale, saying that was pretty substantial in these economic times.

VII. STAFF REPORT

A. Stadium Manager

Mike McSweeney introduced Jim Barwick the Director of Real Estate Assets noting that he is interested in listening in and would be attending Board meetings whenever his schedule allowed.

In an update on the damage repair to the Chargers Training Center, Mike commented that the Stadium has reached agreement with the Chargers for a repair schedule, noting that we have mapped out the entire summer as to when we can perform work so as not impact their workout schedule. He explained that the Training Facility itself is 80% there and was ahead of schedule to reopen. He added the repair on the field is moving along, noting that we are on schedule as well on resodding.

Mike noted that there would be a meeting the following day to discuss and map out the much larger project of repair of the pipe, which is the water drain for the Facility and the Murphy Canyon area. Mike described the repair and rerouting of the pipe as a major reconstruction project not in the purview of the Stadium but belonging to the Water Department. He noted that the Stadium's part of the repairs is $\frac{3}{4}$ of the way completed.

On the pipe repair, Mike noted that besides wear and tear on the cement pipe, the engineering dimensions such as size and flexibility need to be re thought as the design of the pipe has caused reoccurring problems with sinkholes on the practice field. He noted that

preliminary estimates of damage to the Training Facility were at \$320,000 but were expected to increase and explained that the City will pay out of the Public Liability Fund and we also have insurance against it. Mike stated that the Chargers were pleased with the progress.

Rudy Castruita requested that Mike make himself available so Board members could go out to the Training Center to have better feel of what the discussion is all about.

Mike commented that he and Ben Clay had a good meeting with the Water Department Resources Manager to discuss ways the Stadium could be responsive to the City's water conservation policies. He noted the need to look at new technologies and ways to be greener and more conservative in our water usage including improved ways of cleaning and looking at the treatment of the perimeter landscaping.

Ben Clay added that the meeting was very helpful and noted that the opportunities to save water run from redoing chillers, to low flow toilet upgrades and testing to see how they work in the Stadium environment.

Mike commented that the Stadium is meeting with Urban Corps about expanding their services here and ways to save money on parking lot cleaning. He explained that we are also looking into establishing a reclamation center on site noting that this has a good side since we would be able to recycle more efficiently and quickly but a bad side because we would have to establish an area for it and establish a process for redemption. Mike noted that we don't want to increase traffic and are looking at alternatives such as a traveling truck allowed to go up and down aisles to pick up recyclables and issue chits which can be redeemed off site.

In response to Rudy Castruita's question about what could be done about people coming into the parking lot during events to collect cans, Mike noted that Urban Corps keeps recyclables and redemptions as a part of their pay, and he observed that despite the Police Department and Security it was difficult to prevent people from coming in the lot. Mike added that one of things they were looking at was moving up the collection process earlier during the events to have it all cleaned before the unpaid guests arrived. Rudy requested that Mike keep them informed on this issue.

Mike noted that an important phase in the resolution of the Beverly Walker lawsuit of 11 years had been reached, explaining that we have established a contract modification date when all the ADA remediation should have occurred. He added that we are getting to that final sign off date when the Stadium is compliant according to the settlement agreement saying that it is a very important thing because if the Stadium is not in compliance the financial penalties are large and it has already cost the City millions of dollars. He stated that it is important to tie up and it is a milestone for the Stadium.

In response to David Baron's question on Kinder Morgan and water, Mike noted that the problem was a Water Department/City issue but offered an update of recent developments including details on the lawsuit filed by the City to speed up remediation of the Stadium property and recover monetary compensation for damages to the property and its underlying water resources. Mike noted that after the lawsuit was filed, Kinder Morgan had acknowledged the site needed upgrading with more wells to meet the regional board's deadline for clean up. He added that they are in the process of installing more wells to deal with the gasoline in the ground and additional wells to deal with the MTBE plume. Mike stated that the Stadium is working with the City Attorney's office to assist them in any way they can.

B. Deputy City Attorney

Debra Bevier distributed a memo from Paul Prather dated March 11, 2009 detailing guidelines for credential holders receiving tickets to use under current Council Policies and until new Council Policies can be adopted. Debra noted that Paul Prather went before the Rules Committee, made his presentation and will move forward with their direction.

Rudy Castruita asked David Baron who had attended the Rules Committee meeting to brief the Board. David noted that he had spoken about the role of the Advisory Board as observers of Stadium policy. He added that Councilmember Todd Gloria and Councilmember Donna Frye asked Paul Prather to take into account the Advisory Board when looking into the provisions.

Rudy Castruita requested that our City Attorney continue to represent the Board with that perspective and to remind Paul of the Advisory Board's role and asked that this request go into the minutes. Debra Bevier noted that she has continued to push the issue both with the City Attorney's office as a whole and with Paul for the Board members and also specifically for Mike McSweeney so that he has the ability to give out tickets in order to generate business.

Ben Clay commented on a provision from the memo regarding taxable income noting that he had never seen that type of provision in FPPC rules before. Rudy Castruita asked that the Attorney look into it and come back with an answer.

In summary, Rudy Castruita noted that the Board appreciates the Attorney's position in protecting the integrity of Mike and these Advisory Board members. He added that David Baron had represented the Board extremely well at the Council meeting and Paul has gotten a clear message from two Council members as to the Advisory Board and the role that we play, and hopefully, that will be carried out to some kind of satisfaction to all parties. Rudy noted they needed to get their arms around the taxable income issue and move forward on that. He added that, hopefully, they would be kept updated as to when the next Council meeting will be when they take action if in fact there is going to be discussion, so we can have representatives from the Advisory Board there to represent our perspectives and making sure that the integrity of what we do and the process of what we do in this committee is carried forward.

VIII. NEW BUSINESS

- A. David Baron commented on his request to Mike McSweeney to send a letter to the sponsors of Supercross regarding inappropriate language used in an interview by one of the riders. He noted the young age of the crowd in attendance at the event. Mike McSweeney responded that he had communicated to Feld Entertainment the producers of the event and that specific to the situation, the rider was fined and reprimanded. Ben Clay asked if there was a clause in the Stadium's agreements regarding foul language. Mike answered that there is nothing in the agreements that speaks to that, noting the need to tread first amendment rights very carefully. Rudy concluded that David's efforts were a great example of a Board member observing something that had transpired and making our executive director aware, and he commended his efforts, but added that it would be risky to put that kind of language in a lease agreement as it would probably be challenged.

- B. Rudy Castruita reminded Board members of the upcoming April 1 deadline for submitting Form 700s. Attorney Debra Bevier noted that April 1 was an absolute deadline and suggested filing earlier in case there were problems.

IX. OLD BUSINESS

- A. As a clarification regarding Board members and liability for Stadium events, Mike McSweeney read excerpts from the Stadium's Use Permit detailing the insurance requirements for those renting the facility that include naming the City and Qualcomm Stadium Advisory Board members as additional insured. Mike also noted provisions for other providers explaining that insurance certifications with the same conditions were to be obtained for any outside security or medical companies used by those renting the facility.
- B. See Staff Report for discussion of water shortage issue as it applies to the Stadium
- C. See City Attorney's Report for ticket policy discussion

X. COMMENTS BY BOARD MEMBERS

None

XI. ADJOURNMENT

There being no further business, the meeting was adjourned at 9:10 am.
The next Regular meeting will be Thursday, April 9 at 8:15 am.