



QUALCOMM STADIUM ADVISORY BOARD

Minutes of Regular Scheduled Meeting

APPROVED MINUTES

Thursday, June 11, 2009

STADIUM ADMINISTRATIVE OFFICES

I. CALL TO ORDER / ROLL CALL

Acting Chairman Ben Clay called the meeting to order at 8:15 am.

Board Present:

Chairman	Rudy Castruita	Absent
Member	Jeff Jeffery	Absent
Member	Si Coleman	Present
Member	Ben Clay	Present
Member	David Baron	Present
Member	Kim Folsom	Present
Member	Carlos Vasquez	Present
Member	Michael Simonsen	Present
Member	Les Williamson	Present

Staff Present: Mike McSweeney, Stadium Manager; Lauren Griffin, Clerical Assistant II

Others Present: Jim Barwick, Real Estate Assets Director; Archie Neilson, San Diego Auto Connection; Tim Strawn, Ace Parking; and Chet Barfield, Council District 6 Representative

II. APPROVAL OF MINUTES May 14, 2009

Approved. Unanimous.

III. PUBLIC COMMENT

No public comments were raised.

IV. COMMUNICATIONS

No Report

V. CHAIRPERSON REPORT

Chairman Rudy Castruita is in Hawaii teaching a course.

VI. BUSINESS PARTNER REPORTS

A. CHARGERS

No Report

B. AZTECS

No Report

C. HOLIDAY BOWL & POINSETTIA BOWL

No Report

D. OMBAC

No Report

E. ACE PARKING

No Report

F. CENTERPLATE

No Report

G. SAN DIEGO AUTO CONNECTION

Thanked Mike and Steve for repairs to potholes and parking lot. Patch area is right where they put their tent and lay down their carpet. Now the lot looks better, and customers won't step in holes that can't be seen.

VII. STAFF REPORT

A. Stadium Manager Mike McSweeney

We can accept some constructive criticism from the audit report. We have agreed to do all of their suggestions, and there will be a follow up with the audit committee. A point was made over interacting with the stadium advisory board more vigorously. The audit committee perhaps did not completely understand that Mike is not a member of the board and does not direct them. The board reports to the mayor. The board is its own entity, and it is their responsibility to assemble their own ideas and advance them to council. Mike can advise them and tell them what we are doing. We can accept and apply the board's suggestions. We will continue to do both and let them help us.

Ben Clay moved to postpone discussing the audit report briefing to 'New Business', as there would be lengthy discussion and questions. Attorney Debra Bevier concurred.

The audit report questions how the stadium is being used to make money. Ben asked what types of events are coming up in this respect. The last several weeks have been busy. Jehovah's Witnesses brought in 40,000 people a day for 4 days. We have a unique relationship with them. They don't pay rent, but supply us with significant capital improvements. This time, they supplied us with \$160K worth of needed carpeting for our

club level. They always go far above and beyond, and it is a very advantageous relationship. They have come here for approximately 35 years. This was their international meeting, which doubled the numbers of people. Local hotels most likely saw an uptick in business, which hopefully brings in some tax revenue.

As the Jehovah's were moving out, preparation for a DirectTV commercial started moving in. The grass had to be painted to look like a football field, and field goals had to be installed. LL Cool J came and shot the commercial. We are working on some major events for 2010, but they cannot be announced yet. They will hopefully fill some summer dates for us and get us back in to the concert industry. The football season begins August 5th of this year. Chargers Fanfest and the first exhibition games will be the first August football events, Aztecs will be in September. Summer is short and this is our time to paint, refurbish, and resurface the parking lot. This only leaves a small window for scheduling.

Kim Folsom questioned what type of event outreach we do, if any. There is a variety. We work closely with the Hall of Fame, and are currently working on a project with them. The Sports Commission is another source. Last year, ESPN came in and broadcasted out of the stadium for 8 hours. Concert industry is more challenging, as they no longer fill stadiums of this size. This has been the case for at least a decade. There is barely a handful of attractions that can fill a venue of this size. The trend is to go to smaller and smaller venues. New venue construction these days should be in the neighborhood of 8500-10000 seats, rather than 20-70,000. That is where the attractions are. We do stay in regular communication with the industry.

Kim asked if we try to attract some of the same events that we know are going to other stadiums this size. There are some formal organizations like the Gridiron Network. That is comprised of NFL teams that own their own buildings. They plan together to buy talent or particular tours. There is a huge amount of risk and a 6 figure investment involved. It limits your options to pass on events, you are expected to be a player. The risk is, those events may still not be successful with ticket sales and sponsorships.

Ben interjected that his wife sits on the convention center board. There are concerns that Comic Con is outgrowing the convention center. An idea to help keep that event in San Diego could be to have them go to Petco or here. There are doctor's groups that have outgrown the convention center, and perhaps we could tent the parking lot. This could be a spillover facility that helps keep the event here. Various needs Comic Con has would make it difficult to have here. We are not a convention facility, and the convention center is close to a million square feet, so they can actually host more room than we have.

David Baron mentioned that previous employment of his had rented some of our clubs and it worked well, as it is difficult to find places that can accommodate medium sized groups of 350 or more people. Our free parking and trolley access also makes it attractive.

B. Deputy City Attorney Debra Bevier

Hoping to get ticket policy through the office today, and submitted for docketing. It is hoped it will be in front of the council very soon. It will be a public document once it is submitted to the docket coordinator. She asked if she could bring it to the meeting but was told it is not ready quite yet. As soon as its available, she will send it out. A new provision was put in for some members to request tickets and there will be a new policy how tickets are given out citywide. Ben asked if the role of the board is included in the document and

Debra said she believed it was. Si thought it would be more effective to have one representative meet with council to convey their wishes rather than have all board members go to the meeting at the last minute to make comments. There will also probably be strong opposition to discontinuing all tickets by at least several council members. Ben agreed it was good to try and plant the seed of the board's wishes early if possible.

VIII. NEW BUSINESS

A. Board Member Access

Carlos Vasquez wanted some more detail on how much access a board member is permitted in his or her duties. This comes down to credentials, which are going to be different for each event. We are not permitted in the Charger locker room or on the field. Restaurants, parking lot, the plaza area, and all the different levels are accessible by ticketholders. Any public area accessible to the public is fine. Just asking for a credential to a restricted area does not mean one will be granted. The tenant is the one who will request which areas are going to be restricted for their event. If a board member had a specific concern, Mike could escort them to a specific area, and ask permission for access from the promoter, they would need to go straight there, look, and come back out. Sound booth would probably not be restricted, but would require an employee pass, and Mike would still need to escort. Otherwise, not a problem.

B. Aztec Contract

Aztec contract should be signed very soon. Negotiations are done. There is no formal deadline. Si asked what would happen if the date of the first game arrived and the contract was not completed. Jim Barwick addressed that both parties recognize the urgency of getting this lease deal done. He met with them 2 weeks ago, they had some concerns, and we have incorporated their concerns. The city charter dictates that it cannot go before council without being reviewed by the board, so it will go to them as soon as possible. It will be on the docket for July. Michael Simonsen expressed frustration that the Aztec contract issue has gone on for a year or two and now seems to be in danger of being out of time for the board to review or discuss it. Jim acknowledged it has taken longer than it should have due to circumstances beyond their control. The agreement begins on August 15th, so he is encouraging the board to meet again sooner if they want to review it. The city received full cost recovery for last season, which went without a contract, but that is now wrapped up.

David and Ben asked about the procedure for a special board meeting. Debra stated we just need 72 hour notice for the public. Mike sent a final copy of the agreement to Ben and Jeff by email, so they will be able to review it before the meeting. Jeff has been part of the negotiations. Ben wanted to know more about what input they were going to be able to have, and when they can forward it to everyone else. Debra responded that Real Estate Assets is responsible for negotiating leases and it would not be proper for the board to be involved before they finalized the agreement. Jeff is a board member and has been the chosen representative to be actively involved.

Si described the way the committee used to work under the city manager and felt the current way is not ideal. Jim remarked that council policy and the muni code is very vague about this issue, and that this is a good project to take on in the coming months, as things have changed considerably in city government. Ben feels we need some guidance from the mayor, who is the board's appointing authority. Carlos suggested having a workshop or some longer meetings to try and resolve these issues more definitively. Ben expressed his

discomfort with the ambiguity. Jim acknowledged the roles are not well defined, but we are all working for the mayor. His suggestion was to get a consensus from the board of what they would like, have some discussions with the department for the most effective plan, and take that to the mayor. There may be some issue with the open meeting guidelines for how they can meet, but Debra can look into this.

C. Briefing on Stadium Audit

Mike finished the briefing on the stadium audit. The Chair of the audit committee was Kevin Faulconer. Ben wanted to know if anyone from the board was invited to the audit committee meeting, and Mike did not believe so. Jim felt this illustrated what had been discussed earlier. They are supposed to be advising council, but there is no autonomous line of communication between them. This is awkward for both the department and the board. This was acknowledged and Mike continued. We have responded to the audit. It was a unified response. Dave Jarrol and Jay saw it. We will accept their recommendations. The board members got a copy of the audit.

Si introduced and read an extended statement regarding the history of board activism, definition of the board, and taking charge of the board's role. Chairman has not been assertive enough in getting the board involved. The board needs to take more responsibility for its lack of involvement or inclusion in important stadium issues, or its existence is questionable. After so many mentions in the audit report, the board should probably draft some kind of formal response, if procedure allows for it. The board needs to determine what they wish to do, work closely with Jim and Mike, formulate an independent agenda with well thought out procedures, and eliminate the current confusion. They should no longer just wait for the stadium manager to share issues and agenda items with them.

Ben asked if there is a formal committee structure in place. There used to be subcommittees, but they dissipated over time. When they were an authority they had the ultimate responsibility for revenue production because they were responsible for paying off the bonds that built the stadium. When the bonds were paid off, there was no longer the same need for an authority, and that's when it was changed to an advisory board.

Jim remembered reading direct quotes the auditor had gotten from a board member in the report, so someone from the board was involved more than he may realize. Les added that the auditor actually came and sat in on 3 of their meetings. Les and Jeff also met with them informally in January, when they were asked about some loose ends. Mike was asked to stay out of that meeting.

Ben questioned why the auditor was so concerned about the board's role, but did not give them a chance to be involved. He is concerned that they may have an issue with the State contract, but it is already done. It will be presumed that he signed off on it, but he actually has not had any input. Debra interjected that it is not complete until the council approves it.

Si does not feel going to the Mayor and asking what he wants them to do is a good approach. The board should take the initiative and make the mayor aware of how the board can best serve, and then get feedback. Ben had concern that they could go through a huge process only to be told those goals are inappropriate. Carlos felt there could be some middle ground. They can let the mayor know they are trying to start the process, and he can let them know if it is not something he wants. Ben will let Rudy know and see where it goes from there.

Michael thought this was a great discussion that has been needed for some time. The board does come under scrutiny from time to time from the grand jury, the press, the ethics commission, etc. The board can be held accountable, yet is not being given the opportunity to be accountable, so he echoes some of Ben's sentiments. Jim redefined that they actually don't have the responsibility to approve or disapprove the contract. They only have the responsibility to advise. If they do not approve of anything about the contract, they have the ability to contact the mayor or council and voice their recommendations. Michael stated that the different entities that would launch investigations do not understand that, and once one is started, they can focus on specific individuals, it is very unpleasant, and you have no control over it. Jim and Ben voiced that firmly defining the role of the board so everyone knows what that is would help. Having it officially added to the muni code, administrative regulations, or council policy could be a good way to make that happen. Debra can help guide the correct way.

Si reiterated that he thinks it is important the board respond to the audit report. He was under the impression that the audit committee charged the board with doing an independent business plan for the stadium to be submitted in 12 months. There should be one from stadium admin, and one from the board. He thought this came from Carl DeMaio. Ben cautioned that we don't just take direction from one individual, things need to go through the Chair of the committee. Si just wants to be sure there is a response if there was a formal request made. Mike wants some direction on where does the direction from the audit committee begin and end. Ben commented that everyone is figuring out how things work since the change in city government to strong mayor.

Les brought up that there were four areas the auditors had questions about, pertaining to the board's involvement in the Chargers and Aztecs contracts. They were not allowed to retain any information about the audit because it was an ongoing process. They were just asked to look at it and make a few comments. They were concerned about certain areas that we are losing revenue. This concludes the audit discussion.

D. Informational Signage: Text Requests for Security/Police

David Baron raised the issue about signage alerting patrons of the ability to text for police or security assistance from seats or parking lot. He had friends with season tickets on the far upper deck, and they were unaware of this option because they could not see the signs from their section. They ended up upgrading to more expensive seats, because that section was too rowdy. Cheaper seats are usually visitors or last minute buyers. Mike responded that there is some limitation to how large the signage can be so it does not end up blocking someone's view. He has been in a box with Charger staff, and they are actually responsible for initiating and maintaining this particular signage. They have remarked themselves they feel it is too small. He thinks they are going to be working to make it more visible. They initiated this because they have the staff for it.

The texts go into a separate call system, which goes to staff in the command post. The command post contains a large computer screen that runs a program called Venuesoft. It is a real time color coded recording of all police, medical, fire, cleanup, emergency calls. It shows up on a map of the stadium and shows call and response time. They would like to employ it for all events at the stadium, but there is a cost associated with it. The Chargers should have larger signage in the works, but the topic will be added to the Old Business agenda for the next meeting.

IX. OLD BUSINESS

Water usage

Staff had a meeting with Luis Generoso and others from Wastewater. Asked them as experts, the best way to employ conservation methods in the problem areas that have been identified. We will definitely need to apply for a variance for the field. He believes Petco has done the same thing. For the rest of the stadium, perimeter landscaping, and practice field, methods can definitely be implemented. We walked the building with them and asked them to come back with some ideas on technologies they can come out and demonstrate for us, our building supervisor, and building service techs. Things like the water wands may not have the psi to adequately clean the seats. Need to determine if we can capture that water and reuse it somewhere else. Some ideas may not be applicable, but we can see what they come back with.

Ben is on the San Diego River Authority board. Water Utilities people gave a presentation regarding the Kinder Morgan treated excess water that is currently going into the creek. It is Water Utility land, and this could be a source of water to use for seat spraydowns. People clamored for the MWD money he was hopeful about, so that is gone. He will watch to see if it gets opened up again.

Lauren asked everyone to check the roster of board member contact info and offer any corrections, as it is 6 months old.

X. COMMENTS BY BOARD MEMBERS

David asked Mike to give an update on the retrofit of the lighting system at the next meeting. He also wished to add the Centerplate recycling and recycled product efforts for the next meeting, as they are not here.

Ben asked if potential vendors should go through Mike or purchasing if they want to submit bids for services. A waste service had contacted him. Mike would like to be the initial contact, and then decide from there if it should go to the next step in purchasing. He did remember an inquiry about recycling, but we currently have a contract with Urban Corps. We have been meeting with Waste Management to discuss some possible greener solutions, and the Chargers may have sponsorship interest there. Ben felt it might be good not to limit ourselves and try to open the opportunity to as many companies as possible.

XI. ADJOURNMENT

There being no further business, the meeting was adjourned at approximately 10 am. There will be a special meeting called shortly to review the Aztec contract. Date and time to be determined.