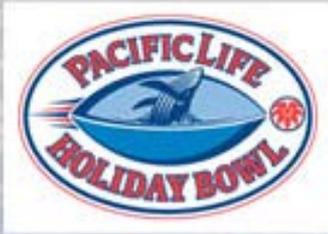


An Asset for the Community



A Stadium for San Diego

We Need

A WORLD CLASS VENUE FOR A WORLD CLASS CITY

- Super Bowls
- Holiday Bowl
- Gold Coast Classic
- San Diego Chargers
- San Diego State Aztecs
- Other Major College Games
- High School CIF Playoff/Championship Games

ARE WE STILL AMERICA'S FINEST CITY IF WE DON'T HAVE A VENUE WORTHY OF HOSTING THESE EVENTS?

KEEP FOOTBALL IN SAN DIEGO



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Twenty Other NFL Cities Said “Yes” When Faced with these Questions the Last Ten Years

NEW STADIUMS IN:

Atlanta (1992)	Cleveland (1999)*	Detroit (2002)
St. Louis (1995) *	Tennessee (1999)	Seattle (2002)
Jacksonville (1995)	Denver (2001)	Houston (2002) *
Carolina (1996)	Pittsburgh (2001)	Green Bay (2003)
Washington, D.C. (1997)	Cincinnati (2001)	Chicago (2004)
Baltimore (1998)*	New England (2002)	Philadelphia (2004)
Tampa Bay (1998)	Arizona (2005)	

* **FOUR OF THESE CITIES FIRST SAID “NO” THEN SPENT SUBSTANTIALLY MORE TO ATTRACT A NEW TEAM**
(Total Stadium Cost/Public Share)

St. Louis (1988/1995 – \$281/\$281 Million)

Baltimore (1984/1996) – (\$220/200 Million)

Cleveland (1995/1999 – \$283/\$212 Million)

Houston (1997/2002 – \$424/\$309 Million)

**ONLY ONE CITY SAID “NO” AND HAS NOT REPLACED THEIR TEAM
 – LOS ANGELES IS NOW PERCEIVED AS OUR RIVAL FOR THE CHARGERS**



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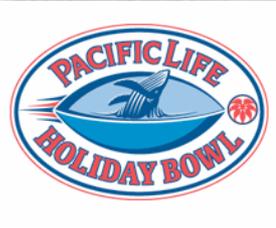
Community Benefits

Super Bowls



Super Bowl XXXII **\$125 Million** Direct Spending **\$295 Million** Economic Impact (January 1998)
Super Bowl XXXVII in January 2003 will produce even greater direct and economic benefits
National Exposure to more than **130 million television viewers** per game (Immeasurable advertising value to San Diego tourism)

Holiday Bowls



\$266 Million Economic Impact since 1978

\$ **92.3 Million** Economic Impact in the last four years
(**\$ 23 Million** per year average)

93,000 hotel room nights since 1998 attributed directly to the Holiday Bowl
(**\$ 9 million** estimated TOT)

National exposure to more than **9 million television viewers** per game (ESPN – 2001)
(Immeasurable advertising value to San Diego tourism)

San Diego Chargers



Estimated Economic Impact in the range of **\$150 to \$200 Million*** annually

Estimated Direct Spending in the range of **\$75 to \$115 Million*** annually

* Based on studies for other NFL teams in comparable markets

The intangible value of the continued presence of one of only 32 NFL Franchises

San Diego State Aztecs

The Presence of Major College Football



Return on Investment

Expenditure in 1997 for the renovation of Qualcomm Stadium = \$78 million

	Economic <u>Return</u>
Economic Impact of <u>Two</u> Super Bowls	\$ 590 million
Direct Spending on <u>Two</u> Super Bowls	\$ 250 million

PLUS:

- San Diego retained its NFL franchise
- The Holiday Bowl has grown in stature and economic importance
- San Diego State Aztecs represent a Major College Football Program



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A New NFL Franchise for San Diego is Not Likely

If the Chargers were to leave San Diego:

- History has shown that providing a new stadium to attract a new franchise will be substantially more costly than the deal that could have been made to keep the incumbent team
- It is highly unlikely that San Diego would be able to obtain a new franchise in the foreseeable future
 - The NFL has no present plans to expand (expansion is a several year process)
 - There remain very few relocation candidates (only the Minnesota Vikings and the Indianapolis Colts presently have untenable stadium arrangements; the Arizona Cardinals appear to have resolved their stadium situation)
 - The NFL has publicly and forcefully expressed its desire for a franchise to be located in Los Angeles. The NFL controls the Los Angeles market
 - If the NFL should decide to expand – or if a team decides to relocate – the NFL will exert its influence to place that expansion or relocation franchise in Los Angeles and not in San Diego
 - To combat such market forces San Diego would have to offer substantially greater financial incentives

**IF SAN DIEGO WANTS TO REMAIN AN NFL CITY,
IT SHOULD RETAIN ITS EXISTING FRANCHISE**



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Qualcomm Stadium is Economically and Structurally Obsolete

- ❖ Qualcomm Stadium is not a World Class venue worthy of hosting World Class events
 - The NFL will not award future Super Bowls to San Diego unless and until a new Stadium is provided
 - Qualcomm is not viewed as a desirable venue for other major events that might otherwise be attracted to “America’s Finest City”
- ❖ Qualcomm Stadium is outdated and inadequate under modern standards
 - ◆ Substandard fan amenities
 - Poor field proximity
 - Poor sightlines
 - Narrow concourses
 - Inadequate concession outlets
 - Substandard “back of the house”
 - Inadequate bathrooms
 - Poor sound system
 - Outdated scoreboard technology
 - Outdated and bifurcated media facilities
 - Inferior premium seating facilities
 - Incapable of generating the premium seating and sponsorship/advertising revenues needed to attract Super Bowls and other World Class events or to host a competitive NFL franchise
 - When Qualcomm Stadium was constructed in 1967, there was no such thing as a Super Bowl



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The Renovation of Qualcomm Stadium is Not a Viable Option

To approach modern standards, renovation would require the demolition of the entire lower deck, the Club Level and the Suites, including all the locker rooms, offices, concession commissaries, bathrooms, service and storage areas, etc.

These areas, as well as the fan amenity areas of the upper deck concourse, would then need to be reconstructed to meet modern standards.

The result would be a new lower deck constrained by the geometry of the existing upper deck structure, with the upper deck in its original configuration, providing poor sightlines too far removed from football sidelines.

This demolition and reconstruction process is not likely to be significantly less expensive than the construction of a new stadium.

Renovation would not support a mixed-use community asset of the type we propose – the cost of renovation would not derive any significant financial support from ancillary development

**EVERY OTHER CITY WITH A DUAL PURPOSE (Football/Baseball) STADIUM
HAS STUDIED RENOVATION**

NONE (Except Oakland) HAVE DONE IT

IF RENOVATION WERE UNDERTAKEN, THE CHARGERS, THE HOLIDAY BOWL AND THE AZTECS WOULD BE HOMELESS FOR AT LEAST TWO FULL SEASONS



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San Diego has Enjoyed a Longer Useful Life for its Stadium Than Any Other NFL City

EVERY NFL TEAM HAS CHANGED STADIUMS SINCE QUALCOMM WAS BUILT

- ❖ Qualcomm Stadium (originally Jack Murphy Stadium) was opened and became the home of the Chargers when they moved from Balboa Stadium in 1967
- ❖ In 1967 there were twenty-five NFL/AFL professional football teams
- ❖ No NFL team – except for the Chargers and the Oakland Raiders – now plays in the same stadium as in 1967
- ❖ The Raiders moved out of Oakland/Alameda County Stadium for thirteen years to play in Los Angeles

Every one of the twenty-five professional teams when Qualcomm Stadium was opened in 1967 has changed stadiums at least once since then – except the Chargers



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During The Thirty-Six Years the Chargers Have Already Played at Qualcomm, Eight Other Cities have Built Two Stadiums for their NFL Team

<u>City</u>	<u>First Stadium</u>	<u>Year Built</u>	<u>Years Occupied</u>	<u>Second Stadium</u>	<u>Year Built</u>
Tampa Bay	Houlihan's Stadium	1967	1976-1997 (22 years)	Raymond James Stadium	1998
Houston	Astrodome	1968	1968-1996 (28 years)	Reliant Stadium	2002
Cincinnati	Riverfront Stadium	1970	1970-1999 (30 years)	Paul Brown Stadium	2001
Pittsburgh	Three Rivers Stadium	1970	1970-1999 (30 years)	Heinz Field	2001
New England	Foxboro Stadium	1971	1971-2001 (31 years)	Gillette Stadium	2002
Seattle	The Kingdome	1976	1976-1999 (24 years)	Seahawks Stadium	2002
Detroit	Pontiac Silverdome	1975	1975-2001 (27 years)	Ford Field	2002
Philadelphia	Veterans Stadium	1971	1971-2003 (33 years)	New Stadium	2004



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The Design Concept for Qualcomm Stadium is Outdated Based on a Failed Genre of Stadium Architecture

CIRCLE and SQUIRCLE ARCHITECTURE

- ❖ Qualcomm Stadium is one of eleven dual purpose (football/baseball) stadiums built on the Circle/Squircle concept
 - The permanent portion of the lower seating bowl is circular in shape, with operable lower stands that moved to parallel either the baselines in baseball or the sidelines in football
 - The concept was to create a dual purpose (football and baseball) stadium that was adaptable to fit the unique geometry of each sport
 - In some cities, (San Diego, for example) the architecture was modified to square off the outer building with rounded corners (known as a “Squircle”), but the circular shape of the lower seating bowl and operable lower stands was a standard feature
 - ❖ First utilized for RFK Stadium in Washington, D.C. in 1961, ten more of these “Circle/Squircle” stadiums (including Qualcomm Stadium) were built over the ensuing fifteen years
 - ❖ The compromises inherent in the adaptability to each sport proved to be unsatisfactory to both.
 - ❖ The fate of the Circle/Squircle genre of stadiums has been grim
 - All but two (San Diego and Oakland) of the eleven have been abandoned by football (and the Raiders left Oakland for thirteen years and remain embroiled in litigation)
 - All but three (Oakland, St. Louis and Shea Stadium in New York) of the eleven have been (or will be) abandoned by baseball
- Five of the eleven have been demolished (or will be when new stadiums are completed)



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Development Concept

1. Undertaking an extensive mixed-use development of which the Stadium will merely be a part
2. Integrating the Stadium into the surrounding Development
3. Maximizing the use of the Stadium



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Mixed-Use Development

COMPONENTS:

Residential

Commercial (office buildings)

Retail (shopping)

Hotel and Hospitality

Entertainment

Public Spaces

River Beautification

Configured and in such combinations as prove to be economically desirable
and

Responsive to the concerns of the community

- ◆ Affordable Housing
- ◆ Environmental
- ◆ Traffic and Transportation
- ◆ Land Use Compatibility
- ◆ Planning Policy

To create

A MULTI-DIMENSIONAL COMMUNITY ASSET

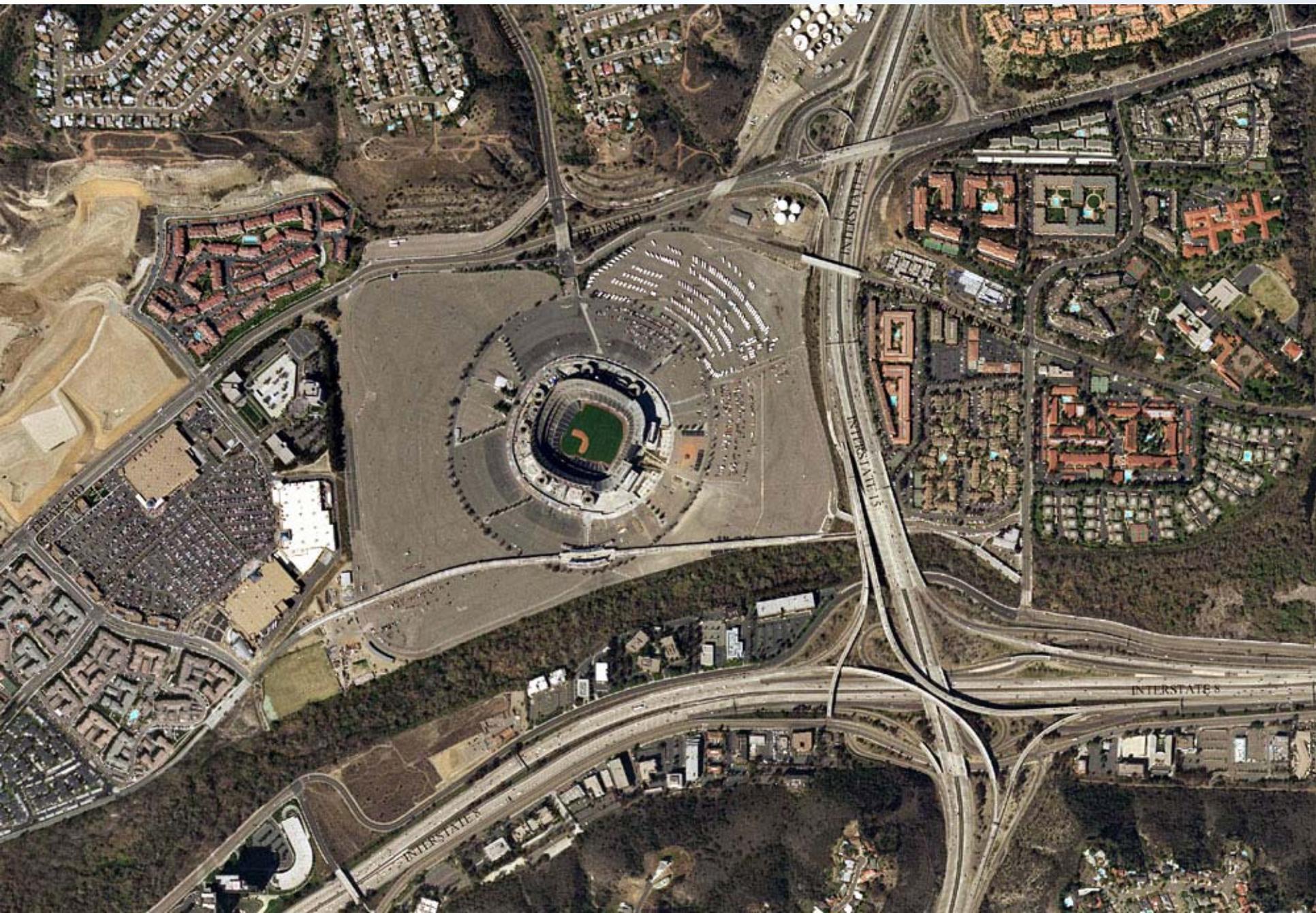


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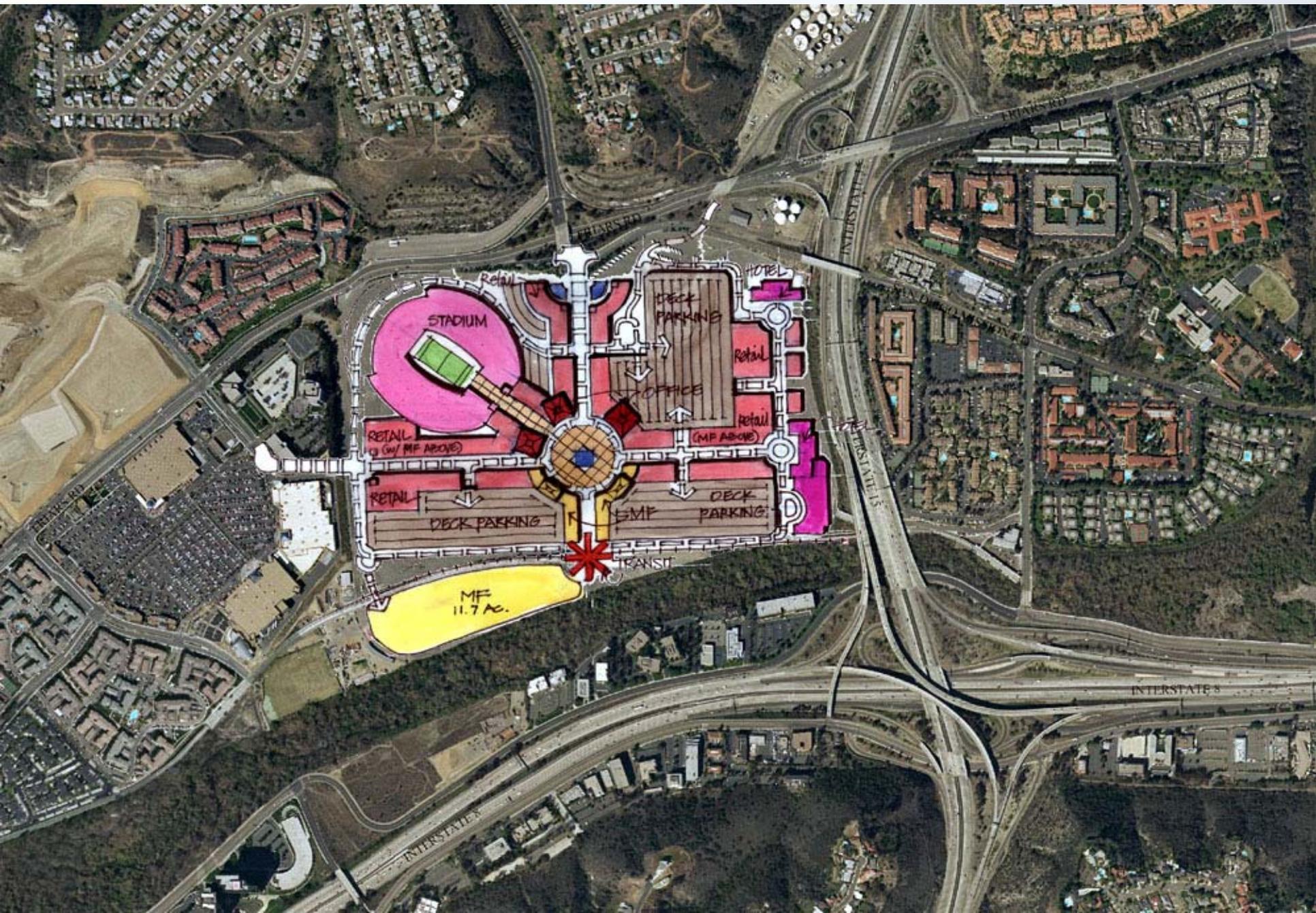
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Existing Site



Mixed-Use Development Concept for the Site





“Main Street” Concept for the Development



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Integrating the Stadium into the Surrounding Development

Using the Stadium Building on a Year-Round Basis

The stadium building should be designed to be an integral part of and to support the other components of the mixed-use development

- More effective utilization of the building
- Cost efficiencies by eliminating duplication of spaces

Possibilities:

- Hotel Interconnection
- Meetings and Hospitality
- Festival and Exhibition Space
- Office Space
- Shopping/Retail
- Workout and Wellness Facilities
- Food Courts, Display Space, Circulation for Shopping/Retail
- Movie Facilities and Other Entertainment Venues
- Museums and Art Exhibitions

Examples:

- Ford Field in Detroit
- Lambeau Field in Green Bay



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Ford Field Concepts



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Ford Field Concepts



08/22/02 - A look at the Hudson's Warehouse from the north sideline



08/22/02 - A look at the grass atrium area adjacent to Hudson's Warehouse



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Lambeau Field Concepts



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A Venue for the Community

Maximizing the Use of the Stadium as a Spectator Venue

- ❖ The stadium design must incorporate the flexibility to accommodate a wide variety of entertainment displays and crowd sizes
- ❖ Operational commitment to attracting, promoting and conducting a wide variety of special event

SUPER BOWLS
NFL FOOTBALL
HOLIDAY BOWL
SAN DIEGO STATE AZTECS
GOLD COAST CLASSIC
OTHER COLLEGE GAMES
- Naval Academy
- Other Major College attractions
HIGH SCHOOL FOOTBALL

SOCCER
MUSICAL PERFORMANCES
RODEO
CIRCUS
OLYMPIC TRIALS
NCAA CHAMPIONSHIPS
(Track, soccer, rugby, lacrosse, field hockey, etc.)
MOTOR SPORTS/EVENTS
ETC., ETC., ETC.

Maximum Stadium utilization is achieved by private management whose profitability is dependent upon attracting and conducting special events



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Objectives

- ❖ Consistent with the City of Villages Concept, respond to community needs by clustering multiple uses in a centralized location
- ❖ Efficient utilization of land mass
- ❖ Generate a positive financial return to support the cost of the project
- ❖ Create an asset that will serve all aspects of the community

CREATE AN ASSET FOR THE COMMUNITY



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Financial Impact

We believe the project can be financially self-sufficient

- ✓ That is, the value of the development will cover substantially all the cost of constructing the stadium
- ✓ In exchange for the rights to develop the site, developers should be willing to construct – and privately manage – the stadium
- ✓ We assume a representative contribution from the Chargers/NFL as compared to NFL stadium projects in other cities
- ✓ With some degree of financing support, we project little or no cash outlay by the City
- ✓ If the Chargers were to continue to play at Qualcomm Stadium, the land could not be used for such a multi-dimensional community asset

A TRUE PUBLIC/PRIVATE PARTNERSHIP

The utilization of otherwise unavailable public land, combined with private development dollars to create an ASSET FOR THE COMMUNITY



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Benefits for the Community

The community obtains a development designed to respond to various community needs and concerns

The community obtains a World Class Venue to host World Class events and resolves its football stadium issues

- ❖ Little or no cash outlay by the City
- ❖ The City derives productive use from land that would otherwise be unavailable
- ❖ Private management of the stadium insulates the City from operational losses
- ❖ Projected City revenues in the range of \$15 to 17 million annually from enhanced property values



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