




OFFICE OF COUNCILMEMBER TODD GLORIA COUNCIL DISTRICT THREE

M E M O R A N D U M

DATE: March 4, 2015

TO: Honorable Mayor Kevin L. Faulconer
Honorable Councilmember Myrtle Cole, Chair, Economic Development and
Intergovernmental Relations Committee

FROM: Councilmember Todd Gloria 

SUBJECT: Request for Financial Information Related to Stadium Discussions

I am in receipt of the Mayor's response to multiple councilmembers' memos on the subject of discussions related to the stadium and retaining the San Diego Chargers. I appreciated receiving answers to some of the issues raised by the City Council in advance of the public disclosure of the Mayor's task force recommendations this May.

Included in the response is the announcement that the Council President has designated the Economic Development and Intergovernmental Relations (ED&IR) Committee as the committee responsible for vetting stadium related issues. The memo states that representatives of the Mayor's task force will appear before ED&IR on March 19.

Out of respect for the Mayor and Council President's decision and the likelihood that no representative from the Mayor's task force nor staff will be made available for the planned March 18 discussion of stadium finances at the Budget and Government Efficiency (B&GE) Committee that I chair, I will remove that item from B&GE's agenda.

In lieu of the March 18 meeting and because I do not serve on ED&IR, I submit the following financial questions for response in writing or at the March 19 hearing. I believe clear answers to these questions will assist the Council and the public as we work together to find a fiscally responsible proposal to place before the voters in 2016 as promised by the Mayor in his State of the City Address. Further, the information will provide instructive context as city leadership contemplates funding mechanisms to address the infrastructure deficit including a potential ballot measure.

1. Which city funding sources is the Mayor willing to use to finance a new stadium? For the identified sources, which ones require voter approval and at what threshold?
2. Are there other non-city public funding sources being considered to finance a new stadium (e.g. the county "bridge loan" and/or a direct non-loan county or state contribution)? Would any of these sources require voter approval and at what threshold?

3. If the Qualcomm Stadium site is proposed to be redeveloped with a new stadium and other uses (e.g. retail, office and residential), could the city use any lease revenues and/or increased taxes generated to finance the stadium? If so, would this require a public vote?
4. What is the current appraised value of the Qualcomm Stadium property? What limitations are there on the lease or sale of this property to finance a new stadium?
5. What is the current appraised value of the Sports Arena property? What limitations are there on the lease or sale of this property to finance a new stadium?
6. What are the direct costs to the city should the San Diego Chargers choose to relocate (e.g. bond repayment, lost revenue, etc.)?
7. What is the estimated additional bonded indebtedness that can be responsibly incurred given the city's adopted Debt Policy and its most recent Five Year Financial Outlook?
8. What are the total citywide expenditures for the existing Qualcomm Stadium for the current fiscal year (e.g. maintenance, operations, debt service, etc.)? What amount of debt financing could that figure service if responsibility for the operation and maintenance of a new stadium were transferred to the San Diego Chargers in an agreement similar to what the city has at Petco Park? Would such a transaction require a public vote?
9. What financial contribution toward a new stadium would come from the National Football League?
10. What financial contribution toward a new stadium would come from the San Diego Chargers?
11. Has an independent evaluation been done to determine the feasibility of Personal Seat Licenses (PSLs) in the San Diego market? If so, how much would PSLs potentially generate toward financing a stadium?
12. Has an independent evaluation, similar to the one recently performed by the San Diego Convention Center Corporation, been done to determine how much naming rights and other corporate sponsorships could yield at a new stadium?
13. Has an independent evaluation been done to verify the costs and timeline the Metropolitan Transit System gave to the Mayor's task force for relocating the Bus Maintenance Facility at 100 16th Street?
14. As other California cities have done in the past, has the Mayor directed the city's lobbyists in Sacramento to seek legislative measures that might assist with the siting, permitting, financing or construction of a new stadium? If so, what assistance, if any, can be expected?
15. How will a decision on city stadium financing impact a future necessary decision on financing a convention center expansion?
16. Has any study been undertaken to determine the financial and operational feasibility of retrofitting Qualcomm Stadium to make it an updated multi-use facility as occurred in Kansas City and Green Bay? If so, what is the estimated cost, considering that the city's current annual maintenance costs may decrease if the facility were improved?
17. Based on the tailgating interests of Chargers fans, could Personal Parking Space Licenses be considered as an additional partial funding stream?
18. Have all known environmental concerns at the Qualcomm site been addressed and evaluated for potential impact on future developments? Specifically, would there be restrictions on how deep construction could extend?

Finally, in addition to the Mayor's task force representatives, I would like to request the city's Financial Management and Debt Management departments attend the March 19 hearing. It may be advisable to have representatives from the County of San Diego and the city's lobbyists available as well.

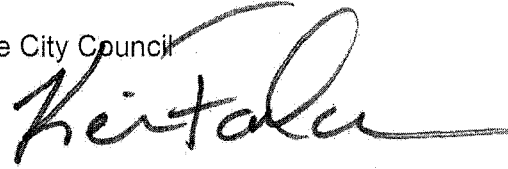
Like Chargers fans and taxpayers everywhere, I look forward to your response and a robust discussion at ED&IR's March 19 meeting. I am hopeful both will serve to move us closer to a successful resolution of this important city issue.

cc: Honorable City Councilmembers
Independent Budget Analyst
Scott Chadwick, Chief Operating Officer



KEVIN L. FAULCONER
MAYOR

M E M O R A N D U M

DATE: March 2, 2015
TO: Honorable Members of the City Council
FROM: Mayor Kevin L. Faulconer 
SUBJECT: Response to Councilmember's Memos Regarding Stadium Items

I am writing in response to Council President Sherri Lightner and Councilmember Myrtle Cole's February 26, 2015, memo which requests that Chargers stadium updates be heard at the Economic Development and Intergovernmental Relations (ED&IR) Committee. The memo states that Council President Lightner has determined that ED&IR is the appropriate committee to hear updates on stadium issues and specifically requests that the Citizens' Stadium Advisory Group (CSAG) provide an update at the committee's next meeting on March 19. The advisory group's chair, Adam Day, has informed my office that he is pleased to provide an update to the committee that day.

Additionally, Councilmembers Alvarez and Gloria issued a February 24, 2015, memo that lays out a number of issues and questions that they would like to have answered during the proposal process. Nearly all of these items are currently being evaluated by CSAG. My instructions to CSAG have been very clear: recommend a site and develop a plan to finance the project. While the group is free to evaluate any and all options, any plan that I ultimately support must be a good and fair deal for taxpayers.

Issues raised in Councilmembers Alvarez and Gloria's memo, such as the cost of the MTS site relocation, stadium construction costing, and bonding options against new stadium generated revenue, are being evaluated by CSAG and will ultimately be validated by the City's Financial Management Department. All City documents shared with CSAG can be found online at www.sandiego.gov/real-estate-assets/links/stadiumdocs.shtml.

In regards to the Convention Center, we are currently evaluating alternate scenarios in light of the court decision and the pending environmental litigation on the convention center expansion. My office will have new information to report to the Council and public by the end of March on both contiguous and non-contiguous alternatives. I have made it clear that I am open to both contiguous and non-contiguous convention center expansion solutions.

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The decision on the best location for both a new stadium and an expanded convention center will not be decided by any particular special interest. Rather, it will be a decision based on what is fair and responsible for San Diego.

In addition to updating ED&IR on March 19, CSAG will conduct a public forum this evening, March 2, 2015. CSAG has a tight timeframe; it will be present its recommendations in May. The final plan will be vetted through a public process and ultimately will be validated by a public vote.

I would like to thank the Council for joining me in support of keeping the Chargers in San Diego and voting unanimously for the resolution last week. A number of Councilmembers have provided my office and CSAG with background research and other additional insight that will prove valuable in the ultimate formation of the plan to keep the Chargers in San Diego. Your constructive participation and feedback is greatly appreciated.

KLF:bp

cc: Honorable Jan Goldsmith, City Attorney
Mr. Adam Day, Chair, Citizens' Stadium Advisory Group
Members of the Citizens' Stadium Advisory Group