



THE CITY OF SAN DIEGO
COUNCIL PRESIDENT BENJAMIN HUESO
DISTRICT EIGHT

RECEIVED

OCT 01 2010

SAN DIEGO
COUNTY GRAND JURY

October 1, 2010

Honorable Judge Kevin A. Enright
Presiding Judge
San Diego County Superior Court
Main Courthouse, third floor
220 West Broadway
San Diego, CA 92101

RE: City Council Response to Grand Jury Report Titled "Qualcomm Stadium"

Dear Judge Enright:

Pursuant to the California Penal Code Section 933.05 (a), (b) and (c), the San Diego City Council provides the attached response to the Grand Jury Report titled "Qualcomm Stadium" filed May 19, 2010 and approved by the City Council on September 21, 2010 and a copy of the Council resolution relating to the response.

The Grand Jury report included 11 findings and three recommendations, and requested responses on each of these from both the Mayor of the City of San Diego and the San Diego City Council. As Attachment A indicates, the City Council joins the responses of the Mayor for eight of the eleven findings and for all three recommendations. The City Council Partially Disagrees with the Grand Jury Report for Finding #3 and Finding #10; and Disagrees with Finding #05; the reasoning is detailed in Attachment A. The Mayoral response letter can be found as Attachment B.

For a synopsis of the process by which the City Council reached its response to the Grand Jury Report, refer to Attachment C: Office of the Independent Budget Analyst Report number 10-67 REV, dated September 9, 2010 and City Council Docket Date: September 21, 2010.

Please feel free to contact my office if you have any further questions.

Sincerely

Benjamin Hueso
City Council President



Cc: Mayor Jerry Sanders
Honorable Members of the San Diego City Council
Chief Operating Officer Jay Goldstone
City Attorney Jan Goldsmith
Independent Budget Analyst Andrea Tevlin
City Clerk Liz Maland
Director of Administration Debra Fischle-Faulk
San Diego County Grand Jury Foreman Victoria Stubblefield

Attachment:

Attachment A: San Diego City Council Response to Findings and Recommendations in San Diego Grand Jury Report Titled "*Qualcomm Stadium*"

Attachment B: Letter from San Diego Mayor Jerry Sanders on 2009/2010 Grand Jury Report entitled "Qualcomm Stadium"

Attachment C: Council Response to Grand Jury Report Titled "*Qualcomm Stadium*" IBA Report Number 10-67 REV

Attachment D: Council Resolution #306155, dated September 21, 2010

BH:mg

San Diego City Council Response to Findings and Recommendations in San Diego Grand Jury Report Titled "Qualcomm Stadium"

For each of the following items, the City Council joins the San Diego City Mayor's response as reflected in the September 28, 2010 letter to the Honorable Kevin A. Enright, Presiding Judge of the San Diego Superior Court:

Findings: 1, 2, 4, 6, 7, 8, 9, 11

Recommendations: 10-44, 10-45, 10-46

For each of the following items, the San Diego City Council responds as shown:

Finding #03: The City's direct operating losses on Qualcomm Stadium after crediting net rents paid by the Chargers, and excluding efforts by the City to mitigate the shortfall with other events, are at least \$17.1 million for FY 2010.

RESPONSE: Partially Disagree. In FY 2010, total operating expenditures for Qualcomm Stadium were budgeted at \$18.1 million. This total includes expenditures associated with events other than Charger games, including San Diego State University Aztec football games and other special events. The FY 2010 budget also includes approximately \$3.8 million in revenue from these non-Charger events. It is inappropriate to characterize the Stadium's operating deficit by including the expenses for these events but excluding the associated revenue.

Stadium operations are subsidized by Transient Occupancy Tax (TOT) revenue, which is transferred from the Special Promotional Programs budget. The FY 2010 budget includes approximately \$11.2 million in TOT revenue to support Stadium Operations. This more accurately reflects Qualcomm Stadium's operating deficit. It should be noted that the Stadium's budget operating expenditures for FY 2010 include approximately \$5.8 million in debt service on the Stadium Renovation Bonds. Excluding this debt service expense, the direct operating deficit in FY 2010 was approximately \$6.1 million.

Finding #05: The Tampa Bay Buccaneers pay the Tampa Sports Authority fixed rent of \$3.5 million per season, a minimum of \$3.5 million on account of premiums from the sale of Club Seats and a ticket surcharge of \$2.50 per ticket, all with no rent credits, for a total of at least \$8.1 million.

RESPONSE: Disagree. According to the Tampa Sports Authority (TSA), the Tampa Bay Buccaneers pay fixed rent of \$3.5 million annually for use of Raymond James Stadium, use of the practice area and compensation for development rights. In addition, a surcharge of 8% (capped at \$2.50) is placed on tickets for all stadium events. Surcharge revenues are paid to the TSA up to a maximum of \$1.93 million per year. The Tampa Bay Buccaneers do not make any additional payments to the TSA from the sale of

club seats. As a result, total payments to the TSA are \$5.43 million annually, not \$8.1 million as stated in the Grand Jury finding. Furthermore, per terms of the Stadium Agreement, the TSA is required to pay the Tampa Bay Buccaneers the first \$2 million in net revenue from all non-NFL events hosted or produced by the TSA. All net revenues in excess of \$2 million are split 50%-50% between the TSA and the Buccaneers. These payments from the TSA to the Buccaneers partially offset the \$5.43 million in rent and surcharge revenues received by the TSA.

Finding #08: The \$800 million estimate may be significantly increased by the addition of a retractable roof.

RESPONSE: Agree. However, while the City cannot estimate the potential cost impacts of the inclusion of a retractable roof, it is reasonable to assume the cost will increase.

Finding #10: There is almost no evidence that professional sports franchises and facilities have a positive impact on real per capita income or employment, and may have a negative effect.

RESPONSE: Partially Disagree. A substantial body of academic research suggests that professional sports teams and facilities have little or no tangible economic benefit to the local economy, and may in fact even have a negative impact.¹ Other research, primarily non-academic economic impact studies, has shown substantial tangible economic benefits in terms of job creation, income growth and increased tax revenues. However, such economic impact studies have been criticized by economists on a number of theoretical and methodological grounds.²

Aside from tangible economic benefits, an emerging field of academic research is examining potential *intangible* benefits that may result from hosting a professional sports team, such as quality of life, civic pride, regional identity and community image. While such intangible benefits are difficult to quantify, existing research does suggest that professional sport teams do provide potentially significant non-monetary benefits.³

¹ For a summary of relevant literature, see Coates, Dennis and Brad Humphreys. 2008. Do Economists Reach a Conclusion on Subsidies for Sports Franchises, Stadiums, and Mega-Events? *Econ Journal Watch*, 5(3): 294-315;

² Siegfried, J. and A. Zimbalist. 2000. The Economics of Sports Facilities and Their Communities. *Journal of Economic Perspectives*, 14(3): 95-114; Crompton, J.L. 1995. Economic Impact Analysis of Sports Facilities and Events: Eleven Sources of Misapplication. *Journal of Sports Management*, 9(1): 14-35.

³ Feng, Xia and B.R. Humphreys. 2008. Assessing the Economic Impact of Sports Facilities on Residential Property Values: A Spatial Hedonic Approach, *North American Association of Sports Economists Working Paper*, 08(12); Carlino, G.A. and N.E. Coulson. 2004. Compensating Differentials and the Social Benefits of the NFL. *Journal of Urban Economics*, 56(1): 25-50; Johnson, B.K., P.A. Groothuis and J.C. Whitehead. 2001. The Value of Public Goods Generated by a Major League Sports Team: The CVM Approach. *Journal of Sports Economics*, 2(1): 6-21.

Attachment B



JERRY SANDERS
MAYOR

September 28, 2010

Honorable Kevin A. Enright
Presiding Judge
San Diego County Superior Court
Hall of Justice
330 West Broadway, Suite 477
San Diego, CA 92101-3830

Subject: 2009/2010 Grand Jury Report entitled "Qualcomm Stadium"

Dear Judge Enright:

Pursuant to California Penal Code Section 933.05(a), (b) and (c), the City of San Diego provides the following responses to the findings and recommendations in the above entitled Grand Jury Report:

FINDINGS

Finding #01: Qualcomm Stadium has a seating capacity of about 70,500 and a remaining obligation of about \$52 million on the 1997 Renovation Bonds.

Agree.

Finding #02: Regular net rent received by the City from the Chargers after deducting the ADA payments and rent credits, is less than \$1 million per season.

Agree. The stadium averages approximately \$700,000 in rent from the Chargers per season.

Finding #03: The City's direct operating losses on Qualcomm Stadium after crediting net rents paid by the Chargers, and excluding efforts by the City to mitigate the shortfall with other events, are at least \$17.1 million for 2010.

Partially Disagree.. Using the methodology stated in this finding, \$17.1 million is accurate. However, the City considers total revenue less total expenses to determine the direct operating loss. Using the City's methodology yields a loss of \$11.7 million which is subsidized and covered by City Transient Occupancy Tax (TOT) revenues.

Page 2
Judge Enright
September 28, 2010

Finding #04: The City partially reduces the deficit with other events and subsidizes the balance with City Transient Occupancy Tax (TOT) revenues of \$11.8 million in 2010.

Agree.

Finding #05: The Tampa Bay Buccaneers pay the Tampa Sports Authority fixed rent of \$3.5 million per season, a minimum of \$3.5 million on account of premiums from the sale of Club Seats and a ticket surcharge of \$2.50 per ticket, all with no rent credits, for a total of at least \$8.1 million.

Partially Disagree. While the City does not dispute the accuracy of the Grand Jury's research, it cannot confirm this information.

Finding #06: San Diego taxpayers oppose the use of public monies for the construction of a new Charger stadium.

Partially Disagree. This statement may or may not be true. The City cannot contradict or affirm this statement without empirical data. In the absence of specific research, this claim is not verifiable.

Finding #07: The Chargers are proposing to invest about \$200 million to build a 62,000 seat stadium at a cost of \$800 million, with the balance of about \$600 million to come from tax increment bonds to be paid from property, sales and Transient Occupancy Taxes.

Partially Disagree. The City has not received nor offered to the Chargers any such proposal.

Finding #08: The \$800 million estimate may be significantly increased by the addition of a retractable roof.

Partially Disagree. The City cannot estimate the potential cost impacts of the inclusion of a retractable roof.

Finding #09: The \$52 million balance due on the 1997 stadium Renovation Bonds must be dealt with if a new Chargers stadium is built.

Partially Disagree. It is unclear what is meant by "must be dealt with." However, the City agrees that retirement of the remaining bonds must be discussed in any negotiation of a new stadium plan when and if negotiations for a new stadium proceed.

Finding #10: There is almost no evidence that professional sports franchises and facilities have a positive impact on real per capita income or employment, and may have a negative affect.

Disagree. Each large scale event employs 600-800 part time employees for Food and Beverage service alone. Another 1200 are employed part time as ushers, and security personnel, etc, for a total of approximately 2000 part time jobs. Sales tax is generated from the sale of food, drink and merchandise. Academic studies have shown the economic costs and benefits of professional sports teams and facilities and this finding does not acknowledge research and opinions representing contrary viewpoints.

Finding #11: If public financing is the source of funding for a new Charger stadium, the City should demand a lease with terms that will protect the City such as a long-term lease with fixed rents and no credits, no risk of cost overruns, and City use of the stadium for other public events.

Partially Disagree. The City agrees protections for the taxpayer should be pursued in any negotiation with the Chargers for a new stadium, when and if negotiations for a new stadium proceeds.

RECOMMENDATIONS

Recommendation 10-44: Study independent economic analyses of a proposed new stadium so as to accurately project per capita income and employment data for the construction and operation of a new downtown Chargers stadium.

This recommendation requires further analysis. Any study of economic impacts of a proposed stadium will require a proposal to be defined to a level of specificity that does not exist at this time. An analysis will be conducted if and when a new stadium is proposed and under consideration.

Recommendation 10-45: If a new downtown stadium for the Chargers is to be built, negotiate a favorable resolution of the \$52 million balance remaining on the 1997 stadium Renovation Bonds.

This recommendation requires further analysis. The City agrees that retirement of the remaining bonds must be discussed in any negotiation of a new stadium plan when and if negotiations for a new stadium proceed. An analysis will be conducted if and when a new stadium is proposed and under consideration.

Recommendation 10-46: If public financing is to be employed for the construction of a new downtown stadium for the Chargers, demand a lease with terms that will protect the City such as a long-term lease with fixed rent sufficient to cover any public indebtedness incurred by the City or the City of San Diego Redevelopment Agency, with no credits, no

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Judge Enright
September 28, 2010

risk of cost overruns and control of the use of the stadium for other City and City contracted events.

Response: This recommendation requires further analysis. The City agrees protections for the taxpayer will be pursued in any negotiation with the Chargers for a new stadium, when and if negotiations for a new stadium proceeds.

Please contact Jim Barrett, Real Estate Assets Department Director at 619-236-6145, if you have any questions.

Sincerely,



JERRY SANDERS

Mayor

cc: San Diego County Grand Jury
Chief Operating Officer
City Clerk
Independent Budget Analyst
Department Director
Administration Department Director

OFFICE OF THE INDEPENDENT BUDGET ANALYST REPORT

Date Issued: September 9, 2010

IBA Report Number: 10-67 REV

City Council Docket Date: September 21, 2010

Item Number: N/A

Response to Grand Jury Report Titled “Qualcomm Stadium”

On May 19, 2010 the San Diego County Grand Jury filed a report titled “Qualcomm Stadium.” The Grand Jury report reviews the history of the stadium’s construction and renovation, highlights current operational funding issues, and considers a number of implications for the potential construction of a new football stadium.

The Grand Jury report included 11 findings and three recommendations. Both the Mayor and the City Council are required to respond to each of the findings and recommendations. Due to Legislative Recess, the Council President requested an extension of the August 19 due date for the Council’s response, which was granted by the Presiding Judge of the Superior Court. The Council’s response to the Grand Jury report is now due by October 1, 2010.

The IBA has obtained a copy of the Mayor’s draft responses to each of the findings and recommendations. For each item, the Council may join the Mayor’s response, respond with a modification of the Mayor’s response, or respond independently. In responding to each Grand Jury finding, the City is required to either 1) agree with the finding or 2) disagree wholly or partially with the finding. Responses to Grand Jury recommendations must indicate that the recommendation 1) has been implemented; 2) has not yet been implemented, but will be in the future; 3) requires further analysis; or 4) will not be implemented because it is not warranted or is not reasonable. Explanations for responses are requested when applicable.

This item was presented to the Rules Committee on September 8, 2010. The Rules Committee voted 5-0 to adopt the IBA’s proposed responses, with an amendment to the proposed response to Finding #8. The table below reflects the recommended approach to

the Grand Jury Findings and Recommendations, including the amendment by the Rules Committee.

Findings:	1, 2, 4, 6, 7, 8, 9, 11	<i>Join the Mayor's Response</i>
Recommendations:	10-44, 10-45, 10-46	
Finding:	8	<i>Modify Mayor's Response</i>
Findings:	3, 5, 10	<i>Respond Independently of the Mayor</i>

The full text of the Mayor's draft responses and the proposed Council responses, including the Rules Committee amendment, can be found in the attachment to this report. As anticipated, the Mayor's response to Finding #3 has been revised, and a few non-substantive changes have been made on the Mayor's responses to a number of other items. These changes are also included in the attachment. The proposed responses to Findings #5 and #10 are based on independent research conducted by the IBA.

[SIGNED]

Tom Haynes
Fiscal & Policy Analyst

[SIGNED]

APPROVED: Andrea Tevlin
Independent Budget Analyst

Attachment

Proposed City Council Response to Findings and Recommendations in San Diego Grand Jury Report Titled "Qualcomm Stadium" - REVISED

GRAND JURY FINDINGS

Finding #01: Qualcomm Stadium has a seating capacity of about 70,500 and a remaining obligation of about \$52 million on the 1997 Renovation Bonds.

Mayor's Response: Agree.

IBA Recommendation: Join the Mayor's Response

Finding #02: Regular net rent received by the City from the Chargers after deducting the ADA payments and rent credits, is less than \$1 million per season.

Mayor's Response: Agree. The stadium averages approximately \$700,000 in rent from the Chargers per season.

IBA Recommendation: Join the Mayor's Response

Finding #03: The City's direct operating losses on Qualcomm Stadium after crediting net rents paid by the Chargers, and excluding efforts by the City to mitigate the shortfall with other events, are at least \$17.1 million for FY 2010.

Mayor's Response: Partially Disagree. Using the methodology stated in this finding, \$17.1 million is accurate. However, the City considers total revenue less total expenses to determine the direct operating loss. Using the City's methodology yields a loss of \$11.7 million which is subsidized and covered by City Transient Occupancy Tax (TOT) revenues.

IBA Recommendation: Do not join the Mayor's response, and respond independently with the following:

Partially Disagree. In FY 2010, total operating expenditures for Qualcomm Stadium were budgeted at \$18.1 million. This total includes expenditures associated with events other than Charger games, including San Diego State University Aztec football games and other special events. The FY 2010 budget also includes approximately \$3.8 million in revenue from these non-Charger events. It is inappropriate to characterize the Stadium's operating deficit by including the expenses for these events but excluding the associated revenue.

Stadium operations are subsidized by Transient Occupancy Tax (TOT) revenue, which is transferred from the Special Promotional Programs budget. The FY

2010 budget includes approximately \$11.2 million in TOT revenue to support Stadium Operations. This more accurately reflects Qualcomm Stadium's operating deficit. It should be noted that the Stadium's budget operating expenditures for FY 2010 include approximately \$5.8 million in debt service on the Stadium Renovation Bonds. Excluding this debt service expense, the direct operating deficit in FY 2010 was approximately \$6.1 million.

Finding #04: The City partially reduces the deficit with other events and subsidizes the balance with City Transient Occupancy Tax (TOT) revenues of \$11.8 million in 2010.

Mayor's Response: Agree.

IBA Recommendation: Join the Mayor's Response

Finding #05: The Tampa Bay Buccaneers pay the Tampa Sports Authority fixed rent of \$3.5 million per season, a minimum of \$3.5 million on account of premiums from the sale of Club Seats and a ticket surcharge of \$2.50 per ticket, all with no rent credits, for a total of at least \$8.1 million.

Mayor's Response: Partially disagree. While the City does not dispute the accuracy of the Grand Jury's research, it cannot confirm this information.

IBA Recommendation: Do not join the Mayor's response, and respond independently with the following:

Disagree. According to the Tampa Sports Authority (TSA), the Tampa Bay Buccaneers pay fixed rent of \$3.5 million annually for use of Raymond James Stadium, use of the practice area and compensation for development rights. In addition, a surcharge of 8% (capped at \$2.50) is placed on tickets for all stadium events. Surcharge revenues are paid to the TSA up to a maximum of \$1.93 million per year. The Tampa Bay Buccaneers do not make any additional payments to the TSA from the sale of club seats. As a result, total payments to the TSA are \$5.43 million annually, not \$8.1 million as stated in the Grand Jury finding. Furthermore, per terms of the Stadium Agreement, the TSA is required to pay the Tampa Bay Buccaneers the first \$2 million in net revenue from all non-NFL events hosted or produced by the TSA. All net revenues in excess of \$2 million are split 50%-50% between the TSA and the Buccaneers. These payments from the TSA to the Buccaneers partially offset the \$5.43 million in rent and surcharge revenues received by the TSA.

Finding #06: San Diego taxpayers oppose the use of public monies for the construction of a new Charger stadium.

Mayor's Response: Partially disagree. This statement may or may not be true. The City cannot contradict or affirm this statement without empirical data. In the absence of specific research, this claim is not verifiable.

IBA Recommendation: Join the Mayor's Response.

Finding #07: The Chargers are proposing to invest about \$200 million to build a 62,000 seat stadium at a cost of \$800 million, with the balance of about \$600 million to come from tax increment bonds to be paid from property, sales and Transient Occupancy Taxes.

Mayor's Response: Partially disagree. The City has not received from nor offered to the Chargers any such proposal.

IBA Recommendation: Join the Mayor's Response.

Finding #08: The \$800 million estimate may be significantly increased by the addition of a retractable roof.

Mayor's Response: Partially disagree. The City cannot estimate the potential cost impacts of the inclusion of a retractable roof.

~~**IBA Recommendation:** Join the Mayor's Response.~~

Rules Committee Recommendation: Respond with the following modification of the Mayor's Response:

~~Partially disagree.~~ However, while the City cannot estimate the potential cost impacts of the inclusion of a retractable roof, it is reasonable to assume the cost will increase.

Finding #09: The \$52 million balance due on the 1997 stadium Renovation Bonds must be dealt with if a new Chargers stadium is built.

Mayor's Response: Partially disagree. Absent a clear definition of "must be dealt with," the City cannot propose implementation of this finding. The City agrees that retirement of the remaining bonds must be discussed in any negotiation of a new stadium plan when and if negotiations for a new stadium proceed.

IBA Recommendation: Join the Mayor's Response

Finding #10: There is almost no evidence that professional sports franchises and facilities have a positive impact on real per capita income or employment, and may have a negative effect.

Mayor's Response: Disagree. Each large scale event employs 600-800 part time employees for Food and Beverage service alone. Another 1200 are employed part time as ushers, and security personnel, etc., for a total of approximately 2000 part time jobs. Sales tax is generated from the sale of food, drink and merchandise. Academic studies have shown the economic costs and benefits of professional sports teams and facilities and this finding does not acknowledge research and opinions representing contrary viewpoints.

IBA Recommendation: Do not join the Mayor's response, and respond with the following:

Partially Disagree. A substantial body of academic research suggests that professional sports teams and facilities have little or no tangible economic benefit to the local economy, and may in fact even have a negative impact.¹ Other research, primarily non-academic economic impact studies, has shown substantial tangible economic benefits in terms of job creation, income growth and increased tax revenues. However, such economic impact studies have been criticized by economists on a number of theoretical and methodological grounds.²

Aside from tangible economic benefits, an emerging field of academic research is examining potential *intangible* benefits that may result from hosting a professional sports team, such as quality of life, civic pride, regional identity and community image. While such intangible benefits are difficult to quantify, existing research does suggest that professional sport teams do provide potentially significant non-monetary benefits.³

Finding #11: If public financing is the source of funding for a new Charger stadium, the City should demand a lease with terms that will protect the City such as a long-term lease with fixed rents and no credits, no risk of cost overruns, and City use of the stadium for public events.

¹ For a summary of relevant literature, see Coates, Dennis and Brad Humphreys. 2008. Do Economists Reach a Conclusion on Subsidies for Sports Franchises, Stadiums, and Mega-Events? *Econ Journal Watch*, 5(3): 294-315;

² Siegfried, J. and A. Zimbalist. 2000. The Economics of Sports Facilities and Their Communities. *Journal of Economic Perspectives*, 14(3): 95-114; Crompton, J.L. 1995. Economic Impact Analysis of Sports Facilities and Events: Eleven Sources of Misapplication. *Journal of Sports Management*, 9(1): 14-35.

³ Feng, Xia and B.R. Humphreys. 2008. Assessing the Economic Impact of Sports Facilities on Residential Property Values: A Spatial Hedonic Approach, *North American Association of Sports Economists Working Paper*, 08(12); Carlino, G.A. and N.E. Coulson. 2004. Compensating Differentials and the Social Benefits of the NFL. *Journal of Urban Economics*, 56(1): 25-50; Johnson, B.K., P.A. Grootuis and J.C. Whitehead. 2001. The Value of Public Goods Generated by a Major League Sports Team: The CVM Approach. *Journal of Sports Economics*, 2(1): 6-21.

Mayor's Response: Partially disagree. The City agrees protections for the taxpayer should be pursued in any negotiation with the Chargers for a new stadium, when and if one occurs.

IBA Recommendation: Join the Mayor's Response

GRAND JURY RECOMMENDATIONS

10-44: Study independent economic analyses of a proposed new stadium so as to accurately project per capita income and employment data for the construction and operation of a new downtown Chargers stadium.

Mayor's Response: This recommendation requires further analysis. Any study of economic impacts of a proposed stadium will require a proposal to be defined to a level of specificity that does not exist at this time.

IBA Recommendation: Join the Mayor's Response.

10-45: If a new downtown stadium for the Chargers is to be built, negotiate a favorable resolution of the \$52 million balance remaining on the 1997 stadium renovation bonds.

Mayor's Response: This recommendation requires further analysis. The City agrees that retirement of the remaining bonds must be discussed in any negotiation of a new stadium plan when and if negotiations for a new stadium proceed.

IBA Recommendation: Join the Mayor's Response.

10-46: If public financing is to be employed for the construction of a new downtown stadium for the Chargers, demand a lease with terms that will protect the City such as a long-term lease with fixed rent sufficient to cover any public indebtedness incurred by the City or the City of San Diego Redevelopment Agency, with no credits, no risk of cost overruns and controls of the use of the stadium for other City and City contracted events.

Mayor's Response: This recommendation requires further analysis. The City agrees protections for the taxpayer should be pursued in any negotiation with the Chargers for a new stadium, when and if one occurs.

IBA Recommendation: Join the Mayor's Response.

RESOLUTION NUMBER R- 306155
DATE OF FINAL PASSAGE SEP 21 2010

A RESOLUTION OF THE COUNCIL OF THE CITY OF
SAN DIEGO APPROVING THE CITY COUNCIL'S RESPONSE
TO THE 2009-2010 SAN DIEGO COUNTY GRAND JURY
REPORT TITLED "QUALCOMM STADIUM REPORT."

WHEREAS, on May 19, 2010, the 2009-2010 San Diego County Grand Jury (Grand Jury) filed a report titled "Qualcomm Stadium Report" (Report) that requested a response from the Mayor and City Council; and

WHEREAS, under California Penal Code section 933(c), within 90 days after the filing of the report, each public agency which the Grand Jury reviewed, and about which it issued the Report, must comment to the Presiding Judge of the San Diego County Superior Court on the findings and recommendations pertaining to matters under the control of the agency; and

WHEREAS, at the request of the City Council President, the San Diego County Superior Court has extended the time to respond until October 1, 2010; and

WHEREAS, the Grand Jury assessed several issues relating to Qualcomm Stadium and requested that the Mayor and City Council respond to each of the findings and recommendations 10-44 through 10-46 in the Report that relate to the City of San Diego; and

WHEREAS, the Office of the Independent Budget Analyst has proposed a response to the Report as set forth in IBA Report No. 10-67 Rev. dated September 9, 2010, for the City Council's consideration; and

WHEREAS, under San Diego Charter section 280(a)(1), this resolution is not subject to veto by the Mayor because this matter is exclusively within the purview of the City Council and not affecting the administrative service of the City under the control of the Mayor; NOW, THEREFORE,

BE IT RESOLVED, by the City Council of the City of San Diego, that the Council approves and adopts as its own the response to the 2009-2010 San Diego County Grand Jury Report titled "Qualcomm Stadium Report" as set forth in IBA Report No. 10-67 Rev. dated September 9, 2010.

BE IT FURTHER RESOLVED, that the City Council President is authorized and directed, on behalf of the San Diego City Council, to execute and deliver the above-described response to the Presiding Judge of the San Diego County Superior Court no later than October 1, 2010.

APPROVED: JAN I. GOLDSMITH, City Attorney

By 

Paul F. Prather
Deputy City Attorney

PFP:jab
09/03/10
09/22/10 REV.
Or.Dept:IBA
R-2011-181

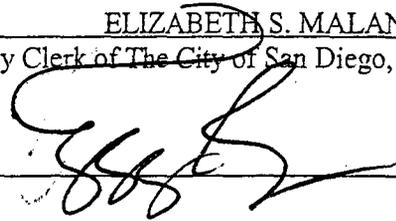
Passed by the Council of The City of San Diego on SEP 21 2010, by the following vote:

Council Members	Yeas	Nays	Not Present	Recused
Sherr Lightner	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Kevin Faulconer	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Todd Gloria	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Anthony Young	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Carl DeMaio	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Donna Frye	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Marti Emerald	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Ben Hueso	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>

Date of final passage SEP 21 2010

AUTHENTICATED BY: JERRY SANDERS
Mayor of The City of San Diego, California.

(Seal) ELIZABETH S. MALAND
City Clerk of The City of San Diego, California.

By , Deputy

Office of the City Clerk, San Diego, California
306155
Resolution Number R-_____