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## Mayor, Chargers explore alternate stadium funding

Without redevelopment, NFL, options still exist

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San Diego Mayor Jerry Sanders and Chargers President Dean Spanos explored alternatives Monday to financing a new football stadium if funds from the NFL and downtown redevelopment evaporate.



/ SAN DIEGO CHARGERS / P >

Chargers' stadium proposal would locate the facility east of Petco Park in downtown San Diego.

In their first meeting since October, according to a joint statement, Sanders, Spanos, city staff and a former redevelopment chief reviewed the status of state efforts to eliminate redevelopment agencies and, with that, automatic access to downtown property taxes to cover what might be a \$950 million project.

They also took note of the NFL's ongoing contract negotiations with players and the possibility that the league will not have funds available to help finance new stadiums, including one in San Diego.

"The Chargers and the Mayor's Office will continue to work together as these important issues are resolved," the statement said.

Sanders, Spanos statement on Chargers stadium, March 7, 2011

Sanders, Spanos Meet to Discuss Downtown Stadium

The Mayor's Office and the San Diego Chargers released the following statement today regarding this morning's meeting between Mayor Sanders and Chargers President -CEO Dean Spanos:

Mayor Jerry Sanders and Dean Spanos of the Chargers met today at Chargers Park to discuss the progress of stadium efforts in downtown San Diego. The meeting focused on the future of

A mayoral spokesman said no further meetings have been scheduled but staff will stay in close contact in coming weeks.

This was the first official meeting between Sanders and Spanos since Oct. 6. Besides those two, participants included the mayor's top two staff members, chief of staff Julie Dubick and deputy chief Ameer Faucett; communications chief Darren Pudgil; Fred Maas, former chairman and acting president of the Centre City Development Corp.; and Mark Fabiani, the Chargers' counsel on the stadium project.

redevelopment and the proposed changes out of Sacramento, the future of the NFL's G3 stadium loan program after the League's Collective Bargaining negotiations are resolved, and financing alternatives in the event that the City and the Chargers do not ultimately have access to redevelopment funding and/or G3 funding. The Chargers and the Mayor's Office will continue to work together as these important issues are resolved.

Maas has talked of developing a sports and entertainment district along with the stadium that could extend from Petco Park to the waterfront. He is modeling his idea on Los Angeles' LA Live complex, where developers and city of Los Angeles also are considering adding a football stadium.

"I think there's a lot of novel things that can be done," Maas said after the meeting. "I'm not a person who just decides to lie down and throw up the white flag because we've been confronted with hurdles we never expected."

He said he has no specific role in the ongoing discussions about the stadium but has agreed to attend meetings and lend his thoughts when requested.

He called the meeting "informative" but deferred to the mayor's office to release any details.

"We'll try some experimental remedies to try and resuscitate the patient," he said. "There was a spirit of cordiality and willingness to try and figure something out."

Rick Bach, chairman of the Downtown San Diego Partnership, who was not in attendance, said the project may have to rely solely on private investment, as is the case with two proposed stadiums in Los Angeles. Maas commented that LA also has the same problem with redevelopment funding, since it is proposed for use in reconfiguring the existing convention center, located next to the proposed LA stadium.

"I don't know in the Chargers' case where that money would come from. Probably, it's a whole different cast of characters for San Diego," said Bach, who leads the local office of Turner Construction.

Meanwhile, he said, his group is focused on trying to save redevelopment from elimination by the state.

"Keeping redevelopment alive is our highest priority alive right now," he said. "If that goes away, it's a game changer for us and it really changes our entire strategic plan."

The Chargers have been counting on covering most of the \$800 million cost of the stadium with the use of redevelopment funding and NFL support. Another \$150 million already has been budgeted to clean up the proposed site at 14th and K streets, current location of the city bus yard.

Lately, Fabiani has spoken of backup sources, such as city real estate assets, such as the sports arena in the Midway area, Qualcomm Stadium and downtown properties. They might be serve as collateral for a city bond to cover costs. But the source of debt repayment has not been pinpointed.

The Chargers have been searching for a new stadium site for years, starting with Mission Valley and redevelopment of the Qualcomm, property, then the 10th Avenue Marine Terminal, Chula Vista bayfront and a golf course in Oceanside and a site as well in Escondido.

The downtown site has become the last-ditch candidate if the team is to remain in San Diego.

Meanwhile, Los Angeles developers have been putting together stadium plans there and are hoping to lure a team, such as Chargers, to a state-of-the-art venue in the nation's second largest city.

The Chargers have repeatedly said they prefer to stay in San Diego, but their current contract allows them to exercise a short option period to leave town.

And for each year they don't leave, their payback requirement is reduced on the remaining debt from the 1996 Qualcomm expansion.

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