The City of San Diego

Staff Report

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TO: City Council

FROM: Real Estate Assets

SUBJECT: First Amendment to Agreement for Use and Occupancy of SDCCU Stadium between the City of San Diego and San Diego State University

Primary Contact: Miguel Duran  Phone: (619) 236-6733
Secondary Contact: Cybele Thompson  Phone: (619) 236-6145

Council District(s): 6

OVERVIEW:
The Agreement for Use and Occupancy of Qualcomm Stadium between the City of San Diego (“City”) and San Diego State University (“SDSU”) for use of the facility now known as SDCCU Stadium requires an amendment to extend the term of the agreement for two years, through December 31, 2020. This amendment also increases the annual lease revenue from a $1 per ticket facility surcharge, which totaled generated approximately $90,000 per year, to a fixed annual rent of $1.1 million per year and entitles the City to retain all concessions revenue and parking revenue, which was retained by SDSU under the original agreement that was approved by resolution R-305139.

PROPOSED ACTIONS:
A resolution authorizing the Mayor or designee to execute a first amendment to the agreement with San Diego State University for Use and Occupancy of Qualcomm Stadium dated August 5, 2009, for use of the facility now known as SDCCU Stadium.

Declaring that the agreement is categorically exempt from the California Environmental Quality Act (CEQA), pursuant to State CEQA Guidelines Section 15301 (Existing Facilities) and Section 15323 (Normal Operations of Facilities for Public Gatherings).

Declaring that the Council of the City of San Diego has determined that an exception to the exemption as set forth in CEQA Guidelines Section 15300.2 does not apply.

DISCUSSION OF ITEM:
The City of San Diego (“City”) and San Diego State University (“SDSU”) entered into an Agreement for Use and Occupancy of Qualcomm Stadium dated August 5, 2009 (“Original Agreement”) for use of the facility now known as SDCCU Stadium for the exhibition of college football. City and SDSU desire to extend the term of the Original Agreement for two years, which shall expire at the end of the 2020 collegiate football season, and in no event later than December 31, 2020.

The Amendment is not intended to conflict with the terms of either the San Diego River Park and Soccer City Initiative, the SDSU West Campus Research Center, Stadium and River Park Initiative or any other initiative for this site that is scheduled to be on the November 2018 citywide ballot. Additionally, this Amendment is not intended to
support the terms of any pending initiative or state a preferred long-term use for SDCCU Stadium. This Amendment is limited to an agreement to continue an existing use on a temporary basis.

City Strategic Plan Goal(s)/Objective(s):
Goal #1: Provide high quality public service
Objective #1: Promote a customer-focused culture that prizes accessible, consistent, and predictable delivery of services.

Goal #2: Work in partnership with all of our communities to achieve safe and livable neighborhoods
Objective #5: Cultivate civic engagement and participation.

Fiscal Considerations:
The Use and Occupancy Agreement being amended is a revenue generating agreement. Game operating costs will continue to be reimbursed by SDSU. This amendment entitles the City to retain all concessions revenue and parking revenue, which was retained by SDSU under the original agreement. This amendment increases the lease revenue from a $1 per ticket facility surcharge, which totaled approximately $90,000 per year, to a $1.1 million yearly lease payment.

Funding to support this amendment is reflected in the Fiscal Year 2019 budget. A request for increased funding in Fiscal Year 2020 as a result of this amendment is not projected.

If the SDSU lease is extended and the stadium remains open, City staff will have an enhanced opportunity to continue marketing the stadium for other revenue producing events.

Environmental Impact:
Categorically exempt from CEQA pursuant to State CEQA Guidelines Section 15301 (Existing Facilities) and Section 15323 (Normal Operations of Facilities for Public Gatherings).

Equal Opportunity Contracting Information (if applicable):
This agreement is subject to the City’s Non-Discrimination in Contracting Ordinance (San Diego Municipal Code Sections 22.3501 through 22.3517).

Previous Council and/or Committee Actions:
The Agreement for Use and Occupancy of Qualcomm Stadium between the City of San Diego (“City”) and San Diego State University (“SDSU”) for use of the facility now known as SDCCU Stadium was approved by City Council on July 27, 2009.

This item will be heard at Smart Growth and Land Use Committee prior to Council.

Key Stakeholders and Community Outreach Efforts:
N/A

Cybele L. Thompson, RPA, FMA, CCIM
Real Estate Assets Department Director

Ronald H. Villa
Deputy Chief Operating Officer, Internal Operations