Secure the future of SDSU’s Mountain West champion football team for students and fans

Bring professional soccer to San Diego and cater to the broad soccer interest in the city by 2020
Benefits of the Proposed Initiative

- Modern collegiate sized stadium for SDSU to provide permanent home for Aztec Football
- New professional quality soccer stadium
- Substantial and rapid additional tax revenue to the City while relieving ~$10mm per year in Qualcomm operating expense
- Environmental improvement through conversion of asphalt to fields/parks, including long desired river park
- Creation of new public playing fields for use by local athletics teams
- No taxpayer expense or exposure
- Increased tourism to San Diego for international soccer games and visibility for the city from international soccer team press
- Creates an available office park for the city that to date has been missing and fills a hole in the upcoming office market in 2020 - 2022
- Potential new professional sports team in the city
“Deal” Outline

City of SD
- City sells the following land for $1 (greater than appraised value), subject to a reverter if no new stadium is constructed:
  - Mission Valley parcels (3 parcels, each non-contiguous, each less than 80 acres, each to separate buyer)
  - Chargers training facility
  - Excess value credit for LT traffic improvements

SDSU
- Contribute 50% of stadium development equity (pre-development costs, construction equity, etc.)
- Pay 50% of stadium lease payments
- Host SDSU Football games
- Secures 100% fee interest in the stadium, subject to terms allowing soccer to play

Soccer
- Contribute 50% of stadium development equity (pre-development costs, construction equity, etc.)
- Pay 50% of stadium lease payments
- Demolition of Qualcomm
- River park development
- Conversion of Chargers training facility to professional soccer facility with player accommodations
- Professional soccer team, Soccer City content
- If Chargers stay, will honor leases through 2020

Stadium project is mutually beneficial for all parties
Up to $200m stadium with premier viewing experience and flexible seating from 20,000 – 31,500
Qualcomm Site in the Future

- **OFFICE**: 2.4M SF
- **RESI**: 4,150 DUs
- **RETAIL**: 740,000 SF
- **HOTEL**: 450 KEYS
- **PARKING**: 16,800 SPACES
- **GREEN SPACE**: 54 ACRES

*Full build out of the site will create a transit-oriented live/work/play venue with stadium as its catalyst*
Full build out of the site will create a transit-oriented live/work/play venue with stadium as its catalyst.
First development phase can be constructed while Qualcomm is still active, providing a playing venue for both football and soccer.
Dec 2016: Key Stakeholder Meetings

Jan 2017: Public Rollout

Feb 2017: Publish Notice of Intent to Circulate

Feb – Apr 2017: Signature Gathering

May 2017: Turn in Signatures for Validation

May 2017: Clerk Certification Presentation

Jun 2017: Final Council Vote

Stadium Design & Programming: Gensler; CSL / Legends

Economic Impact Analysis: EDC; AECOM

Legal: Latham & Watkins; Solomon Ward Seidenwurm & Smith

International Soccer: LFC International

Environmental Impact: LLG (Traffic); Project Design Consultants (Civil); Geocon (Geotech)

Strategic Advice: California Strategies

Appraisal: Grayslake Advisors

Successful public rollout in January will be key to executing path to direct adoption
Summary of Deal Features

- Strategic opportunity to enter the lucrative and high demand market of healthcare
- Incentives and tax credits associated with construction and operation of the hospital
- Expected to attract and retain a high-quality medical team

Appendix

- Location:
  - East of community center, close to major highways
  - City limits, key intersection (north/south, east/west)

- Listed facilities:
  - Hospital, seniors center, community center, entertainment venues

- Supportive amenities:
  - Green space, walking trails, recreational areas

- Future expansion planned to accommodate growth and community needs.

Proprietary & Confidential
Summary of Deal Features

- Stadium construction costs at ~$200mm; well in excess of land value.
- **No taxpayer dollars** required with substantial positive San Diego community and fiscal impact
- **Reverter back to the City if stadium is not developed and donated to SDSU**
  - Most of Qualcomm site transferred in three parcels
  - City retains key access links (north/south spine from Friars Road to the Trolley and the Trolley line)
- Local community benefits:
  - **Local foundation providing a river park** largely consistent with the River Park Foundation design
  - **Multiple public rec fields** for use in soccer/other outdoor activities
  - **Public access ensured** with city owned park and roads connecting Friars Road to the Trolley station
  - **Bike path** around the site to promote green transportation
- **No unmitigated traffic impacts** from Phase 1-2 development and minimal issues anticipated from Phase 3-5 design (Phase 3-5 work still in process)
- City receives **significant tax base increase**
- If Chargers leave, their current practice facility will be converted into high quality soccer training facility for local teams and international team summer/winter training, bringing **significant tourism** for international games.
  - Content from visiting teams will be broadcast via rights deals, promoting San Diego globally
- Time frames for soccer cannot accommodate CEQA related delays, so using the Citizens Initiative approach and seeking direct adoption from the City Council
  - **Near EIR quality reports underway** to demonstrate development quality
  - Site uses approved in initiative and construction to start immediately after council adoption in June
Stadium Design to Accommodate Football and Soccer

**Football**
- 30,300 seats
- 11,500 in the lower bowl
- 18,800 in the upper section
- 36 suites – low down for views
- 1,630 club seats
- Temporary seating fits 35,000 for bowls
- Food and beverage serve both inside and outside of stadium, so food options significantly enhanced
- Alumni gathering and standing room seating on deck overlooking field

**Soccer**
- 22,600 seats
- 13,100 in the lower bowl
- 9,500 in the upper section
- 36 suites – low down for views
- 1,630 club seats
- 340 field level loge seats
- Steepest stadium in America provides great views and atmosphere
- Retractable seating allows “suite like” atmosphere for the lowest cost seats in the house
- Food and beverage to cater to broad diversity of preferences
Stadium Development & Ownership

Stadium Development Costs

- SDSU & MLS SD 50/50 partners in all work related to securing the site (signature gathering, environmental reports, legal, planning, etc.), designing the stadium and all legal agreements related to Stad Co/Mgmt Co
- MLS SD to cover MLS expenses (team negotiations, equity raise and documentation, etc.)
- SDSU to cover SDSU CEQA and equity fundraising expense, if any

Stadium Ownership Company (Stad Co)

- Stad Co initially owned 50/50 by MLS SD and SDSU
- Revenue to Stad Co based on ensuring minimum debt service coverage ratios for the bonds. Stad Co rental contract from SDSU as part of general obligation financing for the full amount of said rental. SDSU to receive rental contract for 50% of the amount from MLS SD.
- Debt levels set at roughly 80% LTC of stadium
- Debt shall be taxable in nature
- Stad Co to cover all debt service expenses
- Stad Co to outsource all management services and revenue to Mgmt Co in exchange for covering all stadium capital expenditures and operating expenditures
- 90% of any excess proceeds left over in Stad Co to flow to Mgmt Co as incentive management fee
- Mgmt Co shall cover any shortage in debt service
- MLS SD to receive 90% of all losses and income (not cash), SDSU to receive 10% of all losses and income (not cash). Both parties will agree to a capital account true up at the end of the entity’s life
- After 5 years, SDSU shall receive MLS SD’s interest in the stadium as a gift
Stadium Ownership & Operating Structure

SDSU

50%

MLS SD

50%

50%
(10% income & loss)

30 year lease contract matched to bond payment

Bonds

~$160mm bonds

Stad Co

Management contract

Mgmt Co

50%
(90% income & loss)

30 year stadium lease contract and FMV repurchase option for stadium
Stadium Operations

Rent

- MLS SD to guarantee rental payment stream to SDSU using the soccer entity as collateral for the contract
- In the very unlikely event that MLS SD is not allowed to play in the stadium by SDSU, MLS SD shall have the right to acquire Stad Co for its capital account balance and shall honor SDSU’s rental contract

Management Company (Mgmt Co)

- Owned 50/50 by MLS SD and SDSU
- All game day revenue and expenses shall be allocated to the relevant team. Any local broadcast deals shall be cut for each team not for the stadium and all local broadcast shall be treated as game day revenue
- Shared revenue shall include all full time naming rights (i.e. stadium naming rights, concourse naming rights etc), all full time corporate sponsorship revenue
- Each entity will have the right to sell partial naming rights for suites (i.e. their games only) in a manner that allows the names to be changed for each game.
- Stad Co incentive fees shall be treated as shared revenue
- Shared revenue shall cover stadium operations, sales efforts for tickets for all stadium events, capital expenditures necessary to maintain the stadium
- Any residual cash shall be distributed to the owners. Any capital required shall be funded pro rata by the owners
DESIGN APPROACH

The RiverPark is designed as a multi-use, multi-functional space, reflecting an urban and aesthetic approach to the future. The RiverPark is an integration of the patterns of the San Diego River as a linear pattern with a future urban grid that is highlighted by the elevated silver rail. The RiverPark is a green core that provides a future urban core and connects the various neighborhoods. The Silver Line Depot provides a built-in pedestrian and bicycle circulation. The RiverPark is a linear pattern with a future urban grid that is highlighted by the elevated silver rail. The RiverPark is a green core that provides a future urban core and connects the various neighborhoods. The Silver Line Depot provides a built-in pedestrian and bicycle circulation. The RiverPark is a linear pattern with a future urban grid that is highlighted by the elevated silver rail. The RiverPark is a green core that provides a future urban core and connects the various neighborhoods. The Silver Line Depot provides a built-in pedestrian and bicycle circulation. The RiverPark is a linear pattern with a future urban grid that is highlighted by the elevated silver rail. The RiverPark is a green core that provides a future urban core and connects the various neighborhoods. The Silver Line Depot provides a built-in pedestrian and bicycle circulation. The RiverPark is a linear pattern with a future urban grid that is highlighted by the elevated silver rail. The RiverPark is a green core that provides a future urban core and connects the various neighborhoods. The Silver Line Depot provides a built-in pedestrian and bicycle circulation. The RiverPark is a linear pattern with a future urban grid that is highlighted by the elevated silver rail. The RiverPark is a green core that provides a future urban core and connects the various neighborhoods. The Silver Line Depot provides a built-in pedestrian and bicycle circulation. The RiverPark is a linear pattern with a future urban grid that is highlighted by the elevated silver rail. The RiverPark is a green core that provides a future urban core and connects the various neighborhoods. The Silver Line Depot provides a built-in pedestrian and bicycle circulation. The RiverPark is a linear pattern with a future urban grid that is highlighted by the elevated silver rail. The RiverPark is a green core that provides a future urban core and connects the various neighborhoods. The Silver Line Depot provides a built-in pedestrian and bicycle circulation. The RiverPark is a linear pattern with a future urban grid that is highlighted by the elevated silver rail. The RiverPark is a green core that provides a future urban core and connects the various neighborhoods. The Silver Line Depot provides a built-in pedestrian and bicycle circulation.