Downtown San Diego Clean & Safe

Media Update

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Downtown Public Restrooms Remain Closed Despite Developer's Promise to Maintain Them

By Megan Wood | October 12, 2016

http://www.kpbs.org/news/2016/oct/12/downtown-public-restroom-remains-closed-despite-de/

When the 1.3-acre Fault Line Park opened up to great fanfare in August 2015, it was hailed as a triumph for public-private partnerships and badly needed open space in East Village. It included art installations, a children's play area, and public restrooms attached to the side of a restaurant built at the park.

The developer, Pinnacle Bayside Development, received $1.6 million in public funds from Civic San Diego in exchange for maintaining the public park and restrooms once they were built. But just two months after the park's grand opening in August 2015, the restrooms were locked — restaurant staff said they closed them indefinitely because they attracted the neighborhood's growing homeless population.

Now, only the restaurant's disabled customers are allowed access.

"It became a haven for drug use and prostitution," said bar manager Michaela Peacock. "People felt very unsafe and uncomfortable because all of those people were right on our front steps."

The public space was the result of a 2014 contract between the city, with nonprofit Civic San Diego as its agent, and Pinnacle Bayside Development intended to eliminate blight in East Village.

Pinnacle's 46-story residential tower at Island Avenue and 15th Street, Pinnacle on the Park, is the tallest apartment building in downtown San Diego. A second tower is being constructed alongside it on what is referred to as the "super block" in East Village, a parcel of land twice the size of a typical downtown block.

The Pinnacle development is San Diego's only public-private partnership since 2000 in which the developer was reimbursed fully for the design, construction and maintenance of a public park.

Kristine Zortman, Civic's vice president of neighborhood investment, said the deal was "unique," but necessary to activate open space in the area.

"There were concessions made between both sides to hopefully get what was in the best interest of the community down there, but then also to be able to facilitate the developer," Zortman said.

Murtaza Baxamusa, a former Civic San Diego board member, said the arrangement is "strange" and not something he would have approved.

Baxamusa, who currently has a lawsuit against the city of San Diego regarding its oversight of Civic, said the agreement "highlights the key issue" of accountability between the city and Civic San Diego.

"The developer is pocketing the money, Civic (San Diego) is not doing anything about it, and we're using the homeless as an excuse," Baxamusa said. "It's not right."

Nonprofit Civic San Diego focuses on redevelopment downtown and in certain other underdeveloped neighborhoods. The city "holds sole authority over appointment of the members of Civic San Diego's board of directors" according to Denise Menard, a Civic spokesperson.

Public-private partnerships like these are a way for the city to create public spaces by negotiating agreements with private developers who, in most cases, take on some of the project's costs.

inewsource filed a California Public Records Act request with the city and Civic, which showed the Fault Line Park improvements contract is one of five public-private partnerships negotiated by the agency or its predecessor since 2000. The response included contracts for Horton Plaza, the Omni Hotel, The Children's Museum and the Little Italy Piazza.

In the other four contracts, Civic sold or leased public land to companies that agreed to develop and maintain a public space — at their own expense — often in return for entitlements beyond what their zoning limits allow, Baxamusa said

Pinnacle Bayside Development agreed to pay $5 million to Civic San Diego for land next to its Pinnacle on the Park apartments so it could build the restaurant and underground parking. Civic said it agreed to pay that same amount to Pinnacle to cover the cost of designing, constructing and maintaining Fault Line Park and two public restrooms.

In this unique deal, $1.6 million of the $5 million to Pinnacle was for restroom and park maintenance.

inewsource reviewed all of Civic's public-private partnerships provided through the PRA, and interviewed officials at the city Park and Recreation Department and Civic San Diego. Civic officials said because every agreement is different, there is no uniform policy for monitoring maintenance.

One year after the project opened, responsibility over enforcement of Pinnacle's obligations is anything but clear.

The consulting agreement between the city of San Diego and Civic says the agency is responsible for enforcing developer obligations, however Civic's vice president of neighborhood investment, Kristine Zortman, said they have no mechanism to enforce.

Prior to an in-person interview with Civic staff on Sept. 30, Zortman told inewsource Civic's role in this park project is to monitor the developer's compliance. If problems were found, Civic would then notify the city and work with its staff to enforce the developer's obligations.

At the interview, Civic vice president of planning Brad Richter acknowledged the park maintenance is the developer's obligation, but said the city Park and Recreation Department is responsible for overseeing the maintenance of the park and Civic only has a "vested interest" in the project.

"We essentially work to negotiate agreements to benefit and reactivate areas in downtown and other underserved communities," Zortman said, describing the nonprofit as an "asset manager."

She said city funds used to pay for projects like Fault Line Park were leftover assets transferred to Civic San Diego after the dissolution of the city's predecessor redevelopment agency.

Pinnacle's headquarters in Vancouver, Canada, directed inewsource to San Diego development manager Dennis La Salle for comment, but he refused to answer questions about the contract over the phone and did not respond to emails.

Baxamusa said the role Civic plays in negotiating contracts makes it too easy for problems to go unsolved.

“It’s so simple, if you have a problem with a pubic restroom, you go to your elected official, make some noise and they’ll fix it. That’s how it’s supposed to work in a democracy,” Baxamusa said. “It’s not supposed to be some obscure entity that is unaccountable to the public that makes a deal with the developer and gives them a break when they want.”

Public restrooms and the homeless

Data reported by the Downtown San Diego Partnership in August shows the homeless population count in East Village is more than 800 people.

Currently there are four public restrooms in East Village, including the Portland Loo at Park Boulevard and Market Street, restrooms at the Neil Good Day Center, at St. Vincent de Paul Village, and when Petco Park is open, restrooms at the Park at the Park.

Robert Weichelt of the Downtown Planning Council said the restroom situation at the Pinnacle building confirmed many of the East Village residents’ fears prior to the park’s opening.

“It was a shame because everybody talked about how they were going to say ‘you watch, it’ll turn into a homeless camp.’ So many of us don't want that to happen,” Weichelt said.

Patricia Botello, who regularly walks her dog at Fault Line Park, said she has submitted numerous complaints to the city about the safety and upkeep of the park.

“I want this park to be beautiful and to be used by the community,” Botello said. “Nobody is paying attention, not the management of this building, not clean and safe, not the police department, not the city council and not the mayor.”

She said one security guard patrolling the entire park is not enough because the homeless have made the central grassy area and children’s playground a place to do illegal activities and sleep at night.

Tim Graham, a spokesman for the city Park and Recreation Department, said they meet with the developer and Civic once a month to discuss the ongoing issues at Fault Line Park, but it is unknown when the restrooms will reopen.

The San Diego Union-Tribune.

CivicSD Embraces Tighter Rules

David Garrick |October 12, 2016

http://www.sandiegouniontribune.com/news/politics/sd-me-civic-sd-20161012-story.html

Proposed restrictions on a controversial nonprofit that oversees downtown San Diego development took a step forward on Wednesday when the nonprofit's board unanimously approved them.

The restrictions, which the City Council is scheduled to approve on Tuesday, would increase oversight and transparency of the nonprofit, which is known as Civic San Diego.

They would also require CivicSD to include more low-cost units in residential projects it subsidizes, pay prevailing and living wages on subsidized projects and submit a comprehensive budget to the city each year.

Opponents said the new agreements feature weak language, were approved without adequate community input and won't prevent CivicSD from making more of what critics call "backroom" deals.

Leaders of the nonprofit said the new agreements make CivicSD more accountable and transparent to the public and the City Council.

They also said the pacts will make CivicSD more inclusive than ever and raise the bar on affordable housing, wages and hiring of local workers for subsidized projects.

"Civic San Diego prides itself on facilitating important development and economic improvements in our underserved communities," CivicSD board chairman Jeff Gattas said after the vote. "We hope these new agreements provide our communities with assurance and understanding of our commitment, responsibilities and limitations, and our continued promise to work collaboratively to make our neighborhoods great."

CivicSD, which has an annual budget of $7.7 million, oversees planning and permitting in downtown and some parts of southeastern San Diego.

Critics, who are primarily local labor leaders, urged the board to re-start the process so the agreements could be better crafted and so more public input could be gathered.

"We don't feel we've been invited to the table," said Carol Kim of the San Diego Building & Construction Trades Council. "It really appears that this is business as usual. We're troubled by the lack of oversight and accountability in the operations."

Rick Bates, with the hotel workers union Unite Here Local 30, called the language in the agreements “mushy” and said they favor construction workers over hotel workers.

"There's going to be literally thousands of new hotel rooms built, but there is no language for hotel workers," he said. "There needs to be more equitable distribution of these community benefits."

David Graham, the city’s deputy chief operating officer, said the agreements would require hotel operators who receive subsidies from CivicSD to pay living wages.

"If city general funds are going to be invested in a project, then workers within SD should be benefitting from that," Graham said.

The agreements also require developers to aim for having 50 percent of construction work be performed by businesses within the city.

The Downtown San Diego Partnership praised the agreements on Wednesday, saying it’s important for CivicSD to continue the work it does.

"Civic San Diego plays a vital role in the economic growth and vitality of downtown San Diego, and therefore of the region," said Daniel Reeves, a senior vice president for the Partnership.

Phil Rath, a member of the CivicSD board, said the agreements will make it easier to make deals because developers will have a clearer understanding of the rules.

"Over the last year and a half of being here, there's been a lot of confusion," he said. "We need predictability."

On affordable housing, the agreements would require developers who get city general fund subsidies to make one-fourth of all units affordable to households earning less than the area’s median income plus 20 percent.

Developers could only avoid that requirement by building an equal number of low-income units in a separate project within one mile, or by contributing the value of such units to the city’s affordable housing construction fund.

The CivicSD board also agreed to require projects that get tax credits to adhere to the city’s living wage rule in some cases, which goes beyond what the city had proposed.

The City Council was scheduled to approve the new restrictions last month, but the vote was delayed so the CivicSD board could weigh in first.

The city charter requires that the new restrictions be approved by a supermajority of the City Council — six of the nine members.

CivicSD has overseen downtown projects since just after the state eliminated redevelopment agencies in 2011.

It was created by consolidating and renaming the City Development Corporation, which began overseeing redevelopment downtown in 1975, and the Southeastern Economic Development Corporation, which was created in 1981.

The San Diego
Union-Tribune.

Pollution Sinks Swim Event at La Jolla Cove

By Diane Bell | October 12, 2016

http://www.sandiegouniontribune.com/news/columnists/sd-me-bell-20161015-story.html

The poor water quality of La Jolla Cove, a haven for sea lions, has prompted the Challenged Athletes Foundation to change a leg of its annual triathlon fundraiser. To avoid putting entrants, about 200 of whom have physical disabilities, in harm's way, the group is shifting its 1-mile swim to La Jolla Shores, reports CEO Ken Wheatley.

The county Department of Environmental Health posted an advisory warning about contaminated water at La Jolla Cove on Sept. 1 and since has included the cove on its online watch list. The La Jolla Children's Pool, the cove's neighbor to the south, has been under a "chronic" advisory warning for years.

When high bacterial levels pose a threat, county health officials urge beach goers to avoid water contact.

The foundation's signature Aspen Medical Products San Diego Triathlon Challenge has been staged at the cove for 22 years. Because of the pollution, this year the swim portion will take place a day earlier — at 7:30 a.m. Oct. 22, followed by the 44-mile bike race, 10-mile run and other activities on Oct. 23.

Robin remembered: For 11 years, Robin Williams was a riding force in the triathlon, infusing it with his humor and passion for athletes with disabilities. He teamed up with paralympic champion swimmer Rudy Garcia-Tolson, whom he remained in touch with throughout the years, and Ironman champion Scott Tinley to complete the three events as Team Braveheart.

Now, the late comedian's children are carrying on his legacy by donating the bulk of his huge bicycle collection for online auction — Paddle8.com/RobinWilliams — through Oct. 25 to benefit the Challenged Athletes Foundation and Christopher & Dana Reeve Foundation.

The 87 bikes, all owned and ridden by Williams, have estimated values ranging from $300 to $15,000 (a Colnago and La Carrera Master Pista Frame, Futura and Trek Madone Discovery Channel Limited Edition 7 Diamonds). The collection also includes an electric bike, Velotron training bike, unicycle and an electric scooter.

Williams' three children — Zackary, Zelda and Cody — will be at the Oct. 23 triathlon to make presentations from the endowment created in their dad's name to three challenged athletes: a rugby wheelchair to Patrick Ivison, 22, a running leg to Emma Bennett, 10, and a basketball chair to Danny Smuts, 15. Williams' second wife, Marsha Garces, also is expected to attend.

So, while the late comedian can't be present next weekend, he surely will be here in spirit.

Alonzo Awards: Mike Madigan and Sherman Harmer, Jr. were singled out, along with several companies, by the Downtown San Diego Partnership this year for their roles in making downtown a better place to live.

Madigan was named "Volunteer of the Year" for his team-building approach to solving center city issues. Harmer, who spent 45 years in the home-building business, was given the Alonzo "Founders Award" for his career-long visionary leadership in revitalizing the city's urban core.

"It was a big challenge for us to come downtown and start building 19 years ago," Harmer admitted.

As the awards concluded, Kris Michell, Downtown Partnership president and CEO, turned to her Executive Committee Chairman, Frank Urtasun, and commented, "The energy here is electric." "You bet," agreed Urtasun, whose day job is SDG&E vice president.

'Top Gun' remembered: Actor Tom Cruise wasn't here, but the filming of "Top Gun," which has scenes shot in Oceanside, downtown San Diego, Mission Beach and on Navy aircraft carrier Enterprise, was recalled by decorated Vietnam fighter pilot and Top Gun instructor Pete Pettigrew and Vice Adm. Walter J. Davis, who captained the USS Enterprise. Both were advisers on the movie when it premiered 30 years ago.

Joining them at the La Costa Film Festival Friday was Barry Sandrew, who founded locally based Legend 3D. He orchestrated "Top Gun's" conversion to 3D format in 2013.

"It was the most difficult conversion I've ever done," said Sandrew, noting that the movie didn't employ visual special effects but relied totally on live action. "You had to have everything perfect," he said, down to the individual flyaway hairs on girlfriend Kelly "Charlie" McGillis' head.

Stepping up: When former Texas Gov. Rick Perry, a frequent San Diego summer visitor, was competing on ABC TV's "Dancing with the Stars" this season, he noted that his (short-lived) time as a contestant was good practice for the upcoming wedding of his daughter, Sydney.

She was living in San Diego and dating then-Navy SEAL Brett Harrison, based in Coronado, when Perry was vying for the GOP presidential nomination four years ago. The couple's wedding is Oct. 15 in Texas, so perhaps he'll get to repeat his cha-cha-cha to "God Blessed Texas."

The 54th Annual Alonzo Awards Dinner

Brandi Williams | October 13, 2016

http://www.kusi.com/clip/12817145/the-54th-annual-san-diego-alonzo-awards-dinner

The 54th Annual San Diego Alonzo Awards honors the people, places, and projects that make Downtown San Diego a world-class hotspot. KUSI's Brandi Williams is live at the San Diego Marriot Marquis and Marina with details.

The San Diego
Union-Tribune.

UC San Diego, Downtown Partnership Launch First 'Collaboratory' Event

Roger Showley | October 13, 2016

http://www.sandiegouniontribune.com/business/growth-development/sd-fi-collab-20161013-story.html

UC San Diego and the Downtown San Diego Partnership business group are launching their first program under a new joint venture, the "Collaboratory for Downtown Innovation."

The first program in the "Game Changer" series will feature two UCSD alumni entrepreneurs at 5:30 p.m. Oct. 26 at the partnership's office, 401 B St. The free event has a limited seating for 50 and reservations are required. Information is available at (619) 234-0201.

The speakers will be Andy Kieatiwong, founder of Additive Rocket, and Steve McCloskey, founder of NanoVR. The series is designed to connect downtown entrepreneurs with scientists and researchers at the university and nearby Torrey Pines Mesa businesses and institutions.

Also planned are ideas forums with roundtables for downtown tech entrepreneurs and UCSD and Torrey Pines Mesa researchers and scientists.

A "talent accelerator" will offer programs for students in underserved communities. The emphasis is on computer and information science certificate and pre-college education and training.

The "Entrepreneur Exchange" will offer mentorships for startup entrepreneurs as well as skills development workshops and "pre-accelerator" programs for businesses on the verge of a hoped-for growth spurt.

"With more than 110 tech startups — and counting — in downtown, we know that we are innovation's next frontier," said Kris Michell, the partnership's president and CEO. "The Collaboratory for Downtown Innovation is the first step in strengthening that connection with the entire community and the region's larger economic goals."

Mary Walshok, UCSD vice chancellor for public programs and dean of extension programs, said the Collaboratory will help middle and high school students develop their coding skills and augment their education.

"We need to develop an inclusive innovation economy," Walshok said. "To do that, we must offer cutting-edge educational programs that align with what our tech companies need and make certain that those programs are available to a wide range of San Diegans."

The details of coming programs came at the partnership's annual Alonzo awards, named for Alonzo Horton, the developer who founded downtown 1867. The winners were:

- San Diego Central Courthouse, a nearly completed downtown state project that is “a notable presence in our growing city skyline.”
- San Diego Padres for installing energy-saving lighting at Petco Park.
- Mayor Kevin Faulconer and county Supervisors Chairman Ron Roberts for championing housing for military veterans and addressing the needs of homeless with mental illness.
- San Diego Union-Tribune for moving back downtown after more than 40 years in Mission Valley.
- FRED San Diego, a free-ride shuttle service downtown launched by Civic San Diego and the city.
- Horton Plaza Park for its expansion onto the former site of the Robinsons-May department store at Westfield Horton Plaza.
- Marriott Marquis San Diego Marina for its 118,000-square-foot event space and improved access to the bayfront.
- Solar Turbines for manufacturing innovations.
- Mike Madigan for decades of leadership in redeveloping downtown, ranging from Horton Plaza redevelopment in the 1970s to East Village revitalization today.
- Sherm Harmer for leadership in downtown housing and community improvement.

The San Diego
Union-Tribune.

Two NFL stadium measures, big decisions confront voters

Dan McSwain | October 16, 2016

http://www.sandiegouniontribune.com/business/dan-mcswain/sd-fi-mcswain-chargers-nfl-stadium-measures-20161006-htmlstory.html

On Nov. 8, voters who live inside the city limits of San Diego face two choices for a downtown Chargers stadium, Measures C and D.

In theory, the decision is easy — yes or no, to one or both — yet it is far from simple.

Both initiatives are long and complex. The Chargers are backing Measure C, which would raise taxes on hotel stays to help build a stadium, as long as they come up with $650 million in private funding (the National Football League has offered $300 million of that sum).

Measure D would raise hotel taxes, too, but it would ban use of public money for the stadium even as it allows for construction, either downtown or in Mission Valley. This makes the measure a long-shot Plan B for fans if it succeeds while Measure C fails, a scenario I'll explain later in this column.

Clouding matters further, both initiatives would fund construction of a new convention center in downtown's East Village to supplement the city's fully-booked bayside center. And both carve out money for marketing San Diego around the world to attract more tourists.

The similarities basically end there. Here are some questions and answers, to help sort through this abundance of details confronting voters this year.

Q: What kind of stadium does the team have in mind?

A: The Chargers have proposed a venue with a retractable roof and 61,500 seats that's directly attached to a convention center built under a rooftop "sky garden," costing $1.8 billion in all. Seating could expand to 72,000, the National Football League's minimum for hosting a Super Bowl.

Those seats would be wider with more legroom and better views than those at Qualcomm Stadium. Revenue-producing suites and club areas would be more numerous and luxurious. Concourses would be wide, wireless Internet ubiquitous, and fantasy football lounges likely.

A 2-acre park would keep the buildings off an earthquake fault that runs along the site's western edge. Architect David Manica says street-level shops, a comics-centered museum, and preservation of the historic Wonder Bread facade would connect the complex to the community and avoid the concrete wasteland effect that similar structures have imposed on other cities.

Notably, California law prohibits use of a citizens ballot initiative to raise taxes for any specific private purpose. So Measure C would punt the real design work to a city-controlled agency that would own, build and operate the complex.

Technically, the Chargers would be merely renters, although they presumably wouldn't sign a lease unless the final stadium design met their specifications.

Q: Sounds impressive. What's the argument against this design concept?

A: This "convadium" would gobble up two full blocks of downtown's largest, least developed neighborhood.

Most of the proposed site belongs to the public. On the west, Tailgate Park provides parking for the Petco ballpark, while the eastern block is used as a regional bus yard.

A group of residents, academics and architects would rather see the site used for a park, along with the kind of live-work office space that has spawned technology clusters in once-depressed places like Brooklyn or San Francisco's Market Street area.

Some downtown hotel owners also oppose the Chargers plan, in part because it would build a new convention center. Hoteliers would rather raise room taxes to expand the center along San Diego Bay, allowing it to better handle the larger meetings like Comic-Con that their customers say they want.

Not surprisingly, the Chargers have answers to both objections.

The team's tourism experts say demand is growing fastest for mid-sized conventions. While one convention was under way at the old center, a separate meeting could be setting up in the new one, boosting overall activity. Besides, the bayside expansion is blocked in court.

Similarly, the Chargers claim market realism when it comes to overall East Village development.

Sure, a tech cluster would be great. But the private sector has been building mostly condos and hotels downtown for the last two decades, and no startup can pay to move the bus yard and replace Tailgate Park with a garage. It will take a big, taxpayer-funded project to extract more value from those two public parcels, the team's consultants say.

Q: What about parking and traffic?

A: There's no question that moving the Chargers downtown would end the tailgating tradition that depends on a vast parking lot.

Instead, most fans would park away from the stadium and walk or use transit, a prospect that undoubtedly would please owners of bars, restaurants and shops who could use the resulting foot traffic.

The Downtown San Diego Partnership, a business group, counts 65,000 spaces downtown. Many are situated within reasonable walking distance. The team says a "surplus supply" would be available on a typical Saturday or Sunday afternoon for games.

And Measure C anticipates replacing Tailgate Park's 1,100 spaces with 1,300 spaces in a garage. So parking would be available — presumably for a hefty fee.

As for traffic, congestion is generally low during weekends, or leaving downtown during NFL game weeknights. Conventioneers tend to arrive by air and use taxis or ride-hailing services.

However, big events like the Final Four or Super Bowl, which amount to a weeklong party, are another story. The team hasn't funded an authoritative traffic study for their proposal, so nobody knows the project's true effects on congestion.

And Measure C makes no specific provision for elevating light rail lines or expanding the nearby transit center, unknown costs that would fall to the public.

Q: Speaking of costs, where would the money come from?

A: San Diego's hotel tax collects 10.5 cents from each dollar of room revenue, which goes into the city's general fund, plus 2 cents that goes for tourism marketing. This tourism assessment (limited to hotels larger than 70 rooms) has been challenged as an illegal tax by several lawyers, including Cory Briggs, the author of Measure D.

Briggs would wipe out the fee and raise the tax to 15.5 cents per dollar. Then Measure D would allow downtown hoteliers to form tourism marketing and infrastructure districts, funded by two cents each, while the remaining penny would increase the city's share to 11.5 cents.

Each penny of hotel tax rate is expected to raise about $20 million in 2017. So Measure D's two cents for tourism infrastructure would generate $40 million a year, plenty to finance $550 million in construction bonds, assuming a 30-year term at 6 percent interest. That's right around the cost estimate prepared last year by JMI Realty, the hotel developer owned by former Padres owner John Moores who was an early booster of building a mid-sized convention center off the waterfront.

Measure C, the Chargers' initiative, would also wipe out the tourism fee and raise the hotel tax to 16.5 cents per dollar, or a penny more than Measure D. That penny would go for tourism marketing, with potential for a second cent every year that hotel taxes exceed costs for debt service, operations and capital repairs.

That second penny isn't guaranteed because five cents, or $100 million a year in 2017, would be dedicated to repaying $1.15 billion in bonds issued by the new city-controlled agency to build a combination stadium and convention center. The measure also requires $29 million a year for operations, maintenance and capital improvements that would rise with inflation.

At a 6 percent interest rate, the remaining $71 million a year from hotel taxes would support $1.15 billion in bonds at a term of 33 years, assuming the taxes piled up for a few years during construction, and collections kept increasing over time as the hotel industry grew.

The financing scenario presents a problem: Measure C calls for a "professional football team" to sign a 30-year lease. So, early this month, the Chargers agreed in writing to Mayor Kevin Faulconer that they would match any lease to the bond term, a concession that he cited in endorsing Measure C.

In addition, the team promised to make sure a full 2 cents of each hotel tax dollar goes for tourism marketing. That could complicate a bond sale by reducing cash flow for debt service, and opponents say the commitment is worthless because it conflicts with the plain language in Measure C.

Q: That's a lot of assumptions. Would taxpayers face risk?

A: If Faulconer and the City Council structured this new agency properly, it could sell its own bonds with no claim against San Diego's general fund. That is, if bond buyers go for the deal, and interest rates stay below 6 percent (public revenue bonds pay about 4.5 percent now).

So if Faulconer was smart about it, bondholders would bear all the legal and financial risk.

Yet political risk would remain. Let's suppose hotel demand crashed and stayed depressed for a decade or more. It's not likely, and this didn't happen after 9/11 or the Panic of 2008, but it could happen.

In this extreme case a "San Diego Convadium Agency" could default. Meanwhile, any crisis big enough to crash the hotel industry would also be carving deeply into the general fund. Such stress could deter politicians in our worst-case scenario from bailing out the project, but you never know.

Then again, the NFL and the Chargers don't want to be stuck in a bankrupt public stadium. This desire for shock absorbers is essentially why Measure C raises hotel taxes a penny per dollar higher than Measure D, as well as establishing first dibs on half of the two pennies the hotel industry wants for tourism marketing.

Cost overruns present a more plausible risk. Here Measure C provides an escape hatch for the Chargers, if not for taxpayers. If the city agency gets a final design and cost estimate that's too high, either side can simply choose not to proceed and the hotel tax would decline to 13.5 cents. This would leave the tourism industry in the lurch for a new convention center, but the two-cent tourism marketing levy would be voter-approved and the general fund would get 11.5 cents (a penny more than today).

Q: What else could go wrong?

A: The odds are good that neither measure would raise enough money.

Engineers should be able to build a connected stadium and convention center at lower cost than two standalone structures. The Chargers say they will pay overruns for the stadium portion that go beyond $1 billion, or $350 million from the public and $650 million from private sources.

If the convention center costs $600 million, that leaves $200 million to buy private land, move the bus yards, upgrade the Trolley station, remove contaminated soil … you get the picture.

Similar uncertainty afflicts Measure D, although it shifts risk to the hotel industry to cover operations costs and capital expenses in the likely event the new center didn't produce profits, as the old one has failed to do.

Q: Either way you slice it, $1.15 billion under Measure C is a lot of public money. Is there an economic case?

A: Construction, over perhaps three years, would generate $2.1 billion in the regional economy and support 15,000 jobs, according to a study by Alan Gin, a reputable economist at University of San Diego and Murtaza Baxamusa, a Ph.D. planner who works for a union-backed housing nonprofit.

That barely moves the needle for the county's $221 billion economy, which supports 1.4 million jobs. What the study really shows is that San Diego's $1.15 billion in bond funds would circulate inside its economy, like such spending would with any big construction job.

More telling is the study's forecast of ongoing activity; $400 million a year and 6,400 jobs. Roughly three quarters of the total would come from the convention center, which mostly would help the tourism sector.

This suggests the center enabled by Measure D would produce a similar lasting economic lift. And it underscores what economists have been saying for years: Public funding for NFL stadiums have little to no lasting economic impact, especially compared to other uses for tax dollars such as education.

Incidentally, a separate Chargers-funded study forecast that the project, by increasing hotel stays, would produce $127 million in higher hotel-tax revenue over its first decade. For the taxpayers' $1.15 billion capital contribution, this "return" on investment works out to a paltry 1.1 percent a year in the form of higher tax collection attributable directly to the project, assuming it breaks even. Opponents say even this forecast is optimistic.

Q: With middling economic impact, why vote yes on Measure C?

A: The chief reason would be to persuade the Chargers, who have the option to move into the giant Los Angeles market, to remain in San Diego — with all the intangible benefits that entails for many people. Not to mention see games, concerts and other events in an improved venue.

From the team's perspective, it is contributing $650 million toward a joint-use complex the Chargers will use just 10 days a year. And the project holds potential to pay its way, if voters decide the project is a good use of East Village land.

As for Measure D, a yes vote would seem to hasten the Chargers' exit. That's because the NFL has refused to permit 100 percent private funding of stadiums in smaller markets such as San Diego.

Yet Measure D could offer a Plan B for Charger fans.

City Attorney Jan Goldsmith says both measures require a nearly insurmountable two-thirds majority for passage. However, the election lawyers who helped draft Measure D say it requires the easier simple majority.

If Measure D passes and Measure C fails, the hotel tax will still rise to 15.5 percent, assuming it withstood the inevitable legal challenge.

The resulting new revenue could encourage the Chargers and hotel industry to square off in the next election, because a mere majority of voters is required to reallocate funds, while two-thirds must approve a tax hike. Notably, Measure D says it "would not prevent" the city from developing an NFL stadium in Mission Valley or downtown, as long as it wasn't on the waterfront.

Some lawyers also think a case before the state supreme court could soon lower the bar for Measure C, too. If both measures got majorities in November, the one with the highest vote total would prevail.

Put it all together, and die-hard fans may be tempted to vote for both measures, hoping that casual voters will push one over the simple majority hurdle.

Q: What happens to Qualcomm Stadium if either passes?

A: If San Diego is lucky, city leaders will agree to tear down the old venue and donate or sell the land to San Diego State University or UC San Diego. Both universities need room to add full-time students and research space, an outcome that would boost the regional economy for generations.

Measure D has specific provisions that encourage the city to redevelop Qualcomm's 166 acres for a park and higher education.

Meanwhile, by virtue of building the Chargers a new home, Measure C would enable the same result.

Q: What if both measures fail?

A: The Chargers, who have ruled out staying at Qualcomm much longer, could renew their 16-year search for a subsidized stadium deal somewhere in San Diego County, especially if the election was close.

Or they could move in with the Rams at Inglewood, leaving local fans with television or a long game-day commute to console them.

San Diego’s tourism industry, the beneficiary of a lower hotel tax than key competitors, would remain in legal and political gridlock on the question of convention center expansion.

And city leaders would get more opportunities to prove they can wisely use the public’s land in Mission Valley and the East Village.

The San Diego Union-Tribune.

Council Narrowly Approves CivicSD Deal

By David Garrick | October 18, 2016

http://www.sandiegouniontribune.com/news/politics/sd-me-civic-pact-20161018-story.html

San Diego City Council members on Tuesday narrowly approved a new operating agreement for a controversial nonprofit that oversees downtown San Diego development.

The pact, which was approved 5-4, imposes new restrictions on Civic San Diego, including more oversight and transparency and mandates for low-income housing, employee wages and local hiring.

It fell short of approval in an initial vote because six votes are required for city contracts longer than five years, so supporters agreed to limit the deal's term to five years so that five votes in favor would be adequate.

Supporters said the deal is imperfect, but a significant step in the right direction for CivicSD, which critics say makes "backroom" deals without proper transparency or oversight.

"It is setting a higher expectation for those who want to do business with us, providing certainty and giving us a path to go forward," said Councilman Todd Gloria, who's played a key role in the proposed pact because his district includes downtown.

Gloria was joined in support by Lorie Zapf, Myrtle Cole, Mark Kersey and Chris Cate.

Critics raised a wide variety of concerns.

Council President Sherri Lightner wanted stricter income eligibility requirements for low-income housing in CivicSD projects.

Councilwoman Marti Emerald said the pact's language wasn't firm enough and includes too many potential loopholes.

Councilman Scott Sherman worried that some of the language could lead to unintended consequences and possible litigation against the city.

Councilman David Alvarez said the agreement was crafted too quickly and that not enough community input was gathered.

"Nothing should be rushed because we are saying 'this is the best we can do,'" Alvarez said.

Lightner and Emerald offered to switch their votes in favor if the pact was amended to include phasing CivicSd out of existence. The agency was created in 2012 to oversee redevelopment projects after the state eliminated redevelopment agencies.

“It wasn’t intended to go on and on,” Emerald said.

In response, supporters agreed to shorten the length of the deal to five years, but declined to include any “phase-out” language.

Prior to the vote, labor leaders and other critics said the deal wasn’t strong enough to prevent CivicSD from continuing to approve projects without adequate oversight.

The Downtown San Diego Partnership praised the agreement, saying it’s important for CivicSD to continue the work it does.

A residents group from downtown’s Cortez Hill neighborhood also endorsed the agreement.

Councilman Gloria stressed that the council could amend or update the agreement at a future date to improve it.

CivicSD board chairman Jeff Gattas called the pact “a beginning” and said the board was open to further revisions and review.

Councilman Alvarez said promises to improve agreements after they get approved never get kept.

CivicSD was created by consolidating and renaming the Centre City Development Corporation, which began overseeing redevelopment downtown in 1975, and the Southeastern Economic Development Corporation, which was created in 1981.

VOICE of SAN DIEGO

‘Entertainers’ vs. ‘Small Town Undertakers’: The Convadium Debate Rages On

By Kinsee Morlan | October 19, 2016

The great convadium debate is heated.

The sparks really started flying when, in an op-ed, San Diego architect Rob Quigley called the Chargers “entertainers, not urban planners” whose plan for a downtown stadium and convention center annex would cause an “irreversible and unprecedented planning disaster.”

Chargers adviser Fred Maas fired back with an op-ed of his own. He called Quigley a “small town undertaker” who doesn’t understand basic economics and who has been absent from conversations about other big downtown projects except for the Central Library, which Quigley designed.

Comments quickly started piling up beneath Maas’ piece. I rounded up some of the best of them. The comments have been lightly edited for style and clarity.

A commenter who uses the handle jdv333 said he thinks extra money from an increased hotel-room tax should go to something other than a convadium:

“If any increase in the hotel-room tax occurs, that should go to our No. 1 tourist attraction Balboa Park, which is in need of $350-500 million in repairs. Not to mention our crumbling streets and sewers – America’s Finest City has among America’s worst streets. Don’t think the visitors don’t notice.”

Bob Stein took issue with Maas’ framing of people who oppose the convadium as having a small-town mentality:

“Using Fred’s criteria, the people of New York City have a small town mentality because rather than let the Jets build a new stadium in mid-town Manhattan adjacent to its convention center, they told the Jets to find a way to rebuild in the suburbs where they already play. The Jets found a way and built a new privately financed stadium in partnership with the Giants. The part of Manhattan the NFL hoped to spoil with a stadium is called Hudson Yards. It was a train yard. Now it’s a booming commercial and residential neighborhood widely hailed as a new economic engine for New York.”

Wadams92101 agreed with another op-ed that argues stadiums are not the measures of a city’s greatness:

“Nothing is more of a ‘small town’ mentality than thinking a stadium makes you ‘big city.’ Notably, none of the true big cities in the U.S. have downtown NFL stadiums, nor even have stadiums in their city limits. Not New York City (both Jets and Giants play in East Rutherford New Jersey), not San Francisco (Santa Clara), not Boston (Foxborough) and not Dallas (Arlington). Additionally, L.A.’s new stadium is privately funded and Chicago’s Soldier Field is 100 years old. Seems it’s the small towns and dying rust belt cities like Detroit, Cleveland, and St. Louis (lost their team anyway) who think they need a taxpayer-funded stadium to be ‘big city.’ That’s the real small town mentality. Meanwhile, the economies and quality of life of true big cities become bigger and better because they spend their hotel-room tax on things that actually benefit their economies.”

Richard del Rio explained the kind of proposal from the Chargers he would stand behind:

“I support a capped amount of public money, most of it in the form of city land, to get a privately financed stadium done in Mission Valley. How does that make me, and many other Chargers fans, small town undertakers?”

Developer David Malmuth, a vocal member of a coalition opposing the convadium, brought up the plan he and other architects, designers and urban planners have drawn up for the same plot of land in the East Village. He said their plan is economically sound and supports the innovation economy:

“Read the Downtown San Diego Partnership’s report about why downtown is the Torrey Pines Mesa of the 21st century. Just like the mesa 30 years ago, we have the potential to grow a vibrant jobs cluster downtown that enables the 36,000 residents to walk or bike to work, as opposed to the current situation where 70 percent commute out of downtown. But this will only occur when the public and private sectors join forces and make this kind of job creation a top priority, just as was the case on the mesa. Those of us who contributed to the focus plan stand ready to work with the community and the city to make it happen. Our sincere hope is that this effort will start on Nov. 9, and the Chargers will embrace the realization that Mission Valley is a hell of good option.”

Quigley jumped back into the conversation, too.

“Wow. What a needlessly nasty and personal editorial. My piece must have hit a nerve. Unlike Mr. Maas, I have lived and worked downtown continuously for 40 years. I raised my family here. All of my time co-authoring the Little Italy Focus Plan, co-founding the Little Italy Residents Group, serving on the downtown master plan committee, raising money for the Central Library, helping with the East Village South Focus Plan and fighting the Spanos Wall proposal was and is pro bono. Mr. Maas by contrast is a highly paid Spanos lobbyist.”

San Diego artist John Purlia took aim at the Chargers’ constant refrain that says San Diegans, unless they stay in a hotel, won’t pay a dime for the convadium. He also had something to say about the way the Chargers’ plan was drafted.

“When municipalities across the country tax visitors to build stadiums and arenas and we as San Diegans choose to participate in that model, it does become a tax on everyone. At that point, do we decide as a nation that there should simply be a federal tax on everyone that is earmarked to build sports facilities? So, yes, a tax on visitors is a tax on San Diegans. Fred needs to quit arguing otherwise. Additionally, a measure that aspires to benefit two parties, but comes to the ballot being drafted and supported by only one of those parties, is completely flawed and doomed.”

Andy Kopp said he thinks the NFL should fund a new stadium in San Diego:

“$400-plus million. That will be the per-team revenue share distributed by the NFL for 2016. If the NFL values direct access to the San Diego market, the league can easily peel off $10 million a year for four years from each of its 32 teams and pay cash for a stadium as a league investment in this market. What you’re asking for in terms of public dollars, Mr. Maas, is grotesque, even if you think it clever to continue pretending the hotel-room tax offers a siloed revenue stream. It doesn’t. This grift never ends and San Diegans shouldn’t feel bad about being one of the rare cities to say enough is enough. We’ve more important things to build.”

TIMES of SAN DIEGO

Fairness, Football and The Future of Downtown San Diego

By Chris Jennewein | October 21, 2016

https://timesofsandiego.com/opinion/2016/10/21/fairness-football-and-the-future-of-downtown-san-diego/

A sense of fairness is one of the most highly developed human emotions. It has been key to the advancement of human civilization.

But fairness isn't always in our combined best interest, and nothing is a better example of this than the San Diego Chargers' Measure C ballot proposition.

Opinion LogoIt's simply not fair to use tax revenue, even if it's from tourists, to benefit a wealthy family and a successful national sports monopoly.

But it might be in the long-term best interest of all San Diegans.

The fact is the Chargers have other options, starting with the new stadium under construction in Inglewood outside Los Angeles. That's why they can drive an unfair bargain.

But what do we get in return?

A "yes" vote on Measure C will increase the transient occupancy tax paid by hotel guests from 12.5 percent of their bill to 16.5 percent. Most of the hotel business downtown is from conventions, and most of hotel bills are paid by conventioneers' employers. So the tax increase will mostly effect business travelers on expense accounts.

The increased tax revenue, combined with $650 million from the National Football League, will allow San Diego to build a $1.8 billion stadium and 400,000-square-foot convention center. The NFL is putting up a third of the money in order to use the stadium eight times a year. Maybe nine if there's a Super Bowl. But the convention center would be used the rest of the time.

Consultants for both sides have sparred over the impact of an investment this large, and the viability of a second convention center, but the most optimistic view is that a new football stadium will do for the East Village what Petco Park did for downtown more than a decade ago. In other words, it would be a massive shot in the civic arm, attracting new hotels, restaurants, offices and more.

"There's an old adage that 'if you built it they will come.' Well this might just be true," said David O'Neal, chairman of Conventional Wisdom Corporation, a consultant for the Chargers, earlier this month. "I believe that doing nothing would be the worst long-term option for the community."

Arguments like that are beginning to convince naysayers. The San Diego Regional Chamber of Commerce, the Downtown San Diego Partnership and Mayor Kevin Faulconer have all come around to backing Measure C. That's because this unfair deal might actually lead to another economic boom downtown.

The San Diego Union-Tribune.

Public, Policy Makers to Discuss Homelessness in Town Hall

By Gary Warth | October 25, 2016

http://www.sandiegouniontribune.com/news/homelessness/sd-me-homeless-townhall-20161025-story.html

A coalition of business and community groups will gather for a town hall on homelessness in San Diego on Wednesday.

The meeting with be in the Golden Pacific Ballroom of the Town and Country Resort and Convention Center, 500 Hotel Circle North, in Mission Valley.

The two-hour event is scheduled to begin at 6 p.m. The first hour will include presentations from elected officials, activists and representatives of various organizations.

The final hour will be for questions and answers between the public and speakers.

A press release announcing the town hall described its purpose as to draw attention to the work that is being done to solve homelessness and to start the discussion of how stakeholders can work together to identify and fill gaps.

Speakers scheduled to attend include San Diego City Council members Lorie Zapf, and Mark Kersey, Senior Adviser for Housing Solutions Stacie Spector from Mayor Kevin Faulconer's office, Chief Deputy City Attorney Lara Easton, Peidad Garcia and Alfredo Aquirre from San Diego County Health and Human Services, and Melissa Petermanof the San Diego Housing Commission.

Other speakers include Joe Terzi of the San Diego Tourism Authority, Kris Michell of Downtown San Diego Partnership, Ben Nichols of the Hillcrest Business Improvement District and homeless advocate Michael McConnell.

The event was organized by Elvin Lai, a partner and CFO of abnormal Beer company in San Diego.

"This is something I have been working on for the past two years, creating a balanced discussion where all stakeholders can get involved," Lai wrote on his Facebook page. "There have been many small discussions moving the needle forward, but it time for us to come together as an entire community to propel the conversation to foreseeable actions.

"It will not only take local, state and federal involvement, but involvement from all of our community leaders and community organizations to work on a comprehensive solution as one voice, one solution, and one resolve," he wrote. "Just because we differ in our opinions or in our actions, does not mean we differ in our goals."

Invited guests include representatives from the offices of Congressman Scott Peters, Assemblywoman Toni Atkins and County Supervisor Ron Roberts.

Community Pushes for Solutions to End Homelessness

CBS 8 News Team | October 27, 2016

http://www.cbs8.com/clip/12855454/community-pushes-for-solutions-to-end-homelessness

SAN DIEGO (CBS 8) - The community came together Wednesday night to push for solutions to San Diego's homeless problem.

During Wednesday's town hall the focus was on finding viable solutions for homelessness in San Diego. While there was some disagreement among those in attendance, one thing was agreed on - only by working together at the local, state and federal levels will progress be made.

One solution encompassed a myriad of options from short-term shelters to long-term housing alternatives. Also presented were outreach programs to connect homeless people with mental health care, job training and other resources.

One creative idea that seems to be working is an initiative through the Downtown San Diego Partnership and Sharp Health Care to help reunite homeless individuals with their families across the country.

"The program has been the most beneficial to us in downtown, but it is by no means the solution," said Kris Michell at the town hall.

John Kitchin has been homeless for the past nine years and said it comes down to creating truly affordable housing. "We need to have people earning enough money to pay rent. We need to have more jobs in San Diego," he said.

Several speakers at Wednesday night's town hall attributed a recent spike in the number of homeless in San Diego to the passage of Prop 47 - which downgraded many drug-related felonies to misdemeanors.

"We need the judges to not keep putting them back out on the streets. We need a way to get the people on the streets the treatment that they need and deserve," said another speaker.

Not everyone was willing to blame Prop 47 for this surge.

"They are homeless because they can't afford any of the available housing that is out there," said a speaker.

Earlier this year, a survey by the Regional Task Force on the homeless found nearly 8,700 people living without a home in San Diego County. That number is a 19-percent increase in the number of homeless living on the streets compared to last year.