

## Voters Hand Chargers and Developers Defeat at Ballot Box

POLITICS: Measures A, B, C and D Fail; Team Ponders Its Next Move  
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San Diego — San Diego Chargers Chairman Dean Spanos said the team was mulling its options after city voters firmly rejected a proposed hotel tax hike — Measure C — intended to finance a dual-purpose, \$1.8 billion downtown stadium with convention facilities.



Measure C, which would have funded a new San Diego Chargers stadium with convention facilities in downtown's East Village, was among the local tax-related measures defeated at the polls on Nov. 8. Rendering courtesy of San Diego Chargers

“In terms of what comes next for the Chargers, it’s just too early to give you an answer,” Spanos said in a team statement issued Nov. 9. “We are going to diligently explore and weigh our options, and do what is needed to maintain our options, but no decision will be announced until after the football season concludes and no decision will be made in haste.”

Options previously discussed by local officials include the possibility that the Chargers could return to talks on a renovation or replacement of the existing Qualcomm Stadium in Mission Valley. Another possibility is that the Chargers will exercise an option to relocate to Inglewood

and play in a stadium being developed by Los Angeles Rams owner Stan Kroenke.

The Chargers’ proposal, Measure C on the Nov. 8 ballot, called for a net 4 percent hike in current hotel taxes, from 12.5 percent to 16.5 percent, and it needed two-thirds of voters’ support to pass. Measure C was defeated by a vote of 168,677 (approximately 57 percent) to 127,433 (43 percent), according to initial results from the county registrar.



Dean Spanos

If another trip to the San Diego ballot box is in the Chargers’ future, many observers have said that the team must do a much better job in formulating a proposal with other stakeholders, including city officials, the hotel and tourism industries, and other parties that could potentially be impacted.

James Lackritz, a professor at San Diego State University and co-founder of its sports business MBA program, said the move to craft a ballot measure on their own, with no outside input, was among several errors made by the Chargers’ owners when it came to Measure C and other stadium politics.

“They’re going to have to do a much stronger job on the public relations,” Lackritz said. “The Chargers really did not do a good job selling this stadium project to the public.”

He said voter backlash against Measure C can be traced to last year, when the team refused to engage with the city on a concept and financing plan for a Mission Valley stadium, drafted over the course of several weeks by a citizen advisory panel appointed by Mayor Kevin Faulconer.



**Jim Lackritz**

The lack of communication was compounded by the Chargers' overt drive to get a new stadium built in the Los Angeles suburb of Carson — potentially in tandem with the Oakland Raiders — which was ultimately rejected by the NFL in favor of Kroenke's Inglewood project.

“They also made the mistake of saying the Carson project would be done with private money, which sent the message that you could get a stadium built without public dollars,” he said.

Ultimately, the Chargers must make it clear whether they will consider Mission Valley, or if having the stadium anywhere but downtown would be a deal-breaker. “Then the team needs to get together with the city and everyone else who's going to be affected, so you can come up with a proposal that has a chance of being supported by the voters,” Lackritz said.

Lackritz said the Chargers could also have done a better job of integrating the team itself, including current and past players, in the ongoing public campaign. Some current players, including quarterback Philip Rivers, did make scattered appearances at rallies during the Measure C campaign.

The campaign posted a pro-C video on its website showing stadium renderings and narrated by former quarterback Dan Fouts, which was also used in media ads in the campaign's final weeks. “It was just too little too late,” Lackritz said.

### **Measure D Joins C in Defeat**

City voters also rejected Measure D, proposed by a citizen coalition that included attorney Cory Briggs and former councilmember Donna Frye, by a vote of 167,792 (59.6 percent) to 113,536 (40.4 percent). That measure would have raised hotel taxes by a net 3 percent, to 15.5 percent, to fund potential future projects including a non-contiguous downtown convention center expansion or redevelopment of the Qualcomm Stadium site. Funds also might have gone toward a downtown stadium or dual-purpose project, but only after a separate future public vote.

In its own statement, the nonprofit San Diego County Taxpayers Association, which opposed Measures C and D, called for more public discussion on ways to keep the Chargers in San Diego while protecting taxpayers.

“This was never about defeating the Chargers, or the individuals who crafted Measure D,” the association said on Nov. 9. “This was about protecting San Diego taxpayers from two measures that were crafted without any input from taxpayers.”

“The Chargers have made wonderful contributions to our community in the form of charitable giving, and certainly enjoyment of the fans,” the statement said. “We should work together on next steps.”

Measure C garnered support from business groups including San Diego Regional Chamber of Commerce and the Downtown San Diego Partnership. But it was vocally opposed by entities such as San Diego Tourism Authority and the San Diego County Hotel-Motel Association, as well as the boards of the city's convention center and tourism marketing district.

Measure D generally had less high-profile support than C, but D did receive significant financial backing from former San Diego Padres owner John Moores and the development company he founded, JMI Realty. It was also supported by groups including San Diego's League of Women Voters and League of Conservation Voters.

### **Measures A and B Also Lose**

Also on Nov. 8 voters effectively turned down Measure A, a half-cent countywide sales tax proposed by the San Diego Association of Governments, the regional planning agency, to fund road and other transportation improvements. It needed two-thirds support to pass, but received Yes votes from 57 percent (385,700 to 290,543).

Also defeated at the polls was Measure B, the countywide proposal that would have cleared the way for the 1,746-home Lilac Hills Ranch development, on unincorporated land near Escondido. It lost by a vote of 409,130 (64.2 percent) to 227,993 (35.8 percent).

Measure B, put forward by San Diego developer Accretive Investments and its supporters, was pitched in campaign advertising as a potential solution to San Diego County's larger shortage of affordable housing. But it apparently encountered opposition related to its potential impacts on the immediate surrounding area, as well as to the concept of higher-density configurations needed to make such projects feasible.

The latter issue has arisen recently in neighborhoods of the city of San Diego and other local communities.

"Measure B represented an enormous undertaking to educate the entire county on the need for additional housing," Accretive Investments officials said in a Nov. 8 statement. "This housing crisis continues, and our efforts to build this great community, Lilac Hills Ranch, doesn't end with tonight.

"We will continue our efforts to bring the community affordable housing opportunities with the greenest community in the county, Lilac Hills Ranch," the statement said. The developer was not commenting at press time on potential revisions that might be made to the project.

Lilac Hills Ranch was previously being considered by county supervisors, and potentially headed for defeat, before the developer chose to take it to county voters. It met a fate similar to that of a Carlsbad city ballot measure put forward earlier this year by Los Angeles developer Caruso Affiliated, which was looking to build an open-air retail center near the Agua Hedionda Lagoon.