

RESOLUTION NUMBER R- 288409

ADOPTED ON MAR 04 1997

WHEREAS, on May 30, 1995, the City of San Diego ("City") and the Chargers Football Company and the Chargers Associates (collectively the "Chargers") entered into the Facilities Use and Occupancy Agreement, 1995 Agreement for the Partial Use and Occupancy of San Diego Jack Murphy Stadium, and the 1995 Agreement for Use and Occupancy of the Skybox Areas of San Diego Jack Murphy Stadium (collectively the "1995 Agreement"), which called, in part, for the Chargers to pay additional rent to the City and for the City to construct certain improvements to San Diego Jack Murphy Stadium ("Stadium") and a practice facility, in an amount not exceeding \$60 million. Copies of those documents are on file in the Office of the City Clerk as Document Nos. OO-18182-1, 2 and 3, respectively; and

WHEREAS, to accomplish the construction at the Stadium the City entered into certain agreements with the Public Facilities Financing Authority of the City of San Diego ("Financing Authority") whereby the City would lease the Stadium property to the Financing Authority, the Financing Authority would issue lease revenue bonds to finance the construction and would award a construction contract, and the Financing Authority would then lease the improved Stadium back to the City for a consideration sufficient to pay the debt financing on the lease revenue bonds; and

WHEREAS, the Financing Authority, after delay due to meritless legal challenges, issued lease revenue bonds in an amount sufficient to make available \$60 million for the construction of the improvements to the Stadium and the practice facility; and

WHEREAS on December 10, 1996, pursuant to Resolution No. R-288213, the City authorized and empowered the Financing Authority to award a construction contract in the amount of \$55 million for the construction of improvements to the Stadium, contingent upon available financing; and

WHEREAS, on December 10, 1996, pursuant to Resolution No. FA-97-3, the Financing Authority awarded a construction contract to Nielsen-Dillingham Builders Joint Venture for the construction of improvements at the Stadium (the "Construction Contract"), contingent upon available financing; and

WHEREAS, on December 10, 1996, the City adopted Ordinance No. O-18365 which authorized certain amendments to the 1995 Agreement (the "Amendments") whereby, in part, the Chargers would pay additional rent to the City, and the City committed to construction of additional improvements to the Stadium, for which the Financing Authority would issue additional lease revenue bonds; and

WHEREAS, these amendments were necessitated in part by the delay resulting from litigation filed by various persons concerning the financing of improvements at the Stadium; and

WHEREAS, Ordinance No. O-18365 was successfully referred by a group of citizens and was therefore repealed by the City Council by the adoption of Ordinance No. O-18380 on February 3, 1997; and

WHEREAS, the repeal of Ordinance No. O-18365 effected only the repeal of the Amendments, which means that the City is no longer obligated to the Chargers to build the additional improvements with lease revenue bond financing and the Chargers are no longer obligated to pay additional rent sufficient to finance the construction of those additional

improvements; and

WHEREAS, the City still desires that the additional improvements to the Stadium authorized by the Financing Authority in the Construction Contract be constructed even though the City is under no obligation to the Chargers to do so; and

WHEREAS, there are insufficient monies in the initial issuance of lease revenue bonds for the Financing Authority to construct all the improvements at the Stadium contemplated in the 1995 Agreement and the additional improvements that the City and the Financing Authority desire to make at the Stadium pursuant to the Construction Contract; and

WHEREAS, a prominent local company, QUALCOMM Incorporated ("QUALCOMM"), has offered to purchase the naming rights to the Stadium from the City for a period of twenty (20) years, the purchase of which will provide sufficient funds for the City to undertake all the improvements to the Stadium contemplated in the current Construction Contract between Nielsen-Dillingham Builders Joint Venture and the Financing Authority, but without the need for additional lease revenue bonds; and

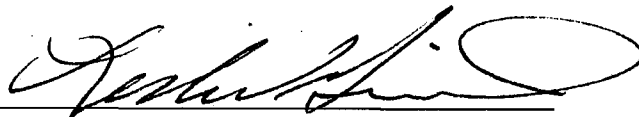
WHEREAS, it is therefore necessary for the City to transfer the consideration received from QUALCOMM for the naming right to the Stadium to the Financing Authority in order to undertake all the construction authorized in the Construction Contract; NOW, THEREFORE,

BE IT RESOLVED, by the Council of the City of San Diego, that the City Auditor and Comptroller be and he is hereby authorized and directed to transfer the sum of \$18 million, received by the City from QUALCOMM for the naming rights to the Stadium, to the Financing Authority for the sole purpose of being utilized to make payments pursuant to the Construction Contract, provided that the City Auditor and Comptroller first furnishes a certificate

demonstrating that the funds necessary are, or will be, on deposit in the City Treasury.

BE IT FURTHER RESOLVED, any interest earned in the Stadium project funds are hereby appropriated for the purpose of the project.

APPROVED: CASEY GWINN, City Attorney

By   
Leslie J. Girard  
Assistant City Attorney

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02/28/97  
Or.Dept:Mayor  
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