



Taxpayers Association Supports Numerous School Bond Measures

Association opposes Chargers' proposal for new stadium and convention center annex

SAN DIEGO (Aug. 22, 2016)---The San Diego County Taxpayers Association's Board of Directors voted on Friday to support nine ballot measures, including four school bond measures.

The Taxpayers Association earlier this month announced its support for the [San Diego County Road Repair, Transit, Traffic Relief, Safety and Water Quality Measure](#), which would raise an estimated \$18 billion over 40 years to improve freeways, fund municipal road repairs and build a trolley line between San Ysidro and Kearny Mesa, among other things.

"I want to first acknowledge the outstanding work by our policy analysts to bring such thorough analyses to the board for review," said Greg Stein, Board Chair of the Taxpayers Association. "After a marathon meeting the Board voted to support well-designed and low-risk tax measures, including initiatives to reduce commute times and improve our schools, and against those with unacceptable risk to taxpayers."

The board voted on Friday to oppose the tax increase proposed by the Chargers for a new stadium and convention center annex. That decision stemmed from a detailed analysis of the Chargers tax measure that the Taxpayers Association is releasing today.

"The Chargers proposal would put the City of San Diego's General Fund at significant risk," [the Association's 36-page analysis of the Chargers tax measure](#) concludes. "Even with optimistic assumptions and ignoring the costs to taxpayers of moving the MTS bus yard and the remaining debt on Qualcomm Stadium, the City of San Diego would not bring in adequate revenue to cover the anticipated costs associated with this proposal."

The analysis pegged the City's shortfall at more than \$400 million and noted, "This figure does NOT account for the additional interest that would need to be paid on public debt."

The analysis also said: "The City of San Diego would likely have to service the debt from the General Fund...in order to maintain its credit ratings and avoid higher financing charges for future debt."

The analysis compared the City's agreement with the Padres to the Chargers tax measure and found the arrangement with the Padres is a much better deal for taxpayers than what the Chargers have proposed.

"The City and the Padres share certain revenue streams...In the Chargers proposal, there is no explicit revenue sharing between the City of San Diego and the Chargers for non-football events in the stadium. In theory, the City would be able to keep all non-football stadium revenue to utilize how it sees fit, but

the lease framework in the proposal first dedicates any non-football revenue earned by the City in the stadium to operations and maintenance before the Chargers' lease would require their contribution to operations and maintenance."

The Chargers turned down requests by the Taxpayers Association to discuss their data and present their financial assumptions, which have yet to be shared with the public and independently verified.

Taxpayers Association President and CEO Haney Hong said: "Despite the Chargers' unwillingness to meet with us, our analysis is more than fair, and in fact gives the Chargers the benefit of the doubt. We took their publicly-shared assumptions on additional hotel room nights and presumed, as they have in the past, that 25% of the team's fan base comes from outside San Diego. We made optimistic assumptions that any additional seat in the new stadium would be filled by someone from out of town, every pre-season and home game, and doubled the likely revenue the City would get from other uses of the stadium. We still ended up with a shortfall of more than \$400 from the hotel tax increase the Chargers are proposing. That means the debt would have to be paid from the City's General Fund, or the City would not pay creditors back — ironically making interest, including that on bonds issued to pay for this new facility, likely even more expensive."

Hong continued: "We take our role as the region's taxpayer watchdog seriously. A voter might not have the time to read through a 100-page proposal or a school district's project and financing plan, so we take the time to analyze the information independently based on data and a thorough examination of the facts. We're pleased we were able to support so many important initiatives, including numerous school bonds, during this busy election cycle. We support SANDAG's proposal because the organization has demonstrated it can bring into San Diego three outside dollars for every one local dollar to pay for the infrastructure that moves people and goods. We support numerous school districts' proposals because their leadership has demonstrated needs for our children and the managerial acumen to build for our future. We oppose the Chargers plan to raise taxes because of the serious risks and uncertainties to taxpayers, who should not have to face the choice of sacrificing everyday public services, like libraries and street repairs, so the General Fund could pay off the loans to build this facility."

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The San Diego County Taxpayers Association (@sdcta) is a non-profit, non-partisan organization, dedicated to promoting accountable, cost-effective and efficient government and opposing unnecessary new taxes and fees. Founded in 1945, SDCTA has spent the past 70 years saving the region's taxpayers millions of dollars, as well as generating information to help educate the public.