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San Diego's NFL Stadium Dream Counts on Munis for Chargers' Home.

San Diego, still dealing with the legacy of a pension crisis that led politicians to consider bankruptcy a decade ago, may throw taxpayer money behind municipal bonds for a football-stadium bidding war.

The city and the National Football League's Chargers are negotiating on a proposed \$1.3 billion coliseum to keep the team from leaving for Los Angeles. A plan backed by a city panel would have San Diego pay \$121 million of the new stadium's debt, even though it still owes \$52 million for the Chargers' current home. San Diego County would chip in, too.

The quest to keep the team has triggered a debate over whether to finance professional football as the city deals with \$2 billion of deferred maintenance brought about in part by mounting pension costs. The city's retirement system has a shortfall just as large, which led voters three years ago to approve reducing benefits for city workers.

"A core function of government isn't to subsidize private companies," said Bob Otilie, a lawyer who's organizing opposition to using tax money for the stadium. "A sports stadium doesn't do anything for your community. It doesn't create jobs or expand the tax base."

Debt Sales

States and cities have sold more than \$9 billion of debt for professional sports facilities since the 1980s, seeking to revitalize local economies or keep teams from fleeing. Last week, Wisconsin Governor Scott Walker, a Republican, backed using as much as \$250 million of public funds for a new home for the Milwaukee Bucks of the National Basketball Association.

Mark Fabiani, a spokesman for the Chargers, which have been seeking a new stadium for 14 years, declined to comment on the negotiations.

Matt Awbrey, a spokesman for Mayor Kevin Faulconer, said voters would have to approve any deal after the terms have been finalized. The team and city officials are set to meet Monday afternoon to continue negotiations.

"The mayor has committed to giving voters a final say with a public vote," Awbrey said.

The financing plan from the panel appointed by Faulconer is intended to keep the football team from moving 120 miles (193 kilometers) north to Carson, a Los Angeles suburb. While Carson isn't offering any subsidies, the location would give the team access to a larger population. The Oakland Raiders are also considering the site.

Public Funds

The San Diego mayor's panel last month proposed covering about one-third of the stadium's cost

with public funds, including \$225 million from land sales. Adam Day, who heads the committee, said the stadium could be financed by \$1 billion of bonds sold by a newly created authority, which would repay the debt with stadium revenue and the taxpayer funds.

Faulconer last month lauded the panel for finding a way to keep the team without raising taxes, though he didn't comment on its specific recommendations.

The San Diego plan was designed to overcome a tax-wary electorate, which shot down tax increases for fire protection even after devastating wildfires, said Day.

"We have to take into account the political and economic conditions here in San Diego," he said. "We do think it's fair for the team, the city and the taxpayers."

The proposal would rely on \$300 million from the team, \$200 million from the NFL and more than \$100 million from the sale of seats, parking and tickets. An additional \$173 million could come from debt backed by the team's rent payments.

Brian McCarthy, spokesman for the NFL, didn't respond to a request for comment.

The Risks

There's also risk to the city, said Erik Bruvold, president of the National University System Institute for Policy Research in San Diego. The amount planners expect to raise through land and seat-license sales may fall short, he said, and the public may need to raise the subsidies if attendance doesn't hold up.

"If those things don't materialize, somebody is going to have to make up the difference, and that's going to be the taxpayers," he said.

San Diego has been working to steady its finances for over a decade, since its retirement fund was left reeling from the collapse of the Internet stock bubble. In 2005, then-Mayor Dick Murphy resigned after a \$1.2 billion shortfall in the city's pension fund prompted criticism of its accounting practices.

When Faulconer proposed a budget in April, he said San Diego has turned a corner toward a "healthy financial future." San Diego has the third-highest credit rating from Moody's Investors Service and Standard & Poor's. Both companies have a stable outlook on its rating.

Cory Briggs, a lawyer who opposes the stadium project, said the city shouldn't take on additional risk, given the pressure it still faces to shore up the pension fund. He said the subsidies the city's offered may not be enough to hold the team.

"City officials are putting something together so they can say they tried," he said. "But it's probably too little, too late."

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