

Scenario: Stadium proposed for property adjacent to Port of Santa Teresa operations

Situation:

A new 70,000-seat stadium is being proposed as the home venue for an NFL football team that will move to Santa Teresa. Although not on port property, the stadium would be situated on land immediately adjacent to the port's largest container terminal and would utilize a major highway that serves as the port's primary access/egress.

The entire Santa Teresa region, and particularly the City of Santa Teresa itself, has suffered from a severe economic downturn in recent years, though several credible studies have shown that the market can support an NFL franchise. The stadium project will require public funding for certain infrastructure improvements, likely through the issuance of bonds. Provision of sufficient stadium parking is dependent on an agreement between the port and the city for long-term use of port-owned property near the stadium that is unsuitable for terminal or other essential port activities.

Stadium proponents cite the proposal as a "once in a lifetime" opportunity to boost the local economy and note that the stadium will most often be in use at times when port traffic is light. Stadium opponents cite the negative traffic and environmental impacts, and note the potential taxpayer financial exposure if the project fails.

The port has long had plans to purchase the proposed stadium property for terminal and other related expansion, but has not made those plans public nor begun the acquisition process. The port has lost business to competitors in recent years because of insufficient container-handling capacity at its largest container terminal, which is now fully built out with a maximum capacity of only 600,000 TEUs annually.

Two of the five port commissioners (Carol Mitchell and Stan Grayson) have served long tenures on the mayoral-appointed Stadium Feasibility Committee, which is informally charged with getting the project underway. Port internal studies have shown dramatic traffic problems would likely occur during the planned NFL game times, and that the loss of the stadium property will put the port at a disadvantage as it faces strong competition from other existing and developing ports along the coast.

Regional support for the stadium is strong, and the port has remained essentially silent on the issue due to political sensitivity and not wanting to appear dismissive of a possible economic stimulant. Time is drawing close when the city council must take action to move forward, and it is pressuring the port to agree to provide the property for parking.

Details:

- Based on informal conversations with port commission members, Port Executive Director John Sherman has privately stated he doesn't believe the port can take a

formal position on the stadium proposal due to the political implications, despite the fact that media are putting increasing pressure on the port for a position statement.

- Port Commissioner Carol Mitchell (a stadium proponent) has repeatedly indicated that the port can be competitive without the stadium property and can't understand why anyone would stand in the way of the project. She is one of the two port commissioners who favor the proposal going forward and both serve on the Stadium Feasibility Committee.
- Mayor Ed Williams has made it clear that the stadium will move ahead, and has strongly and publicly criticized several individuals for opposing this "life or death" opportunity for the city.
- Port Commissioner Carl Robinson (a stadium opponent) has privately indicated to friends and associates that he believes the mayor and the two stadium proponents on the port commission (Mitchell and Grayson) will financially benefit from the stadium, primarily through nearby real estate holdings.
- The other two port commissioners (Jean Paulson and Miguel Hernandez) have not publicly indicated their position on the stadium proposal.
- One of the port's largest terminal operators has indicated its need to expand (or seek another location), and the stadium property is the only viable option.
- Several major port customers have also expressed their concern to Port Executive Director John Sherman about the proposed stadium plans.
- An environmental group that previously sued the port over a prior terminal expansion project has just announced its opposition to the proposed stadium, citing detrimental environmental impacts ranging from destruction of wetlands to an increase of polluted ground water runoff into the adjacent bay.

Recent Media Headlines:

Port Stays Mum on Stadium Proposal; Time Running Out (TV story)

Port is Only Hitch Remaining in Stadium Project (newspaper article)

Politics Likely Roadblock to New Stadium (newspaper board editorial)

Stubborn Port Could Be Local Economy's Grim Reaper (opinion article)

Mayor Privately Fuming About Port Stadium Foot-Dragging (blog post)