

# 49ers Stadium

## Frequently Asked Questions (FAQ)

(information compiled as of February 19, 2010)

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## Section I: What is proposed by the 49ers for Santa Clara?

<p><b>What kind of stadium is proposed?</b></p>	<p>The 49ers are proposing an approximate 15-acre, 68,000-seat open air stadium on land owned by the City of Santa Clara. The preliminary design features a large lower bowl that would contain 2/3 of the seats and a taller section comprised of suites and club areas that would be stacked on the west side of the stadium.</p>
<p><b>Where would it be located?</b></p>	<p>Initially, the stadium was proposed for the site currently used as the main parking lot for California’s Great America theme park. The initial location of the proposed stadium was immediately south of Tasman Drive and west of San Tomas Aquino Creek. Because of concerns from California’s Great America theme park, an alternate site was proposed – the approximately 16-acre overflow theme park parking lot, located just east of the creek, with Tasman Drive to the north, Centennial Boulevard to the East, and City utility facilities to the south. Like the land underneath the theme park, the parking lots used by the theme park are owned by the City of Santa Clara.</p> <p>In addition to Great America, neighbors of this proposed site include the City’s Youth Soccer Park, the 49ers Training Facility, the Santa Clara Golf &amp; Tennis Club, the Santa Clara Convention Center and the San Tomas Aquino/Saratoga Creek Trail. A previously planned, approved and funded, shared parking structure would be constructed on City-owned land on the north side of Tasman Drive, east of the Creek.</p>
<p><b>Would the team name change?</b></p>	<p>The 49ers organization has stated that the team will continue to be called the San Francisco 49ers even if the stadium is located in Santa Clara.</p>
<p><b>What will be the name of the stadium?</b></p>	<p>The name of the stadium will be dependent on the naming rights agreement to be negotiated with a third party as yet not known. Naming rights are a potential source of revenue for the Stadium Authority.</p>
<p><b>Will there be recognition of Santa Clara?</b></p>	<p>As with the existing 49ers training center, the stadium will be identified as being located in the City of Santa Clara with game day press television coverage and print bylines from Santa Clara.</p>
<p><b>Will parts of the stadium have information on Santa Clara’s history or have historic City names for concourses, restaurants, etc.?</b></p>	<p>This has not been a part of the stadium discussions/negotiations to date. It is anticipated that the sponsorship deals may include naming opportunities for components of the stadium, which will supply the Stadium Authority with an ongoing revenue stream.</p>

<b>Would the stadium be used year-round?</b>	The stadium would be used 10 to 12 days a year for NFL football games (20 to 22 times a year if a second NFL team were to play in the stadium). It could be used year-round for concerts, other sporting events, car shows and other events that would work in an open air stadium, subject to coordination with the theme park operations.
<b>Could the Super Bowl be at this stadium?</b>	The stadium is designed so that seating could be expanded to approximately 75,000 seats to host a Super Bowl or World Cup soccer event.
<b>Why doesn't the proposed 49ers stadium have a retractable roof?</b>	The 49ers prefer an open air stadium for their fans. In addition, City staff understands from reviewing information about other stadiums that retractable roofs on stadiums can increase construction costs by hundreds of millions of dollars.
<b>Who would own and operate the stadium?</b>	<p>The stadium would be owned and operated by a new public agency, a Stadium Authority. The Stadium Authority would be a joint powers agency formed by the City of Santa Clara and the City's Redevelopment Agency, to own and operate the proposed stadium. It would be similar to the City's Sports &amp; Open Space Authority, which is responsible for the Santa Clara Golf &amp; Tennis Club.</p> <p>The City Council Members serve as Board Members of the City's Redevelopment Agency, and as Authority Members of the City's Sports &amp; Open Space Authority. It has been recommended that the City Council Members would also serve as the Stadium Authority Board Members.</p> <p>The Stadium Authority would lease the facility to the 49ers for a 40-year initial term with five 4-year option periods for a total of 60 years, for NFL event use. The Stadium Authority will consider contracting with a management company for the day to day operation of the stadium.</p>
<b>Why wouldn't the 49ers own the stadium?</b>	Public ownership provides for a broader range of construction financing opportunities, thereby increasing the feasibility of the stadium project.
<b>Why is Santa Clara the preferred site for the 49ers?</b>	The 49ers have stated several reasons why Santa Clara is the preferred site for a new stadium, including the proximity to the team training headquarters, access of the proposed site to a variety of public transportation options, the site's central location near highways 101 and 237, and the South Bay's overall freeway and expressway network.
<b>Are the 49ers still looking at other sites outside of Santa Clara?</b>	The 49ers have stated that they will continue to look at alternative sites, including San Francisco, until the 49ers and the City of Santa Clara have a final deal in place. They continue to inform City staff that the Santa Clara site is their first choice for a stadium location.

<p><b>Can it be a joint stadium with the Raiders? With the A's?</b></p>	<p>The NFL is strongly encouraging teams to pair up in new stadium projects. At this time, no second team has been identified for the stadium. The Oakland Raiders would be the most logical team. They are working on their own stadium plans in Oakland, and are not the only possible NFL team that could play in the stadium. Although the stadium design does permit other uses such as concerts and soccer games, it is not designed for baseball.</p>
<p><b>Will the stadium be able to be used for youth sports? Other sports? For non-profit events?</b></p>	<p>There are a variety of other sporting events that can occur in the proposed stadium such as soccer games. Civic or non-profit events could also occur in the stadium.</p>
<p><b>Will the stadium be the tallest building in Santa Clara?</b></p>	<p>Following construction, the proposed stadium would be one of the tallest structures in the Bayshore North area. The stadium structure would have a maximum height of 175 feet above the ground with light standards on top of the structure reaching a maximum height of approximately 200 feet above the ground.</p>
<p><b>Will there be public art at the stadium?</b></p>	<p>This issue remains to be addressed.</p>

## Section II: What is the process – past, present and future – for City consideration of this proposal?

<p><b>What have been the key dates in the process of reviewing the 49ers proposal?</b></p>	<ul style="list-style-type: none"> <li>• November 2006 – The 49ers announce Santa Clara as the first choice site for a new stadium.</li>   <li>• January 2007 – The 49ers formally request that the City of Santa Clara conduct a feasibility study. The City Council adopts guiding principles and the process for the feasibility study, and establishes a schedule of public meeting dates (also known as “Committee of the Whole” meetings) to update Council and the public about the study and its findings.</li>   <li>• April 2007 – The 49ers present their economic study about the potential benefits of the stadium for the City of Santa Clara and surrounding region.</li>   <li>• April 2007 – The 49ers make a presentation to the City Council for construction of a stadium on City-owned land and the Council approves moving forward with an in-depth feasibility study.</li>   <li>• May 2007 – The Council reviews a study the City conducted regarding the Redevelopment Agency tax increment in the North of Bayshore Redevelopment Area that could be available to support the stadium project.</li>   <li>• June 2007 – The Council hears a City staff report evaluating the 49ers economic study about the potential benefits of the stadium, looking at the portion of impacts for the City of Santa Clara only.</li>   <li>• July 2007 – The Council hears a report evaluating the City-owned land in the proposed stadium area.</li>   <li>• November 2007 – The Council reviews an updated tax increment study of the Bayshore North Redevelopment Area that could be available to support the stadium project.</li>   <li>• December 2007 – The Council hears reports from the Chief of Police and Fire Chief on their initial evaluations of the public safety aspects and traffic/crowd control needed for the stadium proposal, and a detailed presentation on financing options for the project from the City’s Director of Finance.</li> </ul>
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- January 2008 – The feasibility study is deemed complete by the City Council. The City Manager is directed to enter into non-binding negotiations with the 49ers to develop a Term Sheet outlining the non-binding deal points for the proposal, and also directed to begin preparation of an Environmental Impact Report once the 49ers submit their project application.
- March 2008 – The City Council decides that if a Term Sheet is approved, then the Council would potentially place a measure on the November 2008 ballot asking voters about the stadium project, using the Term Sheet as the basis for ballot language.
- March 2008 – The 49ers submit their initial stadium project application to the City. Environmental Impact Report (EIR) preparation begins.
- September 2008 – The City/Agency holds two Environmental Impact Report (EIR) Scoping Meetings.
- June 2009 – At the conclusion of the non-binding negotiations with the 49ers, the City Council/Redevelopment Agency approves a Term Sheet with the 49ers Stadium Company, LLC outlining the principle financial terms and conditions under which construction and operation of an NFL stadium could occur, subject to voter approval and consideration and completion of an EIR.
- June 2009 – An Agenda Report is reviewed regarding the process and timeline for creating a City Charter Review Committee to review Charter language relating to competitive bidding for the stadium as a public works project.
- June 2009 – Council receives a report on the potential synergies between the proposed stadium and the Santa Clara Convention Center.
- June 2009 – Council receives cost and timing comparison data for the potential 49ers stadium election, and determines that in order to have the ballot measure be binding, the election would need to occur after the completion of the CEQA process. If the CEQA process is successfully completed, a binding ballot measure could be placed before the voters in spring or summer 2010.
- July 2009 – 49ers make a presentation at a City Council meeting on the stadium proposed design.
- July 2009 – Council/Redevelopment Agency takes action to amend the existing negotiating agreement between the City/Agency and the 49ers Stadium Company, LLC to proceed with the next phase of the proposed stadium project, the negotiation of the Disposition and Development Agreement.

- July 2009 – The 45-day public comment period on the draft Environmental Impact Report for the proposed project begins July 31, 2009.
  - August 2009 – Council sets the Charter Review Committee meeting schedule and discussion topics, and selects members to serve on the Committee.
  - September 2009 – The 45-day public comment period on the draft Environmental Impact Report for the proposed project is extended by 14 days to September 30, 2009, to allow additional time for public comment.
  - October 2009 – Council accepts the recommendation from the Charter Review Committee to rely on the authority granted by SB43 (Alquist) which allows a limited design/build construction process and the use of the general contractor chosen by the Stadium Authority for construction of the proposed stadium, if the stadium project is approved by the voters, rather than proposing Charter amendment language to the voters. The Agency’s proposed investment will still be publicly bid, as required by the City Charter.
  - November 2009 – Planning Commission reviews Stadium Environmental Impact Report (EIR) and recommends certification to the City Council.
  - December 2009 – Council hears request from citizen group to undertake initiative process to put the stadium proposal before the voters; Council delays consideration of City-developed ballot measure until initiative process is concluded and report is made to Council in February 2010. Council selects the date of June 8, 2010 for a possible vote on the stadium proposal.
- Council reviews the Stadium Environmental Impact Report and certifies that the EIR was completed in compliance with the California Environmental Quality Act (CEQA), and that the EIR reflects the independent judgment of the City.
- June 8, 2010 – Santa Clara voters will have the opportunity to vote on the stadium project.
  - Summer 2010 – If ballot measure is successful, the City will proceed with the creation of a Joint Powers Authority (“Stadium Authority”) and negotiate a Disposition and Development Agreement and other agreements between the City/Redevelopment Agency/Stadium Authority and the 49ers Stadium Company, LLC.
  - Year 2012 - Should the project move forward, construction is estimated commence on the proposed stadium.

	<ul style="list-style-type: none"> <li>• Year 2014 - Should the project move forward, it is estimated the stadium would be complete and operational for the 2014 football season.</li> </ul>
<p><b>Why was an environmental review required?</b></p>	<p>The California Environmental Quality Act ("CEQA") contains requirements that specify when a project must undergo an environmental review. The purpose of CEQA is to evaluate a range of potential environmental impacts of projects. If a project might have a significant environmental impact, CEQA requires the preparation of a thorough environmental analysis, such as provided in an Environmental Impact Report (EIR). According to CEQA Guidelines Section 15121, an EIR is an informational document that informs public agency decision makers and the public of the significant environmental effect of a project, identifies possible ways to minimize the significant effects of the project, and describes reasonable alternatives to the project. The public agency considers the information in the EIR along with other information that may be presented to the agency, prior to approving the project.</p>
<p><b>How does the City typically approach development of City-owned land?</b></p>	<p>The policy of the City of Santa Clara regarding development of City-owned land is to lease the land, long-term, to a developer who builds and owns any improvements constructed on the site and makes land-lease payments to the City. The developer selection process is typically conducted through an open, competitive Request for Qualifications and/or Request for Proposal process. This policy has helped to ensure a long-term revenue stream for the City that is protected from outside impacts. As an example, the City has a long-term lease with California's Great America theme park. More than 100 acres of City-owned land is leased to Cedar Fair, the operator of Great America, and land-lease payments of more than \$5.3 million a year are made into the City's General Fund. With a typical approach to a developer's proposal to place a project on City-owned land, the City may pay for infrastructure improvements that make the site more amenable to development. Typically the City does not invest funds in a private development project.</p> <p>Lease revenue has helped to ensure a long-term and steady revenue stream to support the City's General Fund, a revenue stream that is protected from outside impacts. In fiscal year 2008-09, the City's General Fund budget received slightly more than \$14 million in lease revenues.</p>
<p><b>Did the study find that the stadium proposal is "feasible"?</b></p>	<p>The outcome of the feasibility study was that the proposal from the 49ers to build a football stadium in the City of Santa Clara is feasible, but that there were many outstanding issues that needed to be resolved for the project to move forward, including a vote of Santa Clarans.</p>

<p><b>What is being negotiated with the 49ers?</b></p>	<p>The City Council directed the City Manager in January 2008 to begin non-binding negotiations with the 49ers on the stadium project; the result was the development of a non-binding Term Sheet that was approved by the Council/Redevelopment Agency in June 2009. The negotiations were lengthy due to the complexity and size of the proposed project. An additional consideration was the general instability of the economy. The Term Sheet provides the framework for the next step of negotiations, which is the Disposition and Development Agreement (DDA) for the project. City staff is currently negotiating with the 49ers Stadium Company LLC on the details of the DDA for the project.</p>
<p><b>Do the negotiations and the approval of the Term Sheet commit the City to the stadium?</b></p>	<p>No. The Term Sheet is non-binding. In addition, Council has committed that Santa Clara voters will decide whether or not the project moves forward. Should the vote be in favor of moving the project forward, the City and the 49ers still have issues to resolve before the project can proceed. If the parties cannot reach agreement on key terms, negotiations can be terminated without penalty. Additionally, either party can decide not to proceed with the project without penalty.</p>
<p><b>Why did the Term Sheet take so long to negotiate?</b></p>	<p>There are only 31 NFL stadium facilities in the country (two teams share one facility), and the issues involved in planning for the successful construction and operation of such a stadium, while protecting the City's General fund from exposure, takes careful consideration and discussion.</p>
<p><b>When would construction begin?</b></p>	<p>The earliest construction could begin would be 2012. Construction is estimated to take approximately 29 months. The 49ers' goal is to have the stadium open for the 2014 football season.</p>
<p><b>When will Santa Clara be able to vote on the stadium proposal?</b></p>	<p>The Council has determined that this matter will be placed on the June 8, 2010 ballot for Santa Clara voters.</p>
<p><b>Who pays for the election and what will it cost?</b></p>	<p>This matter is still to be determined. If the election is held as planned in June, potential costs for a June 2010 ballot measure are approximately \$380,000.</p>

### Section III: How much will the stadium cost and how will it be financed?

<p><b>What is the estimated cost for building this stadium and related improvements, and what are the potential sources of funds?</b></p>	<p>The cost of construction of the stadium is currently estimated at approximately \$900 million. The 49ers are proposing that construction be funded with money from the following sources:</p> <ul style="list-style-type: none"> <li>- \$493 million from the 49ers and the National Football League.</li> <li>- \$330 million from Stadium Authority generated revenue such as naming rights, seat licenses and vendor contracts.</li> <li>- \$35 million from a financing district (such as a Mello Roos Community Facilities District) currently anticipated to consist of eight hotels located in the vicinity of the proposed stadium location. The 49ers Stadium Company LLC will advance the difference between the maximum Community Facilities District investment of \$35 million and the total proceeds of the bonds; under current economic conditions the Agency estimates that a 49ers advance of approximately \$20 million would be required.</li> <li>- \$42 million from the Redevelopment Agency (this amount includes \$2 million for development fees). Funds are from Redevelopment Agency tax increment including bond proceeds. The 49ers Stadium Company LLC will advance the difference between the maximum Agency investment and the Agency upfront investment; under current economic conditions, the Agency estimates that a 49ers advance of approximately \$12 million would be required.</li> </ul> <p>No General Fund monies will be used for the project.</p> <p>In addition to the estimated \$900 million cost for the stadium, public funds will be used for two additional, stadium related improvements:</p> <ul style="list-style-type: none"> <li>• \$17 million from the Redevelopment Agency for construction of a parking garage. [\$42 million has been budgeted for an approximate 1,700 space garage. Assuming the stadium moves forward, the Redevelopment Agency has committed to provide Great America with replacement parking for the current overflow parking. Approximately 700 spaces (or 40% of the garage) in the garage would be provided for Great America's use, so 40% of the costs of the garage is being allocated as a stadium related cost.]</li> <li>• \$20 million from the Electric Utility for relocation of the City's Electric Utility substation</li> </ul> <p>(continued on next page)</p>
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<p><b>A portion of the hotel financing district and RDA contributions will be advanced by the 49ers, right? How will this work?</b></p>	<p>As mentioned in the prior question and answer, the 49ers will advance a portion of the \$35 million hotel financing district and \$42 million Redevelopment Agency (RDA or "Agency") contributions.</p> <ul style="list-style-type: none"> <li>• 49er Advance to the Agency - The 49ers will advance the remaining amount needed to fully fund the \$42 million contribution to the stadium if Agency funds from bonds and cash are not sufficient. It is estimated that an advance of \$12 million will be required.</li> <li>• 49er Advance to the hotel financing district - The 49ers will advance the remaining amount needed to fully fund the \$35 million contribution to the stadium if bond proceeds raised by the hotel financing district are not sufficient. It is estimated that an advance of \$20 million will be required.</li> </ul> <p>Advances to the Agency and hotel financing district will be repaid over time with interest. Since the 49ers will be repaid, the advances are not included as part of the approximately \$493 million 49er and NFL contribution toward stadium construction. Additionally, these advance numbers are estimates projected in current economic conditions. The advance amounts from the 49ers may be more or less than the projected amounts at the time the financing occurs.</p>								
<p><b>What is the proposed funding source for moving the substation and is the move budgeted?</b></p>	<p>The primary funding source for the relocation of the Tasman Substation will be the Unallocated Appropriations of capital funds. These funds are from previously approval capital projects for the utility that are no longer needed, or the funds that remain after the completion of projects. The largest source of unallocated funds will be from the Natural Gas Reserve Purchase Project which is no longer needed. The relocation cost is not current listed in the utility's budget.</p>								
<p><b>What does the City view as the total cost to the City and Redevelopment Agency for the proposed stadium on City owned land?</b></p>	<p>No cost to the City's General Fund</p> <table style="width: 100%; border-collapse: collapse;"> <tr> <td style="width: 60%;">City Redevelopment Agency</td> <td style="text-align: right;">\$42 million</td> </tr> <tr> <td>Parking garage construction</td> <td style="text-align: right;">\$17 million</td> </tr> <tr> <td>Electric substation relocation</td> <td style="text-align: right;"><u>\$20 million</u></td> </tr> <tr> <td><b>Subtotal</b></td> <td style="text-align: right;"><b>\$79 million</b></td> </tr> </table>	City Redevelopment Agency	\$42 million	Parking garage construction	\$17 million	Electric substation relocation	<u>\$20 million</u>	<b>Subtotal</b>	<b>\$79 million</b>
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<p><b>The media reported a \$114 million commitment that the City would be making. Where does this figure come from?</b></p>	<p>As noted in the prior question, the Redevelopment Agency and Electric Utility commitments are \$79 million. If you add the potential commitment of \$35 million from a financing district (such as a Mello Roos Community Facilities District) currently anticipated to consist of eight hotels located in the vicinity of the proposed stadium location, the total is \$114 million. While the City would administer the proposed financing district, the funds from the financing district would come from a special tax on the hotel revenues. This special tax requires a vote of the eight affected hotels.</p>
<p><b>Where would the Stadium Authority obtain its funds for stadium construction?</b></p>	<p>The \$330 million proposed contribution by the Stadium Authority would be generated from the sale of stadium seat licenses and stadium naming rights, ticket surcharges, and other sources of revenue. Other sources of revenue include pouring rights, a fee paid by beverage companies to have exclusive distribution rights at the stadium and concessionaires, and food and souvenir vendors' contracts providing rights to do business at the stadium for a fee. Some of these revenues, which could be in the millions of dollars, could be received up front to help pay for construction. The Stadium Authority may borrow against the stream of future payments from these revenue sources.</p>
<p><b>Who is responsible to provide funds for the \$330 million contribution to stadium construction? What if the \$330 million does not materialize?</b></p>	<p>As mentioned in the previous question, the \$330 million designated in the overall proposed stadium construction budget is derived from stadium project revenues, such as naming rights, seat licenses, and concessionaire contracts. These project revenues are created by the stadium project. The City, its General Fund, Enterprise (utility) funds and Redevelopment Agency have no obligation to fund the \$330 million.</p> <p>Prior to moving forward with the project, a detailed construction finance plan will be developed. If sufficient funds are not available, then the 49ers Stadium LLC either makes up the difference or the project does not go forward (see Article 7 in the Term Sheet).</p>
<p><b>What if construction costs for the stadium increase?</b></p>	<p>The amount of funds invested by Agency is capped so any increase in construction costs would be the responsibility of the 49ers. Under the 49ers proposal and as stated in the Term Sheet, neither the Stadium Authority nor the City or its Redevelopment Agency would be responsible for stadium construction cost overruns.</p> <p>The Redevelopment Agency would be responsible for the construction cost overruns of a parking garage, but that project was planned and bonds issued for its construction prior to the stadium proposal. Only a portion of the garage costs are considered stadium related costs.</p> <p>The Electric Utility would be responsible for construction cost overruns for moving the Electric Utility's substation farther away from the stadium's proposed location.</p>

<p><b>Will the Redevelopment Agency ever get back the money it has invested and turn a profit on its investment in the stadium?</b></p>	<p>The Redevelopment Agency fund would have a negative return on investment, but that is typical when Redevelopment Agency funds are used for a project in the Redevelopment Area.</p> <p>If a second team plays at the stadium the Redevelopment Agency's upfront investment in the stadium will be repaid to the Redevelopment Agency and would flow to the City.</p> <p>It is anticipated that there will be a positive return to the City's General Fund under both a one-team and a two-team scenario.</p>
<p><b>Will the City receive payment for the City-owned land proposed to be used for the Stadium site?</b></p>	<p>Yes, the City will receive a ground lease payment projected to total \$196 million (\$26 million NPV) over the 40 year initial term of the lease (with one team; the amount would be greater with two teams). This includes the fixed component of ground rent which totals \$41 million (\$8 million NPV) and the performance-based component of ground rent projected to total \$155 million (\$18 million NPV). The actual amount of performance based rent may be higher or lower than projected depending on the amount of revenue generated from non-NFL events held at the stadium.</p>
<p><b>What else beside rent will the City receive?</b></p>	<p>Under the Term Sheet, there would be a Senior and Youth Fee applied to NFL tickets, generating not more than \$250,000 annually, which would be paid to the City's General Fund, and which could be allocated during the budget process for senior and youth purposes.</p>
<p><b>Are there any known financial impacts to the City's General Fund as a result of the proposed stadium?</b></p>	<p>In addition to the positive return to the City's General Fund mentioned in an earlier question, the City and the Agency have entered into a Cooperation Agreement that provides for the Agency to pay to the City the cost of certain land transferred by the City to the Agency. The Agency payments are to be made from tax increment, to the extent the tax increment is not necessary for other redevelopment activities of the Agency, as well as from lease revenues.</p> <p>As a result of the stadium project, it is likely that tax increment will not be available to make payments to the City although the stadium will not impact the lease revenues paid by the Agency to the City. Quantifying the impact of the stadium on the City's potential payments under the Cooperation Agreement involves projections regarding a number of factors including the growth in tax increment and the debt service repayment of existing bonds as well as bonds that may be issued for the stadium. An analysis prepared by Keyser Marston using the best information available at the time projected that potentially \$67 million in tax increment funds that might otherwise be paid to the City will not be available to the City as a result of the stadium project. Under the terms of the Cooperation Agreement, any new redevelopment project undertaken by the Agency could result in payments to the City being deferred or delayed depending upon the Agency's tax increment contribution to the projects.</p>

	Regardless of the stadium project or any other project undertaken by the Agency, the City's General Fund is projected to be paid in full for the Cooperation Agreement obligations, but over a longer period of time, from lease revenues from existing ground leases in the Bayshore North Redevelopment Area.
<b>Why is a tax on the 8 closest hotels proposed as a possible funding source and how would it work?</b>	<p>According to the economic studies completed by the 49ers and by the City, these 8 hotels are expected to benefit significantly from the proposed football stadium, primarily from home game weekend bookings in fall and winter, which is historically the slowest booking period for hotels located in a business district. The 8 hotels have 2,600 of the 3,800 hotel rooms (68%) currently found in the City. The financing district would be enacted by a vote of the hotel landowners proposed to be involved.</p> <p>Hotel landowners would each get one vote for every acre of property they own; a two-thirds vote would be required to establish this district. If the district were approved, guests at these hotels would pay the equivalent of an additional estimated 2% tax above the cost of the room. It is estimated this additional tax would generate revenues adequate to generate \$35 million to be used towards the construction of the stadium.</p>
<b>Will hotels in the district still generate Transient Occupancy Tax?</b>	The financing district does not affect the Transient Occupancy Tax (TOT), currently 9.5% in the City of Santa Clara, that is levied on every hotel/motel room in the City. Guests of the eight hotels in the special assessment district will pay an additional tax – discussed in the prior question and estimated to be 2% at this time -- that will be itemized on their bill. The 9.5% TOT itself would still support the City's General Fund; in fiscal year 2008-09, the TOT generated approximately \$9 million of the approximately \$132 million in total revenues received to support the City's General Fund budget. The City retains the right and ability to increase the TOT in the future, subject to voter approval. The City's current rate of 9.5% is one of the lowest in the area.
<b>Will the City donate the land for the stadium?</b>	No. The City will continue to retain ownership of the land. Under the Term Sheet, the land would be leased to the Stadium Authority, and the 49ers would lease the stadium from the Stadium Authority for NFL events. The 49ers would pay rent to the Stadium Authority, and the Stadium Authority will pay rent to the City.
<b>Will the City pledge its resources to guarantee a bond?</b>	No. Neither the City nor its Electric Utility will pledge any resources to guarantee bonds on any other debt related to the stadium project.
<b>Would any other utility funds be utilized to help pay for the stadium?</b>	Other than potentially using \$20 million of Electric Utility funds to pay for the relocation of the electric substation, by City Charter no other utility funds could be used for construction of a stadium, and no utility funds or assets could be used to repay bonds issued related to the stadium.

<p><b>What is the difference between the City of Santa Clara Redevelopment Agency Funds and the City's General Fund budget money? Aren't they all public money?</b></p>	<p>Yes, all tax increment (funds accrued in the Redevelopment Area) and City general funds are public monies. The City has different budgets that have different purposes and are distinct from one another. The City has been adamant from the beginning that no General Fund monies or resources could be used for the proposed stadium project. The General Fund is the City budget that pays for services such as libraries, parks, streets, public safety, etc.</p> <p>The City has also stated it will not use utility funds from Electric, Water, Refuse and/or Sewer Utilities for this project, with the exception of the cost of the proposed relocation of an existing electric substation. Utility funds may only be used for utility purposes. The relocation of a substation is considered to be appropriate use of utility funds.</p> <p>Redevelopment Agency funds (also known as "tax increment") are derived from increased property tax paid within the geographic boundaries of the City's Bayshore North Redevelopment Area. Use of Redevelopment Agency funds are governed by the California Redevelopment Law and are generally limited to public improvements, capital improvement projects, affordable housing and other costs that benefit the Redevelopment Area.</p> <p>Redevelopment Agency funds cannot be used for General Fund operating or capital purposes. As an example, Redevelopment Agency funds could not be used for either the funding or operation of a new George F. Haines International Swim Center, as the center is not in a Redevelopment Area, and would not be for Redevelopment Agency purposes. Additionally, Redevelopment funds cannot generally be used for the operation and maintenance of facilities built in the Redevelopment Area, they are primarily committed to building structures for the benefit of the Redevelopment Area.</p>
<p><b>Why would the City build a garage and not the 49ers?</b></p>	<p>The parking garage has been a proposed project that the Redevelopment Agency has planned to undertake for some years and was planned prior to the stadium proposal. The long-planned parking garage is mainly designed to meet the needs of the expanded Convention Center, along with the City's parking obligation under the lease with the Hyatt Regency hotel. Additional spaces will be available for use by the theme park and the proposed stadium.</p>
<p><b>Will a 1,700 space parking garage be big enough?</b></p>	<p>Of the 1,700 garage spaces, a portion of those spaces are required to meet the lease requirements of the Hyatt Regency hotel if they exercise their expansion option in the lease. Another approximately 700 spaces will be required to meet the parking requirements of Great America theme park. The remaining spaces in the parking garage can be used by the Convention Center, or on game day by the stadium. Game day stadium parking requires over 19,000 parking spaces, so this garage is only a piece of the larger parking requirement for the stadium.</p>

<p><b>Why would the City pay for moving the Tasman electric substation?</b></p>	<p>Moving the electric substation away from the site of a stadium would be considered a beneficial investment by the City that would be important for system safety, security and reliability. It is an infrastructure change, but one that would not be made at this time if the stadium were not to be located there, so the City considers it to be a cost of the project. It would be appropriate and possible to utilize Electric Utility funds to relocate the substation. It is estimated it will cost approximately \$20 million to move this substation, which serves about 10 to 15% of the City electric load.</p>
<p><b>How much police service will be needed on game days and who pays for it? What if there is a major incident in another part of the City? Will police have capacity to handle it if they are tied up at the stadium? Won't extra hours on duty exhaust officers and result in more injuries or costs to the City?</b></p>	<p>The City will ensure that on game day there are sufficient police officers to serve the entire City. There will be a certain number of off-duty Santa Clara officers who can volunteer for an assignment, paid by the Stadium Authority, to control traffic and game day activity related to the stadium. It is estimated that between 150 and 200 sworn officers would be needed for any particular game. These officers would come from Santa Clara and surrounding jurisdictions. A public safety group is proposed, led by the City of Santa Clara Chief of Police. The Stadium Authority will pay for the cost of these officers for game related operations.</p> <p>The 49ers operations staff and the Santa Clara police department will prepare a budget each year that will vary from game to game, depending on the opponent and public safety intelligence particular to the game. The Chief is very cognizant of limiting the use of Santa Clara officers to allow them to work other off-duty assignments but more specifically to not exhaust them in their day-to-day responsibilities.</p>
<p><b>If police officers get paid overtime, won't that increase the City's costs later for retirement benefits?</b></p>	<p>No. Overtime is not included for purposes of calculation for retirement.</p>
<p><b>Does the stadium qualify for any federal or state stimulus dollars?</b></p>	<p>No.</p>

<p><b>Why can't other cities like San Jose and Sunnyvale, and/or the County, also invest in the stadium since they will benefit with hotel room nights, restaurant patronage, and in other ways?</b></p>	<p>The opportunity has been there for joint participation, but to date, no other public agency has chosen to partner in this project.</p>																				
<p><b>What would the Redevelopment Agency's investment in the stadium be used for if not for the stadium?</b></p>	<p>The Redevelopment Agency's investment could be used for other projects that meet the goals of the entertainment district of the Redevelopment Plan Area. However, no other project has been proposed.</p>																				
<p><b>Did the Council look at other proposals for the property and the revenue and benefits those types of projects might generate, instead of the proposed stadium?</b></p>	<p>Although there were no other specific proposals from developers for use of the City land, at the January 15, 2008 City Council meeting, Council received a report from the Agency's economic consultant that analyzed alternate development scenarios for a 15-acre site comparable to the proposed stadium land footprint. They presented comparisons of the proposed stadium project's direct, indirect and induced economic benefits against a Class A office building, and an entertainment-themed retail center consistent with the general area's tourism/entertainment designation. At the time of the report, and as of January, 2010, there are no specific proposals for either the retail or office alternatives, and no feasibility analysis has been completed. The consultant stated that both comparisons are hypothetical, and were presented in 2007 dollars, as that was the time the report was created.</p> <table border="1" data-bbox="522 1365 1396 1659"> <thead> <tr> <th colspan="2">City of Santa Clara Benefits (2007 dollars)</th> <th>Retail/ Entertainment Use on Stadium Site</th> <th>Previous "Highest &amp; Best Use" Comparison Class A Office on Stadium Site</th> </tr> </thead> <tbody> <tr> <td>Building Area</td> <td>Stadium</td> <td>150,000 sq. ft.</td> <td>650,000 sq. ft.</td> </tr> <tr> <td>Economic Activity</td> <td>\$41M</td> <td>\$56M</td> <td>\$360M</td> </tr> <tr> <td>Employment (FT)</td> <td>515</td> <td>710</td> <td>2,340</td> </tr> <tr> <td>Personal Earnings</td> <td>\$17M</td> <td>\$23M</td> <td>\$160M</td> </tr> </tbody> </table> <p>The figures include direct, indirect and induced benefits except for the "highest and best use" comparison based on direct benefits only. Stadium benefits were separated from training facility benefits per KMA memo dated June 1, 2007, and posted on the City's website. Direct benefits include the gross revenues,</p>	City of Santa Clara Benefits (2007 dollars)		Retail/ Entertainment Use on Stadium Site	Previous "Highest & Best Use" Comparison Class A Office on Stadium Site	Building Area	Stadium	150,000 sq. ft.	650,000 sq. ft.	Economic Activity	\$41M	\$56M	\$360M	Employment (FT)	515	710	2,340	Personal Earnings	\$17M	\$23M	\$160M
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	<p>employment and payroll of the business. Indirect impacts are associated with businesses down the supply chain from the business experiencing the direct impact. Office tenants, as an example, might also employ contracted services like accounting and legal or other suppliers. Induced benefits are the household expenditure impacts of direct and indirect employees, when the employees and contracted service support employees spend their earnings in the local economy.</p> <p>Economic benefits generated by a retail/entertainment project on the stadium site are approximately 35% to 40% greater than the stadium and are 15% to 30% of the office alternative due to factors including lower development intensity and lower average economic activity and earnings per employee with retail in comparison to office.</p> <p>Compensation of employment generated by the stadium and retail/entertainment uses is estimated at \$33,000 and \$32,000 per year respectively (average annualized full time compensation). Amounts were computed from projected personal earnings and the number of full time employees. For the office project, average compensation was assumed to be approximately \$60,000 per year on average (the average includes some part time workers and is equivalent to approximately \$68,000 on an annualized full time basis). Economic benefits of the stadium were expressed annually in terms of net present value over the then proposed 30 year lease term.</p> <p>Again, the comparisons to a retail/entertainment project or Class A offices are hypothetical as no projects such as these have been proposed. Other related questions can be found in Section V: “What are the proposed benefits of this (stadium) proposal?” and Section VI: “What are the proposed impacts of this (stadium proposal?” of these questions and answers.</p>
<p><b>Can RDA funds be used only for construction or can it be used for “seed” money to bring businesses into Santa Clara?</b></p>	<p>Redevelopment Agency (RDA or “Agency”) funds are primarily restricted to construction, and cannot be used for operation and maintenance. The Agency has focused on projects, not on “seed” money to bring in businesses.</p>

<p><b>Are the RDA funds restricted to the Bayshore North Redevelopment Area?</b></p>	<p>Yes, the Redevelopment Agency (RDA or “Agency”) funds generated in the Bayshore North Redevelopment Area are restricted for use in that area, with some exceptions. The major exception is for affordable housing; Agency funds can be used for affordable housing outside the Bayshore North Redevelopment Area.</p>
<p><b>How much has the City spent on consultants to study the stadium issue?</b></p>	<p>As of July 2009, the City and its Redevelopment Agency have appropriated \$2.1 million in funds for consultants to assist City staff with the stadium proposal. As of December 2009, more than half of these funds have been expended.</p> <p>Typically, as any large project is being considered for City land, the City would pay for consultants to provide advice to the City on the project from legal, financial, economic or other standpoints. The City pays for its own consultants to ensure that it is clear that they are working in the interests of the City.</p> <p>Once a determination has been made that a project makes some initial sense for the City land in question, and is going to proceed through the approval consideration process, project costs such as the cost for the consultant to develop the EIR, are charged to the developer. It is typical for a city to manage the EIR process and to work directly with the EIR consultant, and that the developer would pay for the cost of the EIR consultant. The 49ers are therefore responsible for the costs of the EIR consultant.</p> <p>There will be a second phase of the consulting budgets created to proceed through the Disposition and Development Agreement process (approximately the first half of 2010).</p>
<p><b>How much staff time has been spent so far on this project? How much more staff time will be needed? How much during construction? How much after the stadium opens? Is the City’s General Fund footing the bill for all this?</b></p>	<p>Since staff began work on this project in early 2007, thousands of hours of collective time have been spent on this project. Staff time has been tracked since August 2008 so that the time may be reimbursed from financing proceeds as stadium project costs. If the project continues to progress forward, significant additional staff time will be needed through the construction phase. Individual City staff participants will change out depending on the needs at the time, but significant time commitments will be necessary to see the project through to completion. Costs will be tracked and reimbursed as a stadium project cost.</p> <p>After the stadium opens there will need to be oversight and coordination between the stadium facility manager, the team and the Stadium Authority. All staff time spent to the financing phase of the project will be reimbursed from financing proceeds. All staff support in the operation of the stadium will be an expense of the Stadium and dealt with in the annual budget process.</p>

<p><b>Who are the consultants that have been working for the City?</b></p>	<p>These are the primary consulting firms working for the City on the stadium project to date:</p> <ul style="list-style-type: none"> <li>• Keyser Marston Associates, fiscal and economic consultants;</li> <li>• Goldfarb &amp; Lipman, Redevelopment Agency counsel;</li> <li>• KNN, financial advisors</li> <li>• Jones Hall, bond counsel</li> <li>• Goodwin Consulting Group, hotel financing district advisors</li> </ul>
<p><b>If the Stadium Authority budget has a surplus – a “profit” – where would that money go?</b></p>	<p>If the revenues accruing to the Stadium Authority are greater than what is needed for operating costs, the net income would be allocated to different funds in the following priority.</p> <p>The first \$1 million of any additional monies would go to a capital-reserve account that would be set aside to pay for facility improvements needed over time, as the stadium ages.</p> <p>The next \$1 million in surplus revenues to the Stadium Authority would go to the City General Fund as additional ground rent, followed by deposits of \$2 million to a reserve account for operations.</p> <p>Any additional money would then be split three ways, with 1/3 to the City as additional ground rent, 1/3 to the stadium capital reserve fund and 1/3 to cover future stadium operating costs.</p> <p>City financial projections do not anticipate there will be significant additional money to divide in this manner.</p>

**Section IV: Who will operate the stadium and how will the stadium be used year-round?**

<p><b>Who would operate the proposed stadium?</b></p>	<p>The stadium will be operated by the Stadium Authority. The proposed Stadium Authority would be a new public agency, formed by the City of Santa Clara and the City’s Redevelopment Agency, to own and operate the proposed stadium. It would be similar to the City’s Sports &amp; Open Space Authority, which owns and operates the Santa Clara Golf &amp; Tennis Club. The Stadium Authority may contract with an experienced management company, or make other arrangements to provide day-to-day operations.</p>
<p><b>What would the relationship be between the Authority and the 49ers?</b></p>	<p>It is proposed that the Stadium Authority lease the stadium to the 49ers for NFL events for an initial lease term of 40 years with a series of options that total an additional 20 years. The relationship would be landlord and tenant, similar to the relationship between the City of Santa Clara and California’s Great America theme park.</p>
<p><b>How much control will the City have over stadium operations?</b></p>	<p>The City Council will serve as the Stadium Authority Board. It is expected that City staff will provide some staffing to the Stadium Authority. It is expected that the 49ers lease will provide the 49ers with some rights to consult over the stadium operations and budgeting.</p>
<p><b>Will there be fireworks in the stadium on July 4<sup>th</sup>?</b></p>	<p>That would be determined by the Stadium Authority. It is one possible use of the stadium.</p>
<p><b>When will the Super Bowl be in Santa Clara?</b></p>	<p>The 49ers would compete with all other NFL teams for the opportunity to host the Super Bowl, although new stadiums seem historically to have an advantage.</p>
<p><b>Will the stadium have healthy food? Vegetarian food? Ethnically diverse food?</b></p>	<p>There will be a diverse offering of food types at the stadium. Specific food offerings will not be known until a primary concessionaire is selected and a menu created.</p>
<p><b>How will people get from the train station to the stadium?</b></p>	<p>They will be able to walk on designated, controlled pathways to the stadium. The walk from the ACE train station under the Tasman Drive bridge is approximately one-quarter mile to the proposed front gate of the stadium.</p>
<p><b>Will the stadium be accessible from the Guadalupe and San Tomas Aquino Creek Trails?</b></p>	<p>Tasman Drive will be accessible from the Creek Trail and from that point the stadium would be accessible.</p>

## Section V: What are the potential benefits of the proposal?

<p><b>Will the stadium generate revenue for the City?</b></p>	<p>In addition to a guaranteed fixed base rent, the stadium has the potential to generate funds for the City from non-NFL events. Generally speaking, 50% of profits from non-NFL events at the stadium would go to the City and 50% would go into the Stadium Authority. How much profit could be generated depends on the number of events, and how many are profitable. Several factors must be taken into consideration in selecting non-NFL events for the stadium, including the kinds of events that can be held in large, open air stadiums; weather factors; potential impacts to the operations of the adjacent theme park, other nearby businesses, and residential neighborhoods; etc.</p>
<p><b>Are there other economic benefits to the City?</b></p>	<p>An economic benefits study estimates the stadium will generate \$41 million in annual economic activity, which is calculated on gross new receipts for businesses in Santa Clara. The stadium would add 515 full-time equivalent jobs and \$17 million in annual personal earnings (not including benefits), plus construction jobs.</p> <p>The 49ers and the City each did an economic study. Santa Clara's economic study agreed with most of the findings of the 49ers' study, with some exceptions: The 49ers study included benefits to the City and the region; Santa Clara's study focused on benefits to the City only. The 49ers study included benefits from a new stadium and from the existing 49ers Training Center; Santa Clara's study included benefits only from a new stadium, as the 49ers Training Center has been in Santa Clara since 1988.</p>
<p><b>Who did the economic study?</b></p>	<p>The study for the 49ers was performed by Convention Sports &amp; Leisure (CS&amp;L) International. The City's economic consultant, Keyser Marston and Associates, completed the City's study.</p>
<p><b>Will the stadium bring in other businesses?</b></p>	<p>It is anticipated that the stadium and the adjacent theme park could become the center of an entertainment district that would be appealing to new businesses.</p>
<p><b>Will the stadium bring in visitors/tourists?</b></p>	<p>The use of the stadium for football games, concerts, or other events is expected to bring 1.2 million visitors a year to Santa Clara. This is expected to result in approximately 30,000 additional hotel room nights per year in Santa Clara. These figures are based on a single team's use of the stadium.</p>

<p><b>Will the stadium generate funds for local schools?</b></p>	<p>The Redevelopment Agency's authority to issue new bonds or incur new debt expired in 2004 pursuant to the terms of the Bayshore North Redevelopment Plan. Under California redevelopment law, the redevelopment plan may be amended to eliminate the debt incurrence time limit. Such an amendment triggers a requirement that the redevelopment agency pass through (that is, pay) a portion of the tax increment revenue, generated in the redevelopment area after the amendment, to the taxing agencies, including the school district. It should be noted that before the Redevelopment Agency could undertake any new project, a redevelopment plan amendment would be necessary to eliminate the debt incurrence limit, which would require the statutory pass-through payment.</p> <p>If the Redevelopment Agency amends the redevelopment plan to eliminate the debt incurrence time limit, based on current tax increment projections, the City's Redevelopment Agency would collect \$19 million more over its lifetime, the Santa Clara Unified School District would gain approximately \$22 million, the County Office of Education would gain approximately \$3 million, and Mission College would gain approximately \$3 million. These figures are all Net Present Value (NPV).</p>
<p><b>Will any agency lose property tax revenue if the redevelopment plan is amended to eliminate the debt incurrence time limit as described in the prior question?</b></p>	<p>Amendment of the Redevelopment Plan would allow the Redevelopment Agency to incur additional debt which in turn would allow the Agency to continue to collect tax increment for the remaining life of the Bayshore North Redevelopment Plan. Based on current projections of tax increment generation, it is expected that without the amendment to the Redevelopment Plan, the Agency's debt would be fully repaid prior to expiration of the Redevelopment Plan and tax increment will revert to the taxing agencies rather than being received by the Redevelopment Agency.</p> <p>The projections indicate that the amendment would result in a reduction in the amount of property tax expected to be collected by the City of Santa Clara of approximately \$8 million with an increase in the tax increment to be collected by the Redevelopment Agency in the amount of \$19 million. These figures are all Net Present Value (NPV).</p> <p>Additionally, property tax revenue to the County of Santa Clara may be up to \$4 million less and revenues to other local (non-school) agencies including the Santa Clara Valley Water District are estimated to be \$5 million less as a result of the amendment and the Redevelopment Agency's ability to continue to collect tax increment. This topic was originally discussed at the City Council meeting of January 15, 2008 when Council considered the findings from the City's feasibility study. Updated estimates were included in an Agenda Report for the June 2, 2009 City Council meeting regarding the Stadium Term Sheet.</p>

<p><b>In the Term Sheet presentation materials from the June 2, 2009 Council meeting, staff stated the maximum General Fund potential benefit from <u>no</u> stadium project as \$98 million (Net Present Value, or NPV) and the General Fund return from a stadium project as \$31 million (NPV).</b></p> <p><b>Regarding this, there are four questions (see right for questions and answers):</b></p>	<p>1. Do these numbers reflect the effects on the General Fund over the 40-year stadium lease, or do the numbers reflect some other term?</p> <p>a) The Cooperation Agreement effects occur during the time period the Redevelopment Agency is authorized to receive tax increment (through 2026).</p> <p>b) SB 211 effects also occur during the time period the Agency is authorized to receive tax increment (through 2026). The estimate is based on comparing 1) pass-through payments by the Agency to the City triggered with an SB 211 amendment; and 2) regular property taxes the City would receive if the Agency did not adopt an SB 211 amendment or proceed with the proposed stadium and consequently the Agency’s collection of tax increment ends early (before 2026).</p> <p>c. City land for the proposed stadium site is based on the estimated current value of the land at \$35 per square foot unencumbered.</p> <p>2. What is the Net Present Value (NPV) discount rate used in the calculations per year, stated as a percent? A 6% discount rate was used.</p> <p>3. If the Cooperation Agreement return to the General Fund is \$67 million (NPV) over 40 years, is it fair to say that the nominal yearly payment due to pay the Cooperation Agreement is about \$5.96 million a year de-rated at 6% per year for 40 years from 2014 to 2053? The payments are not amortized on a level basis, but rather flow based on the Agency’s ability to retire/work down superior obligations (e.g., bonds) freeing up funds to pay the Cooperation Agreement.</p> <p>4. Are the General Fund effects from the Cooperation Agreement and the SB 211 pass-through requirement effective for the period 2009-2013, prior to the stadium opening?</p> <p>a) For the Cooperation Agreement, effects are minimal or zero prior to fiscal year 2012/2013. This is because tax increment funds are anticipated to be needed for existing superior obligations and would not be available to pay the Cooperation Agreement. Also see question #3, above.</p> <p>b) An SB 211 amendment is needed for the Agency to enter into an agreement with the 49ers (or to enter into any other new Agency debt obligation). Required pass-through payments begin in the fiscal year following adoption of the amendment and were assumed to begin in fiscal year 2011-2012 for purposes of the analysis (also see the response to #1b, above).</p>
<p><b>What happens if the RDA cannot pay off the bonds? Who is “on the hook?”</b></p>	<p>Any bonds issued by the Redevelopment Agency (RDA or “Agency”) related to the stadium would be secured only by the Agency’s tax increment. The City would not be required to use its General Fund, Enterprise (utility) funds, or any other source of funds to repay those bonds.</p>

<p><b>Will residents get reduced ticket prices? Does the Term Sheet provide Council Members or the City free tickets? Will there be a City luxury box?</b></p>	<p>No. Residents will not receive a discount on ticket prices. The Term Sheet does not provide the Council Members with free tickets. There will not be a designated suite, section or luxury box for City use.</p>
<p><b>What do the residents get out of it if a stadium is built in Santa Clara?</b></p>	<p>There is economic value to a community in having an entertainment facility such as an NFL stadium in the City. Bringing approximately 1.2 million additional visitors to Santa Clara for football games and other events will generate revenues for local businesses, as well as generating sales tax and hotel tax, some of which will accrue to the City’s General Fund and supports local services.</p>
<p><b>Will the 49ers be required to use local Santa Clara vendors for supplies? Will local restaurants get an opportunity or a priority to serve as food vendors?</b></p>	<p>No, by law, the City cannot require the use of Santa Clara vendors for supplies, or give local restaurants a priority in potentially serving as food vendors. However, the 49ers have indicated a willingness to use local vendors, where appropriate.</p>
<p><b>Will the 49ers be required to support local schools and nonprofit organizations?</b></p>	<p>The 49ers have an existing charitable program, but to date there is no requirement to support local schools or nonprofits. The City has negotiated a Senior and Youth Fee that will be applied to NFL tickets, not to exceed \$250,000 annually, which would be paid to the General Fund; Council may consider designating this fee for certain related purposes.</p>
<p><b>Could the stadium be a potential shelter site during a major disaster?</b></p>	<p>The stadium will be the largest structure in the City built to the most current building code standards, and could be considered for a shelter site.</p>
<p><b>Will there be more employment for Santa Clara residents? How about for the region?</b></p>	<p>There will be employment during construction and operation of the stadium. There will be some full-time jobs and some part-time jobs for game day and other events. There will be construction jobs and operations jobs for both Santa Clara and regional residents.</p>

<p><b>Would the same amount of money invested in something else earn a better return for the City?</b></p>	<p>The highest and best use in the City’s Bayshore North Redevelopment Area is for office buildings. See the related question on potential, hypothetical uses, including a Class A office building, discussed in Section III of these questions and answers. However, there is a surplus of vacant Class A office space in the South Bay and there are no current proposals before the City for the proposed stadium site. The Stadium becomes a link in the City’s entertainment district plan that includes the Santa Clara Convention Center, Great America theme park, the Santa Clara Golf &amp; Tennis Club, the Santa Clara Youth Soccer Park, and a section of the San Tomas Aquino/Saratoga Creek Trail. Consistent with City Council policy, the inclusion of an entertainment district in what is essentially a business park area provides diversity of use and stretches the intensity of use into the weekends when the business parks are typically closed, thereby helping to mitigate potential traffic issues.</p>
<p><b>How many jobs will be created by the stadium project?</b></p>	<p>In a May 29, 2009 letter that was included in the June 2, 2009 Term Sheet Agenda Report as Exhibit 6, Keyser Marston Associates, the Agency’s economic and fiscal advisor estimated that the full time employment (one employee working a 40 hour week) for the stadium on an annual basis would be equivalent to 515 jobs. In addition to full-time and part-time jobs, there will be a significant number of construction jobs.</p>

## Section VI: What are the potential impacts of the proposal?

<p><b>Will the stadium impact Great America theme park?</b></p>	<p>The City owns the land under California’s Great America and receives more than \$5.3 million in lease payments each year that go into the General Fund. Cedar Fair, the owner and operator of Great America, has a lease until 2039 with the City and that lease requires the City to provide primary and overflow parking. The City has the right to relocate the parking to accommodate future development.</p> <p>Cedar Fair has stated several concerns about the potential impact of the proposed stadium on the operation of Great America including the need to close the park on game days and potentially other days when large events occur at the stadium. These impacts have not been quantified by Cedar Fair. These concerns are important issues under discussion as part of the negotiation process.</p>
<p><b>Will Great America be closed on game days?</b></p>	<p>Cedar Fair, the operator of Great America, has stated that the theme park might need to be closed on four days of their operating season when NFL football games would be scheduled at the stadium. Cedar Fair has also discussed options for keeping portions of the park open during game days.</p> <p>Currently the theme park is closed for much of the NFL football season as the theme park’s primary operating season is from spring through early fall.</p>
<p><b>If the 49ers purchase Great America, will they take over its operations? What do they know about operating a theme park? Will they still pay the City the minimum of \$5.3 million that the theme park currently pays each year and that supports the City’s General Fund budget?</b></p>	<p>If the 49ers purchase the theme park, the conditions in the lease require that they demonstrate they have the financial and operational wherewithal to step in as park owner/operator. The 49ers can bring in a third party management company with theme park experience or they could have Cedar Fair continue to operate the park under a management contract.</p> <p>If the 49ers purchase the park, the lease remains in effect and they will be required to meet all the lease provisions including lease payments to the City.</p>

<p><b>It was in the news that the City Manager went to Ohio to talk to Cedar Fair about the theme park. What was that about?</b></p>	<p>The City Manager presented to Cedar Fair a plan to renovate the existing theme park parking lots with use of the new parking structure north of Tasman to meet the 8,100 parking space requirement of the lease.</p>
<p><b>Will the City's consideration of a stadium cause the City to consider downsizing the proposed branch library?</b></p>	<p>No. The City remains committed to building the same size library as anticipated in the City's North of Bayshore area. Contemplated library amenities include a room in the library that could accommodate about 100 people to use for library programs, such as children or adult programs. When not in use for library purposes, the room would be available for use by community groups.</p>
<p><b>Will the use of redevelopment funds for a stadium delay the development of a community center north of Bayshore?</b></p>	<p>A community center or multi-purpose facility, like the Community Recreation Center at 969 Kiely Blvd. that serves the entire City, was not specified in plans for the Rivermark area, or in the overall North Bayshore area, so there is no land set aside for one, nor is there money allocated for this purpose. As mentioned in the prior question and answer, a program room for community use is planned as part of the Northside Branch Library. It will be equipped with audiovisual and other equipment, and in the design phase the community will be asked to provide their input into the room design and equipment.</p>
<p><b>Will the reduction in amount of Redevelopment funds set aside for affordable housing as a result of the stadium project reduce the City's commitment to affordable housing?</b></p>	<p>The City is required by state law to set aside 20% of Redevelopment Agency funds for affordable housing programs. The Redevelopment Agency will continue to set aside the 20% with no change in that requirement. Beginning in fiscal year 2002-2003, each year on an annual basis the City of Santa Clara has elected to set aside an additional 10% (for a total of 30%) for affordable housing. Using Redevelopment Agency funds for the stadium project will reduce the amount set aside for affordable housing to an average of 26%, or a reduction of about \$6 million over the life of the Redevelopment Agency.</p>
<p><b>Will the proposed stadium take away funds from local schools?</b></p>	<p>Not that City staff is aware of. Additional property tax increment will flow to local schools (based on the Redevelopment Plan being amended), as discussed in a prior question and answer.</p>
<p><b>Won't an overhead blimp invade my privacy in my backyard?</b></p>	<p>Typically blimp shots are of the stadium itself, or wider shots of the Bay and/or surrounding hills.</p>

<p><b>Won't there be a lot more traffic in the area? How will neighborhoods be protected from traffic on game days without interfering with the regular coming and going of the neighborhood?</b></p>	<p>Traffic issues have been addressed in the CEQA document, which can be found on the City's website at <a href="http://santaclaraca.gov/index.aspx?page=1197">http://santaclaraca.gov/index.aspx?page=1197</a>. The document is comprised of the Draft Environmental Impact Report (DEIR) and the Final Environmental Impact Report (FEIR). Both these links are found near the top of this website page.</p> <p>Among the "significant unavoidable impacts" mentioned in the EIR are a substantial increase in traffic at a total of 17 intersections (located in the cities of Santa Clara, San Jose, Sunnyvale and Milpitas) about 8 times per year for stadium events. A transportation management plan has been developed to move traffic efficiently in and out of the area. Also according to the EIR, it is estimated that 19% of the fans would use public transit, taking the train, or riding the bus or light rail. According to the EIR, if charter bus ridership is added, there is a total arrival of 26% by non-auto.</p> <p>Through the public safety planning process certain neighborhoods may have traffic controls (barricades and an attendant) to allow residents free access in and out, but to prevent fans from parking in their neighborhoods. In addition, a Transportation Management and Operations Plan will be developed as described in the EIR.</p>
<p><b>How will traffic and congestion be handled on game days and for other events?</b></p>	<p>There will be significant coordination between the 49ers and the City police department, and adjacent cities, as well as the VTA, in planning game day traffic and parking flows for NFL events and large non-NFL events at the stadium.</p>
<p><b>What about the golf course on game days? Will there be impacts to golfers?</b></p>	<p>There will be parking control and access issues on game days as the golf course clubhouse sits directly across the street from the stadium.</p>
<p><b>How far away will residents and businesses hear noise from the stadium on game days/nights? Some nearby residents are already concerned about the nighttime noise from the theme park; won't this be worse?</b></p>	<p>Noise issues have been addressed in the CEQA document, which can be found on the City's website at <a href="http://santaclaraca.gov/index.aspx?page=1197">http://santaclaraca.gov/index.aspx?page=1197</a>. The document is comprised of the Draft Environmental Impact Report (DEIR) and the Final Environmental Impact Report (FEIR).</p> <p>The EIR proposes a variety of mitigation measures to reduce or mitigate the impacts of noise on the nearby residents, all of which are expected to be imposed on the project as a condition of approval. However, despite the adoption of all feasible mitigation measures, the noise impacts at peak times during games and other events at the stadium would be considered a significant unavoidable impact for purposes of the EIR since the stadium would introduce new noise sources that would increase the ambient noise levels, although such increases would still be below the maximum noise levels resulting from existing noise sources such as aircraft flyovers.</p>

<p><b>Will the stadium increase problems with drunk drivers and disorderly conduct in the City? How many arrests do you expect to have at the stadium during games?</b></p>	<p>There will be a significant police presence in the Bayshore North Area to control disorderly conduct. There is no way to know how many arrests will occur at the stadium; however, the Police Department has determined that 49ers game day arrests are well below the NFL average.</p>
<p><b>How much air pollution does a stadium generate? What is the carbon footprint of a stadium? Santa Clara takes pride in its 40+ years of environmentally sensitive efforts, so are there any “green” initiatives planned?</b></p>	<p>Pollution issues have been addressed in the CEQA document, which can be found on the City’s website at <a href="http://santaclaraca.gov/index.aspx?page=1197">http://santaclaraca.gov/index.aspx?page=1197</a>. The document is comprised of the Draft Environmental Impact Report (DEIR) and the Final Environmental Impact Report (FEIR). Both these links are found near the top of this website page.</p> <p>Among the “significant unavoidable impacts” mentioned in the EIR is air pollution that would generate a net increase of 421 tons of carbon dioxide a year, which is equivalent to the amount of green house gases emitted by one year of energy use by about 40 homes, according the US Environmental Protection Agency.</p> <p>As far as “green” efforts, the stadium project will be certified in accordance with the Leadership in Energy and Environmental Design (LEED) requirements, a nationally acceptable benchmark for the design, construction, and operation of high performance green buildings; the project will have more than 27,000 square feet of green roofs; and a photovoltaic (i.e., solar electric) system will be installed with a minimum of 20,000 square feet of photovoltaic cells.</p>
<p><b>Will the 49ers be required to plant trees and other vegetation elsewhere in the City to compensate for so much concrete and asphalt?</b></p>	<p>Landscaping for the proposed project will be determined through the City’s design review process, should the project be approved by the voters and move forward.</p>
<p><b>Year round, will the stadium be a hangout for crime and vandalism, and will it ripple out into the Bayshore North area?</b></p>	<p>The stadium will be a secured facility, with 24/7 private security. It will be a controlled access facility and receive the same attention the Santa Clara Convention Center receives.</p>

<p><b>Will the stadium have artificial turf? If it does, doesn't that give off toxic fumes?</b></p>	<p>The stadium is proposed to have a natural grass field.</p>
<p><b>Does our sewer system have capacity to handle such a big project, especially on game days if the stadium is sold out?</b></p>	<p>Yes, Santa Clara's sewer system has sufficient capacity. For weekend games, most business parks are closed and the sewer capacity would be sufficient to handle the stadium needs. For weekday games, when played, games will be after hours for most businesses in the Bayshore North Area and sewer capacity would again be sufficient to handle the stadium needs.</p>
<p><b>Will our air quality suffer during construction with so much dust? Are there toxic chemicals used in construction that could impact our air or water? Will there be a lot of noise with "pile driving" and other construction work?</b></p>	<p>There are laws and requirements for dust control and the use of chemicals in the construction process. It is anticipated that pile driving will create noise in the area, but it will occur during the peak of the day when background noises are usually at their highest. The EIR recommends several mitigation measures to control dust and other airborne materials during construction and recommends restrictions on when pile driving can occur.</p>
<p><b>Will the stadium cause other City services to become more expensive? Will utility rates go up?</b></p>	<p>The stadium deal is structured to protect the City's General Fund and Enterprise (utility) funds from any fiscal impact.</p>
<p><b>Other cities have invested in stadiums and it has not gone well. Why does Santa Clara think this deal is different?</b></p>	<p>This is one of the reasons the Term Sheet took more than a year to negotiate. Staff has paid attention to problems that have occurred in other cities. Other stadiums have required the local jurisdiction to contribute significantly more toward construction costs and ongoing maintenance. The Term Sheet calls for the 49ers to cover any shortfalls in both construction costs and operating costs of the stadium. The City has proposed a fiscally prudent and conservative transaction to safeguard the Agency's fiscal commitments related to this project.</p>

## Section VII: Will the public vote on the stadium project?

<p><b>Will the decision on the stadium go to a public vote?</b></p>	<p>Yes. On March 4, 2008, the City Council voted unanimously to put the stadium proposal on the ballot for voters in the City of Santa Clara. While it was originally hoped that this vote would be earlier, due to the complexity of the negotiations and the desire to have the vote be a binding one, the vote is set for the June 8, 2010 election.</p>
<p><b>What will be on the ballot?</b></p>	<p>A citizen-sponsored initiative will be on the June 8, 2010 ballot. The initiative can be found on the City's website at <a href="http://santaclaraca.gov/index.aspx?page=1197">http://santaclaraca.gov/index.aspx?page=1197</a> under "Key Reports."</p>
<p><b>Will the initiative be binding?</b></p>	<p>Yes. The initiative will add a new Chapter to the Municipal Code which could only be changed by a subsequent vote of the people.</p>
<p><b>Will the City Council follow the direction indicated by voters through the result of the initiative?</b></p>	<p>The vote will be binding and the City Council would have to follow its direction.</p>
<p><b>Who can write ballot arguments supporting and opposing the initiative?</b></p>	<p>The persons who filed the initiative petition may write the argument in favor of the initiative. If they choose not to do so, any registered voter, bona fide association of citizens, or combination of voters and associations, may write the argument in favor. Any registered voter, bona fide association of citizens, or combination of voters and associations may write an argument against the initiative. Based on specified criteria in the Elections Code, the City Clerk selects which arguments are printed in the ballot booklet.</p>

## Section VIII: How can the public stay informed and get involved?

<p><b>Where can I find reports about the 49ers stadium proposal?</b></p>	<p>All of the reports presented to the City Council since the initial football stadium proposal was brought forward to staff and the Council in 2006 can be found on the City’s website at <a href="http://santaclaraca.gov/index.aspx?page=1359">http://santaclaraca.gov/index.aspx?page=1359</a>. The reports are also on file at the City Clerk’s Office at City Hall, 1500 Warburton Ave.</p>
<p><b>Can I watch videotapes of Council meetings where the stadium was discussed?</b></p>	<p>Recordings of past Council meetings, broadcast on the Municipal Cable Channel 15, are available at the libraries where they can be checked out for about a 3 month period, and are also available on the website. Minutes of those meetings are prepared by the City Clerk’s Office and can be reviewed at their offices (408/615-2220) or on the City’s website <a href="http://www.santaclaraca.gov">www.santaclaraca.gov</a>.</p>
<p><b>How can I know when the 49ers stadium will be discussed at a future Council meeting?</b></p>	<p>Agendas for Council meetings are posted at several locations by Saturdays prior to the Tuesday evening Council meetings including the City Clerk’s Office at City Hall, and the Central and Mission Libraries. Agenda announcements are also broadcast on Channel 15. Agendas are posted on the City website <a href="http://www.santaclaraca.gov">www.santaclaraca.gov</a>. You may also contact the City Manager’s Office at <a href="mailto:Manager@santaclaraca.gov">Manager@santaclaraca.gov</a> to be placed on an email contact list to be notified when discussion has been placed on a City Council Agenda.</p>
<p><b>Can I get more information from the 49ers? How can I express my support or opposition, or connect with others who are in favor of the project or are against it?</b></p>	<p>The website set up by the 49ers in support of their proposed stadium is <a href="http://supportourniners.com/">http://supportourniners.com/</a>.</p> <p>A group has expressed opposition to the stadium proposal and their website is <a href="http://santaclaraplaysfair.com/">http://santaclaraplaysfair.com/</a>.</p> <p>All correspondence received by the City is part of the public record of comments on this topic. All correspondence received is provided to the Council shortly following its receipt. By looking at the prior correspondence, you will see names of individuals and groups who have also expressed support for the stadium or opposition/concern, and some of the correspondence includes contact information for those individuals or groups.</p> <p>In addition, you may write to the City to express your support or concern by addressing a letter to the Mayor and City Council, 1500 Warburton Ave., Santa Clara, CA 95050. Or you may email <a href="mailto:MayorandCouncil@santaclaraca.gov">MayorandCouncil@santaclaraca.gov</a>.</p>

<b>How can I convey my thoughts about this project to the City Council?</b>	<p>The public is invited to attend and speak at City Council meetings when the item has been placed on the Agenda for public discussion. As mentioned in the prior question and answer, you can also write to the Mayor and City Council at 1500 Warburton Ave., Santa Clara, CA 95050 or email them at MayorandCouncil@santaclaraca.gov.</p> <p>All letters and emails that are received on this topic are provided to the Mayor and Council members and are added to the public record of discussion on the 49ers proposal for a football stadium on City-owned land.</p>
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