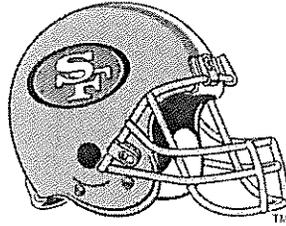


12/15/09

6B-6



SAN FRANCISCO 49ERS

4949 Centennial Boulevard

Santa Clara, CA 95054-1220

Telephone: 408-562-4949

Fax: 408-727-4937

www.49ers.com

December 11, 2009

Mr. Ron Garratt, Assistant City Manager  
Santa Clara City Hall  
1500 Warburton Avenue  
Santa Clara, CA 95050

Dear Mr. Garratt:

Today the proponents for Santa Clarans for Economic Progress filed the paperwork with the City Clerk to begin the voter initiative process, with a goal of having a binding vote on the stadium project in June 2010. A copy of the initiative is attached. This initiative is going forward with the full support of the 49ers. We would like to have the opportunity to speak to the City Council about this initiative at the Tuesday, December 15, 2009 City Council meeting.

Over the past few weeks we have reviewed the stadium ballot measure that the City Staff has been working on, and that the City Council could put before the voters after the EIR process is complete. We used that measure as the basis for the voter initiative that was filed this morning.

Once we have received the title and summary from the City Attorney, the 49ers will fund the signature gathering process with the intent to put this on the ballot for June 8, 2010.

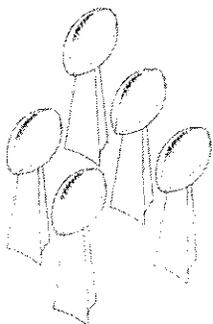
We hope you can find a few minutes Tuesday night for us to discuss this matter, and we look forward to answering any questions that the Council may have. Thank you for considering our request.

Signed,

A handwritten signature in black ink, appearing to read 'Elisabeth Lang', written over a horizontal line.

Elisabeth Lang  
Vice President of Communications and Government Relations

SUPER BOWL  
CHAMPIONS  
XVI. XIX. XXIII,  
XXIV. XXIX



**RECEIVED**

DEC 1 2009

City Clerk's Office  
City of Santa Clara

## NOTICE OF INTENT TO CIRCULATE PETITION

Notice is hereby given by the persons whose names appear hereon of their intention to circulate the petition within the city of Santa Clara for the purpose of qualifying the "Santa Clara Stadium Taxpayer Protection and Economic Progress Act" for the ballot. A statement of the reasons for the proposed action as contemplated in the petition is as follows:

The purposes of this Act are to move forward with the development on City-owned land of a Stadium suitable for the exhibition of professional football games and other events subject, however, to the binding requirements set forth in this Act to safeguard the City's general and enterprise funds and protect City taxpayers. More specifically, the voters declare their purposes in enacting this Act to be as follows:

**Generate New Revenue for Santa Clara:** The development of a Stadium will further the City's goal of creating an entertainment destination in the Bayshore North Redevelopment Project Area that will provide a long-term revenue stream to the City.

**Create New Jobs:** The Stadium will create thousands of new jobs in Santa Clara and the surrounding area and will generate tens of millions of dollars in new annual economic activity for Santa Clara businesses. Stadium events will generate new business for the Convention Center and local hotels and restaurants and will encourage the creation of new businesses in the area.

**Provide Taxpayer Protections:** This Act requires that a lease of City land for development of a Stadium must meet certain requirements to safeguard the City's general and enterprise funds and protect City taxpayers. Requirements include assurance that the Stadium development will not require or rely upon the imposition of any new or increased City taxes, a requirement that a private tenant of the Stadium must pay for all Stadium construction cost overruns, a requirement that the City maintain ownership of the land and receive payment into the City's general fund of fixed base rent and performance based rent that together are projected to provide fair market rent, and a prohibition on the use of money from the City's general fund and enterprise funds in the construction of the Stadium.

**Generate Community Funding:** A fee will be added to the price of tickets for certain stadium events to secure additional funding for libraries, senior activities and youth sports programs serving Santa Clara residents. The development of the Stadium will also provide substantial new revenue for the Santa Clara Unified School District.

Don Calligon

Patricia Hottel

Deborah Parle

**RECEIVED**

December 10, 2009

DEC 10 2009

City Clerk's Office  
City of Santa Clara

Rod Diridon  
City Clerk  
City of Santa Clara  
1500 Warburton Avenue  
Santa Clara, CA 95050

Dear Mr. Diridon:

Enclosed is the text of a proposed initiative to be submitted to the voters of the City of Santa Clara. The proposed initiative is entitled "The Santa Clara Stadium Taxpayer Protection and Economic Progress Act." We request that a copy be forwarded to the City Attorney and that a ballot title and summary be prepared by the City Attorney.

Please send the title and summary to our attorney:

Barry Fadem  
3527 Mt. Diablo Blvd., #192  
Lafayette, CA 94549  
[Bfadem1@aol.com](mailto:Bfadem1@aol.com)  
(925) 283-0581

Also enclosed please find:

- (1) A Notice of Intent to Circulate an Initiative Petition; and
- (2) A statement signed by the proponents prepared pursuant to Section 9608 of the California Elections Code.

Our mailing addresses are shown on Attachment A to this letter. If there is any further information we can provide, please do not hesitate to contact us.

Sincerely,

  
\_\_\_\_\_

  
\_\_\_\_\_

  
\_\_\_\_\_

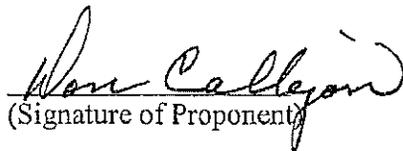
**RECEIVED**

DEC 11 2009

City Clerk's Office  
City of Santa Clara

**STATEMENT BY PROPONENT PURSUANT TO CALIFORNIA ELECTIONS  
CODE SECTION 9608**

I, DON CALLEJON, acknowledge that it is a misdemeanor under state law (California Elections Code section 18650) to knowingly or willfully allow the signatures on an initiative petition to be used for any purpose other than qualification of the proposed measure for the ballot. I certify that I will not knowingly or willfully allow the signatures for this initiative to be used for any purpose other than qualification of the measure for the ballot.

  
(Signature of Proponent)

Dated this 10 day of Dec., 2009

**RECEIVED**

DEC 11 2009

City Clerk's Office  
City of Santa Clara

**STATEMENT BY PROPONENT PURSUANT TO CALIFORNIA ELECTIONS  
CODE SECTION 9608**

I, Patrick Kolstad, acknowledge that it is a misdemeanor under state law (California Elections Code section 18650) to knowingly or willfully allow the signatures on an initiative petition to be used for any purpose other than qualification of the proposed measure for the ballot. I certify that I will not knowingly or willfully allow the signatures for this initiative to be used for any purpose other than qualification of the measure for the ballot.

Patrick Kolstad  
(Signature of Proponent)

Dated this 11<sup>th</sup> day of December 2009

**RECEIVED**

DEC 11 2009

City Clerk's Office  
City of Santa Clara

**STATEMENT BY PROPONENT PURSUANT TO CALIFORNIA ELECTIONS  
CODE SECTION 9608**

I, Aldyter Parke, acknowledge that it is a misdemeanor under state law (California Elections Code section 18650) to knowingly or willfully allow the signatures on an initiative petition to be used for any purpose other than qualification of the proposed measure for the ballot. I certify that I will not knowingly or willfully allow the signatures for this initiative to be used for any purpose other than qualification of the measure for the ballot.

Aldyter Parke  
(Signature of Proponent)

Dated this 11 day of Dec, 2009

FINAL

The Santa Clara Stadium Taxpayer Protection and Economic Progress Act

RECEIVED

DEC 11 2009

City Clerk's Office  
City of Santa Clara

**Section 1. Title.**

This Act shall be known as "The Santa Clara Stadium Taxpayer Protection and Economic Progress Act" ("Act").

**Section 2. Purposes and Findings.**

A. **Purposes.** The purposes of this Act are to move forward with the development on City-owned land of a Stadium suitable for the exhibition of professional football games and other events subject, however, to the binding requirements set forth in this Act to safeguard the City's general and enterprise funds and protect City taxpayers. More specifically, the voters declare their purposes in enacting this Act to be as follows:

1. **Generate New Revenue for Santa Clara:** The development of a Stadium will further the City's goal of creating an entertainment destination in the Bayshore North Redevelopment Project Area that will provide a long-term revenue stream to the City.
2. **Create New Jobs:** The Stadium will create thousands of new jobs in Santa Clara and the surrounding area and will generate tens of millions of dollars in new annual economic activity for Santa Clara businesses. Stadium events will generate new business for the Convention Center and local hotels and restaurants and will encourage the creation of new businesses in the area.
3. **Provide Taxpayer Protections:** This Act requires that a lease of City land for development of a Stadium must meet certain requirements to safeguard the City's general and enterprise funds and protect City taxpayers. Requirements include assurance that the Stadium development will not require or rely upon the imposition of any new or increased City taxes, a requirement that a private tenant of the Stadium must pay for all Stadium construction cost overruns, a requirement that the City maintain ownership of the land and receive payment into the City's general fund of fixed base rent and performance based rent that together are projected to provide fair market rent, and a prohibition on the use of money from the City's general fund and enterprise funds in the construction of the Stadium.
4. **Generate Community Funding:** A fee will be added to the price of tickets for certain stadium events to secure additional funding for libraries, senior activities and youth sports programs serving Santa Clara residents. The development of the Stadium will also provide substantial new revenue for the Santa Clara Unified School District.

**B. Findings and Declarations.** The people of the City find and declare the following:

1. **New Jobs and City Revenue:** With the local economy hurting, this Act will create new jobs and economic activity and will provide a long-term revenue stream to the City, including (a) projected fair market rent for the use of City land for development of the Stadium; (b) significant economic benefits resulting from activities that support the Convention Center and the hotels and restaurants in the City and encourage new restaurant and retail services that support the daily business activity in the area; and (c) up to Two Hundred Fifty Thousand Dollars (\$250,000) per year of funding for City programs for parks and recreation and libraries, including senior activities and the Youth Championship Team Fund, through the collection of a fee imposed on tickets to professional football games.
  
2. **Taxpayer Protections:** The City Council has endorsed a term sheet ("Term Sheet"), attached hereto for informational purposes, that outlines terms that will apply to the development and operation of the Stadium, including the creation of a separate governmental entity, the Santa Clara Stadium Authority, to lease the Stadium site from the City. The City and its Redevelopment Agency will not be liable for the obligations of the Stadium Authority. As described in the Term Sheet, the Stadium Authority will pay fixed base rent plus performance based rent equal to fifty percent (50%) of certain revenues less expenses from Non-NFL Events (less specified deductions), and together the fixed base rent and performance based rent are projected to provide a fair market rent to the City's general fund. An affiliate of the San Francisco 49ers will lease the Stadium from the Stadium Authority for an initial term of forty (40) years and will be responsible to pay a minimum base rent, and will also be required to pay operating expenses of the Stadium to the extent these expenses exceed the Stadium Authority's operating revenues. In this way, the Stadium Authority is assured that it will have funds required to pay both the ground rent to the City and operating expenses of the Stadium. This Act contains the essential protections to the City outlined in the Term Sheet, and provides a framework for appropriate Stadium development that will enable the City to capture the benefits of Stadium development, while protecting City taxpayers.
  
3. **Multi- Use Community Facility:** The Stadium has been proposed to be developed on a site located at the intersection of Tasman Drive and Centennial Boulevard, near the current training facility and corporate headquarters for the San Francisco 49ers. The open air Stadium will contain approximately 68,500 seats, expandable to approximately 75,000 seats for special events, such as the NFL Super Bowl. As described in the Term Sheet, the San Francisco 49ers will commit to play their home games in the Stadium, which could also be used as the home stadium of a second professional football team. In addition to professional football games, the Stadium will also be used for other sporting events, as well as concerts, community activities, and other gatherings.

4. **Entertainment Destination Utilizing Shared Parking:** The Stadium will provide a major entertainment destination, near the City's Convention Center and adjacent to the Great America Theme Park, consistent with the City's goals for the North Bayshore Redevelopment Area. Parking for Stadium events will be located in parking areas owned by the City and its Redevelopment Agency, including in the parking garage already planned to be developed in the area by the Redevelopment Agency, as well as in private lots in commercial areas that contract with the Stadium Authority. The Stadium would be built and operated consistent with the Redevelopment Agency's obligations under the ground lease for the Great America Theme Park or other arrangements acceptable to the parties.
5. **Binding Requirements:** This Act imposes binding requirements upon any ground lease for the Stadium, including:
  - (a) **Payment of projected fair market rent** to the City's general fund.
  - (b) **Creation of a separate governmental entity**, the Santa Clara Stadium Authority, to lease the Stadium site from the City so that neither the City nor its Redevelopment Agency will be liable for the obligations of the Stadium Authority, including for operating expenses of the Stadium.
  - (c) **No use of money from the City's general fund or enterprise funds** for development of the Stadium, other than for relocation or reconfiguration of the adjacent electrical substation.
  - (d) **A limit on the Redevelopment Agency's investment** in Stadium construction.
  - (e) **No new or increased City taxes for the citizens of Santa Clara**, although hotels in the vicinity of the stadium will, if approved by a vote of the requisite number of affected hotel land owners, pay a special tax on hotel room revenue that would be used for Stadium related purposes.
  - (f) **A private tenant of the Stadium will be responsible for paying Stadium construction cost overruns** and for paying rent that is adequate to provide for operating expenses of the Stadium, including reasonable costs incurred by the City in providing public safety and traffic management and also including deposits to a reserve for future capital improvements to the Stadium.
6. **Act can only be amended by the voters:** This Act can only be amended by a vote of the City's voters, which means the voters will maintain control over any changes to the Act that might be proposed in the future.

7. **Stadium in the Best Interest of the City:** For all of the reasons stated above, the voters endorse development of the Stadium as generally described in the Term Sheet and in accordance with requirements to protect the City's general fund and enterprise funds as described in this Act, and find that the development of a Stadium is in the best interest of the City.

### **Section 3. Municipal Code Amendments**

Title 17 (entitled "Development") of the City of Santa Clara Municipal Code is hereby amended by adding a new Chapter to be numbered Chapter 17.20 (entitled "Professional Football Stadium Ground Lease") to read as follows:

#### **"CHAPTER 17.20 PROFESSIONAL FOOTBALL STADIUM GROUND LEASE**

##### **Sec. 17.20.010 Purpose**

This Chapter is intended to further the City's goal of creating an enhanced entertainment destination in the Bayshore North Redevelopment Project Area by providing for the development and operation of a stadium suitable for professional football and other events (the "Stadium") in a manner that will provide a long-term revenue stream to the City.

##### **Sec. 17.20.020 Required Terms for a Ground Lease for a Stadium**

Any ground lease by the City of Santa Clara ("City") of City property for the development and operation of a Stadium shall be consistent with all of the following minimum requirements:

- a) Any ground lease of City property for development and operation of a Stadium ("Ground Lease") shall be to a joint powers authority created by the City and the Redevelopment Agency of the City of Santa Clara (the "Agency") to be known as the Santa Clara Stadium Authority (the "Stadium Authority"), so that the City maintains ownership of the fee interest in the site.
- b) The City shall not use or pledge any money from the City's general fund or enterprise funds for the development of the Stadium; provided, however, that if the City decides to relocate or reconfigure the electrical substation in the vicinity of the Stadium site, the Ground Lease or other agreements may provide that the City shall be responsible for the cost of that relocation or reconfiguration.
- c) The City shall not subordinate its interest in the Stadium site or in any other property or in the Ground Rent to any financing or subsequent refinancing of the Stadium, and no City general fund monies or enterprise fund monies may be pledged as collateral for any Stadium Authority financing or subsequent refinancing.
- d) The Ground Lease shall provide that the initial term of the Ground Lease shall be for forty (40) years.

- e) The Ground Lease shall require that construction of the Stadium shall not commence unless a private party (the "Private Tenant") has entered into a lease of the Stadium or the Stadium site from the Stadium Authority (the "Private Tenant's Lease") that provides for use of the Stadium as the home of one or two professional football teams and other events. Professional football games and other events associated with professional football that are conducted pursuant to the Private Tenant's Lease are hereinafter referred to in this Chapter as "NFL Events".
- f) The Ground Lease shall require payment by the Stadium Authority to the City's general fund of fixed base rent totaling Forty Million Eight Hundred Seventy-Five Thousand Dollars (\$40,875,000), in nominal dollars, over the initial forty (40) year term of the Ground Lease, with annual fixed base rent commencing in the first year of Stadium operations and increasing periodically over the term of the Ground Lease to a minimum of One Million Dollars (\$1,000,000) beginning in the eleventh (11th) year of Stadium operations. The Ground Lease shall require that if a second professional football team (a "Second Team") makes a long term commitment to play its home games at the Stadium, the minimum annual fixed base rent payable to the City's general fund under this subparagraph shall be increased by One Million Dollars (\$1,000,000) commencing in the first year the Second Team plays its home games at the Stadium.
- g) In addition to the fixed base rent, the Ground Lease shall require payment by the Stadium Authority into the City's general fund of performance based rent which, together with the fixed base rent, the City Council has determined is projected to provide fair market rent to the City. Performance based rent shall be pursuant to a formula that provides for sharing of the revenues less expenses of Non-NFL Events at the Stadium. As used herein, the term "Non-NFL Events" means events such as concerts and sporting events that are approved by the Stadium Authority and the Private Tenant, excluding NFL Events. The fixed base rent and performance based rent payable by the Stadium Authority to the City under the Ground Lease, as provided in this and the preceding subparagraph, are referred to in this Chapter as "Ground Rent".
- h) The Ground Lease shall require that contributions to the construction costs of the Stadium by the Agency shall not exceed Forty Million Dollars (\$40,000,000), exclusive of debt service and other financing costs and payments to the City for development fees. The Ground Lease shall also provide that, if a Second Team makes a long term commitment to play its home games at the Stadium, the City or Agency shall receive the amounts the Agency actually contributed toward the construction costs of the Stadium in accordance with this subparagraph, exclusive of debt service and other financing costs. The City or Agency shall also receive any amounts paid by the Agency to the City for development fees for the Stadium.
- i) Neither the Ground Lease nor any other agreements related to the development of the Stadium shall rely upon the imposition of any new or increased taxes for the development, operation, or maintenance of the Stadium; provided, however that the foregoing shall not apply to a special tax based on hotel room revenue in a financing

district that is approved by a vote of the requisite number of affected hotel land owners within the district. If hotel land owners in the district approve such a special tax on hotel revenue, such tax proceeds may be pledged to provide up to Thirty-Five Million Dollars (\$35,000,000), exclusive of debt service and other financing costs, toward development of the Stadium and related infrastructure and any remaining tax proceeds may be used for other eligible financing district purposes.

- j) Neither the City nor its Redevelopment Agency shall be liable for the obligations of the Stadium Authority, including operating and maintenance expenses of the Stadium, provided that the City may elect to pay operating and maintenance expenses of events conducted or approved by the City that are not NFL Events or Non-NFL Events.
- k) The Private Tenant's Lease shall require the Private Tenant to pay any cost overruns incurred in construction of the Stadium. For this purpose, "cost overruns" means any actual costs that exceed funds available to the Stadium Authority from the sources identified in the development budget approved by the Stadium Authority and any other sources available to the Stadium Authority to fund the construction costs of the Stadium.
- l) The Private Tenant's Lease shall require the Private Tenant to pay rent to the Stadium Authority that the City Council has determined will provide the Stadium Authority with funds required to pay the Ground Rent and operating and maintenance expenses of the Stadium. For this purpose, operating and maintenance expenses shall include, without limitation, day-to-day expenses of operating and maintaining the Stadium, deposits to a reserve for capital improvements, and reimbursement of reasonable costs incurred by the City in providing public safety and traffic management related to NFL Events and Non-NFL Events, but shall not include expenses of events that are conducted by the City or Stadium Authority that are not approved by the Private Tenant.
- m) The Ground Lease shall require that following the opening of the Stadium the City shall receive, in addition to the Ground Rent, a fee equal to thirty-five cents (\$0.35) per ticket on each ticket for professional football games in the Stadium up to a maximum of Two Hundred Fifty Thousand Dollars (\$250,000) per year (the "Senior and Youth Program Fee"). The Senior and Youth Program Fee is to be used for City programs for parks and recreation and libraries, such as senior activities and the "Youth Championship Team Fund."

#### **Sec. 17.20.030 Council Determinations**

Section 17.20.020 of this Code is the legislative policy of the City and provides the ways and means of accomplishing that legislative policy. Where Section 17.20.020 provides for any determination or approval by the City Council, such determination or approval shall be made by the City Council taking into account the purposes and findings of the voter approved measure enacting this Chapter, and shall be made on or before the Council's approval of an agreement that commits the City to enter into a Ground Lease.

**Section 4. Implementation of this Act.**

- A. Upon the effective date of this Act, the provisions of Section 3 of this Act are hereby adopted as an ordinance of the City to be codified in the Municipal Code.
- B. Upon the effective date of this Act, the City Manager shall promptly take such administrative steps consistent with the legislative policy established by Section 17.20.020 as may be required to implement this Act, including but not limited to revising any Municipal Code figures or tables. The City shall proceed as expeditiously as possible to implement this Act, including, but not limited to, pursuing a Ground Lease of the Stadium site consistent with the requirements set forth in Section 3 of this Act.
- C. If necessary and if permitted by law, the City shall amend any provisions of the Municipal Code, in order to implement this Act and to ensure consistency and correlation between this Act and other provisions of the Municipal Code.
- D. The City may reorganize, reorder, and renumber the Municipal Code as necessary to further the purposes of this Act.

**Section 5. Interpretation and Severability.**

- A. This Act shall be interpreted so as to be consistent with all federal and state laws, rules, and regulations. If any section, sub-section, sentence, clause, phrase, part, or portion of this Act is held to be invalid or unconstitutional by a final judgment of a court of competent jurisdiction, such decision shall not affect the validity of the remaining portions of this Act. The voters hereby declare that this Act, and each section, sub-section, sentence, clause, phrase, part, or portion thereof would have been adopted or passed irrespective of the fact that any one or more sections, sub-sections, sentences, clauses, phrases, part or portion is found to be invalid. If any provision of this Act is held invalid as applied to any person or circumstance, such invalidity shall not affect any application of this Act that can be given effect without the invalid application.
- B. This Act shall be broadly construed in order to achieve the purposes stated in this Act. The provisions of this Act shall be interpreted or implemented by the City and others in a manner that facilitates the purposes set forth herein.

**Section 6. Conflicting Measures.**

- A. This initiative is intended to be comprehensive. In the event that this initiative and another measure or initiative relating to the same subject appear on the same election ballot, the provisions of the other measure or initiative shall be deemed to be in conflict with this initiative. In the event this initiative shall receive the greater

number of affirmative votes, the provisions of this initiative shall prevail in their entirety, and all provisions of the other measure or initiative shall be null and void.

- B. If this initiative is approved by the voters but superseded by law or by any other conflicting ballot measure or initiative approved by the voters at the same election, and the conflicting law or ballot initiative is later held invalid, this initiative shall be self-executing and given full force of law.

**Section 7. Amendment and Repeal.**

This Act may be amended or repealed only by a majority of the voters of the City voting in an election held in accordance with state law.

**Section 8. Effective Date**

If this ordinance is approved by a simple majority of the voters voting on the issue, pursuant to Elections Code section 9217, the Act shall become effective ten (10) days after the City Council declares the results of the election, provided however that prior to its final adoption it shall be published in accordance with the requirements of Sections 808 and 812 of the Charter of the City of Santa Clara.