

Meeting Date: 12/18/07

AGENDA REPORT

City of Santa Clara, California

Agenda Item # 4A-2

4A-2 Agency



DATE: December 18, 2007

TO: City Manager/Executive Director for Council/Redevelopment Agency Information

FROM: Senior Staff Aide

SUBJECT: Recent Correspondence Received Regarding the Proposed Football Stadium

In the last few days, the Mayor and Council Offices, City Manager's Office and other City departments and municipal addresses have received additional emails, phone messages, and letters from residents or others regarding tonight's discussion on the proposal for a 49ers football stadium. These letters express concerns or opposition to the proposed 49ers stadium.

For public clarification, correspondence is provided to the Mayor and Council, and City Manager, shortly after receipt. Correspondence is being acknowledged by staff as time permits. Correspondence is placed into the public record through these periodic Agenda Reports.

Jashma Kadam
Senior Staff Aide

Attachment

Approved:

for Jennifer Sparacino
City Manager

Documents related to this Report: Letters/Email/Messages

I:\ACTYMNGRS\AGENDA REPORTS\2007\49er Stadium Input from Public Dec 18.doc

From: Bryan Wing <wingdom@mac.com>
To: <mswift@mercurynew.com>
Date: 12/16/2007 11:18 PM
Subject: Santa Clara stadium cash falls short by \$51 million
CC: <mpurdy@mercurynews.com>, MayorandCouncil <MayorandCouncil@ci.santa-clar...

In the middle of our subprime mortgage meltdown, I find it a big stretch to claim a \$51 million shortfall as "workable". It appears the Santa Clara City Council is qualifying itself as "still in the game" even though they can't afford it. It's sort of like buying an over priced property with no money down with a teaser rate of 3%. Sound familiar? Municipalities are getting hit with the consequences of SIV shortfalls in their portfolios. Does the City of Santa Clara think that they are immune to the consequences of the financial disasters occurring weekly on Wall Street? Gov Arnold is talking deficits. It's time to fold before the growing size of the ante starts to affect city services.

./bryan

Bryan Wing
3809 Phoenix Ct
San Jose, CA 95130

Carol McCarthy - Fwd: The stadium deal

From: ~~Kim Fethallio~~ *woiker@comcast.net*
To: Carol McCarthy
Date: 12/18/2007 9:28 AM
Subject: Fwd: The stadium deal
Attachments: The stadium deal

Please know that I, as one Santa Claran, will do everything in my power to promote recall elections against any of you who continue to ram this terrible deal down our throats. It's really pathetic that your stubborn pride keeps you from seeing that you've been outsmarted by the Yorks and their people. Or, maybe you're willing to sell your integrity for a few comp tickets. Either way, the secrets will come out!

Richard Woike
1092 Pomeroy Ave

From: Zoraya Garay
To: Galletta, Yvonne
Date: 12/18/2007 2:11 PM
Subject: Resident Compliant: Mr. Abney - The San Francisco 49ers

CC: McCarthy, Carol
Hi Yvonne,

Please see the outlined information on the resident complaint.

Time: 12:30 pm
Date: 12/18/07
Resident: Mr. Tim Abney
Phone: (408) 249-7244

Complaint:

The deal with the 49ers is a bad deal for the City of Santa Clara. I am very concerned. Also, changing the City Charter is bad along with any funding support for the team.

Zoraya Garay
Office Specialist to the City Council
(408) 615-2253

12/18/7
Carol McCarthy returned
his call.

Carol McCarthy - Fwd: No to the 49ers!

From: ~~Kim Fettahtoglu~~ *johnney johnney (uni_rule@hotmail.com)*
To: Carol McCarthy
Date: 12/18/2007 9:08 AM
Subject: Fwd: No to the 49ers!
Attachments: No to the 49ers!

Even though I've been an ongoing 49ers fan for years, I do not wish for them to move to our city. Imagine the unwanted crowds this stadium will attract....anywhere from gangs, to violence...not to mention TRAFFIC! I have been an executive for for 5 years in the silicon valley. The last thing I want is for our city to become infected by this stadium. Maybe someone is paying the city off to build this stadium, regardless of the damage it will cause....why dont you seeks whats best for you city instead and not move forward with this plan!

Don't get caught with egg on your face. Play Chicktionary! [Check it out!](#)

Carol McCarthy - Fwd: 49er Stadium -- Let's distinguish Santa Clara

From: Kim Fetta ~~lioglu~~ mferrari@integritygroup.us
To: Carol McCarthy
Date: 12/18/2007 9:08 AM
Subject: Fwd: 49er Stadium -- Let's distinguish Santa Clara
Attachments: 49er Stadium -- Let's distinguish Santa Clara

Honorable Mayor and Council:

I have lived in Santa Clara for 22 years, and am a Bay Area native. My family has had a small real estate business since 1890 when my grandfather used savings from selling vegetables. I have been watching the stadium debate with interest that gradually has turned to shock.

I am here to tell you that developers can make a decent profit without government subsidies. I think it is especially appalling when Redevelopment funds are mis-used.

There is not personal attack here. Santa Clara is certainly not the first city to be lead down a primrose path. Just look at North First Street in San Jose. How many tens of millions of dollars were spent "redeveloping" agricultural fields into tech campuses? Meanwhile, many other San Jose neighborhoods remain blighted, and 20 years later the downtown core remains, at best, a work in progress.

Do you want that to be your legacy? If this redevelopment money is discretionary, are there not (or will there not) be other areas of Santa Clara that could use them?

I ask you to pause and reassess. Every day, people with resources minuscule compared to the 49ers put their money at risk and succeed.

I am not against using subsidies to encourage projects that are in the public interest. But as currently contemplated, the 49er deal has a terrible risk-reward ratio for the City, and is much more than a subsidy.

The question begs: if it is such a great project with assured profit, why would the 49ers want to "share" with partners? Good projects still obtain financing from banks or the public securities markets. If the 49ers walk away from the deal, the land will only become more valuable with time. Eventually someone will put forward better options and terms. Perhaps the 49ers themselves.

If the City continues to work with the 49ers, the City's contribution should be cut drastically. As well, the City should insist on a project that makes all Santa Clarans proud -- such as including infrastructure features that would garner national attention, and not just in the sports world.

Otherwise, you will be leading Santa Clara down a well-worn path to mediocrity at best.

Thank you for your consideration.

Mike Ferrari

Michael Ferrari
Managing Partner

INTEGRITY GROUP
Security Consultants - Professional Investigators
6654 Koll Center Parkway
Suite 32-4316
Pleasanton, CA 94566
925.484.4911
m.ferrari@IntegrityGroup.us

California Investigator License 15604

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If you have received this email in error, please kindly notify us so that we may improve our controls, then delete this message. If necessary we will reasonably compensate you for your assistance.
Thank you.

Carol McCarthy - Fwd: 49'er Ballpark

From: ~~Kim Fetta~~ *sheldon@comcast.net*
To: Carol McCarthy
Date: 12/18/2007 9:07 AM
Subject: Fwd: 49'er Ballpark
Attachments: 49'er Ballpark

Hi:

In a report issued by the City of Santa Clara last night, Santa Clara City Staff and Consultants concluded:

"The net return on investment on the City's general fund, over the 30 year stadium lease is estimated at \$19 million; the net return on investment to the [City's Redevelopment Authority] over the 30 year stadium lease is **negative \$90 million. The combined total for the City/RDA is negative \$71 million.**"

What reasonable person would make an investment knowing he would lose more than half of the amount invested?

What is the real reason behind you and the City Council fully intending to proceed?

I am a tax paying, home owner of over 40 years in Santa Clara. I would appreciate a response.

Sheldon Teicher

From: Kim Fettahlioglu
To: Carol McCarthy; Yvonne Galletta
Date: 12/18/2007 3:08 PM
Subject: Call RE: Stadium

I received a voice message dated Saturday, 12/15/07 at 12:11pm from a Santa Clara resident. She votes NO on the stadium.

contact:

Mrs. Montabean Emmert (Not sure of the spelling)
408-564-7860

12/18/7
Carol McCarthy called
+ spoke to Mr. Emmert.
He will let Mrs. Emmert know
her message was conveyed to
Council for public record.

Carol McCarthy - Fwd: SANTA CLARA CITY COUNCIL IRRESPONSIBLE GOVERNANCE

From: Kim Fettahlioglu NYLizabeth@aol.com
To: Carol McCarthy
Date: 12/18/2007 9:07 AM
Subject: Fwd: SANTA CLARA CITY COUNCIL IRRESPONSIBLE GOVERNANCE
Attachments: SANTA CLARA CITY COUNCIL IRRESPONSIBLE GOVERNANCE

It is OUTRAGEOUS that Santa Clara City Council is still talking 49ers stadium proposal. What happened to responsible government??

"The net return on investment on the City's general fund, over the 30 year stadium lease is estimated at \$19 million; the net return on investment to the [City's Redevelopment Authority] over the 30 year stadium lease is **negative \$90 million. The combined total for the City/RDA is negative \$71 million.**"

E. Broderick
Resident

See AOL's [top rated recipes](#) and [easy ways to stay in shape](#) for winter.

Carol McCarthy - Fwd: 49ers

From: ~~Kim Ferrantloglu~~ corodolce@aol.com
To: Carol McCarthy
Date: 12/18/2007 9:06 AM
Subject: Fwd: 49ers
Attachments: 49ers

I think you should know that I will never again vote for any of you who continue to support the 49er stadium, unless you release all documents to the public and prove to us that it is a good plan for us financially. Cold, hard facts is what I want, please. Show us that this is a good investment that will generate money for the city. Anything else is just a blatant waste of my money, and I do my best to never waste my money. I certainly will not vote for anyone who would not respect how difficult it is for many of our citizens to pay the taxes that you appear to be throwing to the wind!

Cordially,
Carol J. MacDonald
1845 Washington St.

See AOL's [top rated recipes](#) and [easy ways to stay in shape for winter](#).

Carol McCarthy - Fwd: Stadium

From: Kim Fetta *efam5@comcast.net*
To: Carol McCarthy
Date: 12/18/2007 9:05 AM
Subject: Fwd: Stadium
Attachments: Stadium

With the following finding - how dare you even consider the stadium.

The net return on investment on the City's general fund, over the 30 year stadium lease is estimated at \$19 million; the net return on investment to the [City's Redevelopment Authority] over the 30 year stadium lease is **negative \$90 million. The combined total for the City/RDA is negative \$71 million.**"

We do not want our tax dollars to go toward this investment.

Sincerely,

**Dave Evans
Marilyn Evans
Caroline Evans**

ALL REGISTERED VOTERS.

From: Kim Fettahlioglu
To: Carol McCarthy
Date: 12/14/2007 10:39 AM
Subject: Fwd: No to the Stadium in Santa Clara

The attached message was received in the Mayor and Council email dated 12/12/07 at 8:26pm. It will be distributed to the full council and I am forwarding it to you for appropriate reply.

...Kim

>>>

From: "sbajkowski1@netzero.net" <sbajkowski1@netzero.net>
To: <CulturalCommission@ci.santa-clara.ca.us>, <Manager@ci.santa-clara.ca.us>, <Clerk@ci.santa-clara.ca.us>, <impluse310@aol.com>, <CityAttorney@ci.santa-clara.ca.us>, <YouthCommission@ci.santa-clara.ca.us>, <SeniorCommission@ci.santa-clara.ca.us>, <ParksandRecreationCommission@ci.santa-clara.ca.us>, <IEC@ci.santa-clara.ca.us>, <MayorandCouncil@ci.santa-clara.ca.us>, <CommunityServices@ci.santa-clara.ca.us>, <HistoricalandLandmarksCommission@ci.santa-clara.ca.us>, <Fire@ci.santa-clara.ca.us>, <info@siliconvalleypower.com>, <CivilServiceCommission@ci.santa-clara.ca.us>, <Police@ci.santa-clara.ca.us>, <LibraryBoard@ci.santa-clara.ca.us>, <Finance@ci.santa-clara.ca.us>, <Manager@ci.santa-clara.ca.us>, <Planning@ci.santa-clara.ca.us>, <CommunityServices@ci.santa-clara.ca.us>, <Finance@ci.santa-clara.ca.us>, <info@siliconvalleypower.com>
Date: 12/12/2007 8:26 PM
Subject: No to the Stadium in Santa Clara

No to the Stadium in Santa Clara Two timely articles published today. The first by Mercury News Sports Columnist, Tim Kawakami, who writes in his blog, "NFL-hired stadium consultants have been telling people recently-I mean, very recently-that the Santa Clara stadium project is in serious, imminent danger of total collapse thanks to indecision, lack of financing and faulty conclusions emanating from the York camp." (emphasis as in original). You can read Tim's entire piece here <http://www.merextra.com/blogs/kawakami/2007/12/12/49ers-stadium-efforts-teeter-on-the-brink/> By way of background, officials from the National Football League Headquarters in New York, came to the Bay Area a couple weeks ago, in part, to examine the 49ers stadium situation in Santa Clara. Coincidentally, the 49ers owners, Yorks, have declined press interview requests since then. This is what the NFL officials must have seen for themselves: The fact that all subsidy proponents on the Santa Clara City Council (Mahan, Moore, Caserta, Kornder and Kolstad, and maybe McLeod and Kennedy) are pushing for a merely "advisory" rather than a "binding" vote of Santa Clara residents. Why? The singular reason is obvious: The 49ers, with their high paid political consultants, have concluded that a binding vote in Santa Clara is one they will lose. What other explanation is possible to explain the City Council's preference for a vote that is meaningless and allows them to ignore the will of Santa Clara residents? The 49ers have done their polling, they know the answer. The Yorks only hope is that free tickets and campaign contributions were enough to have bought a City Council to overturn the will of residents. The only way to do that is through an "advisory" and not a "binding" vote, as a current majority of your City Council recommends. The fact of debt capacity: Your City can raise but \$65 mil from our debt, maximum (after reducing our City's affordable housing money by 13%, but let's not quibble about resident priorities), towards the 49ers demand of \$222 mil or \$8,000 from each Santa Clara household. The fact of available money: Cash toward the 49ers subsidy? None. You see, our General fund has no money over current expenses. When you have nothing, hit the credit card. It is, Santa Clara City Council policy, especially when you have to pay off your contributors. The fact that the NFL "demands" a new stadium in the Bay Area by 2012: First, we Santa Clara residents have no dog in any fight between the 49ers and the NFL. Additionally, as Santa Clara residents, we could care less about their "demands." Second, the time frame demanded is impossible in Santa Clara anyway. A binding vote can't happen until after a certified EIR. An EIR has not even commenced. On a project

this size, two years would be the norm. Then, the binding measure followed by legal challenges. 2012, as we suspect the NFL officials found, is impossible. Second. Please do take a moment to read the following in today's New York Sun, Cities across the country have woken up to the con job that is using our money to subsidize, as here, billionaires.

<http://WNW.extra.com/blags/catacomb/2007/12/12/49Er's-stadium-efforts-teeter-on-the-brink/> Thank You for your continuing concern about your City. Byron Fleck & Karen Hardy
Founding Members
WNW.nightwatchmen.org

Click now to shop a huge selection of name brand women's boots!

<http://thirdpartyoffers.netzero.net/TGL2221/fc/Ioyw6i4ssRiNuKRIJeS6dINI5mapsBv6uAKhwiMHi3rJ4xJU EKxCb0/>

Carol McCarthy - Material Omissions In Financing Feasibility Report?

From: "Law Offices of J. Byron Fleck" <jbyronflecklaw@sbcglobal.net>
To: Jennifer Sparacino <jsparacino@ci.santa-clara.ca.us>
Date: 12/17/2007 11:49 AM
Subject: Material Omissions In Financing Feasibility Report?
CC: Carol McCarthy <cmccarthy@ci.santa-clara.ca.us>

Hello Jennifer and Carol:

I wanted to bring to your attention two items that are omitted from "The Stadium Authority P&L Projection."
http://santaclaraplaysfair.org/20071218_CityCouncil_Agenda_4_A_Report/p_067_080_Attach4.pdf

First, there is no line item for debt service of of the \$185 million of SA bond debt. See, http://santaclaraplaysfair.org/20071218_CityCouncil_Agenda_4_A_Report/p_158_160_stadium-authority-structure.pdf

According to Mr. Brodsky's previous appearance before Council, these bonds would likely be rated BBB, just one level above investment grade or junk status. Those bonds are currently carrying an interest rate in the 6%-7% range for 30 years. In turn, that would result in an annual debt service (using the 7% figure) of \$14.8 million per year. In other words, the debt service figure on the SA bonds is more than twice the amount of that shown for insurance or maintenance, the next two largest expense items, yet it is not disclosed on the P & L. This would seem to be an oversight since an expense of this magnitude is both quantifiable and critical to provide a more accurate rendering of the SA's income statement.

Second, I note that the only reference to the SA bond debt service is contained in a footnote, "[1] Estimated admissions tax and naming rights revenue net of debt service."

Of course, neither the amount of any admissions tax, nor naming rights nor debt service is identified. Yet, guessing (and that's all the footnote affords to do), we are to assume that somehow admissions tax and naming rights will be sufficient to cover debt service. Given the magnitude of the debt service figure (which is capable, and must be, we believe, identified in the P&L), so must the respective amounts of monies (admission tax and naming rights) proposed to service the debt. It is not.

Apologies if the SA debt service amortization and it's payment sources and revenue stream are identified elsewhere in the report. I have been unable to find them. In any event, as I am sure you would agree, these entries are more appropriately contained in the P&L of the SA.

Thank you for your attention to this important matter and your continuing hard work on this important issue.

Please be so kind to make this email part of the record in this matter.

Byron Fleck

J. Byron Fleck, Esq.
LAW OFFICES OF J. BYRON FLECK

160 W. Santa Clara Street, #1100
San Jose, CA 95113
Tel: (408) 298-7482
Facsimile: (408) 297-3360
jbyronflecklaw@sbcglobal.net

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