QUESTIONS ON THE STADIUM PROPOSAL

Submitted to the Santa Clara City Council on November 27, 2007

I want to thank the City staff for their efforts to provide detailed information and analysis of the stadium subsidy issue.

I had several questions regarding information presented in the recent RDA and Stadium Authority presentations at City Council.

1) The RDA consultant said that certain pass-through payments (including payments to the school district) would begin immediately if the City passes an SB 211 amendment in order to issue new bonds in the North of Bayshore RDA district.

If so, how would these pass-through payments impact the current RDA budget and the proposed new budget with new bond payments? Are these pass-through payments high enough to limit the RDA's bonding capacity because of budgetary restraints?

2) The RDA consultant said that if the City issues the maximum possible in new bonds, the RDA district would hit its $1.2B lifetime

spending limit [I'm not sure if that's the right term] in 2025 -- one year before the bonds are repaid.

If so, what entity will make the payments in that final year? I followed up with the consultant on this issue after the meeting, but he had only a very general answer.

3) The RDA consultant said that his firm was asked to revise the projections using a "planning scenario" which envisioned a 5% annual increase. Is this an increase in taxes collected?

If so, how realistic is this level of growth in the proposed area? What are the historical trends? Does the limit on available land impact the potential for increased revenue growth? How was this "planning scenario" developed?

4) If the "planning scenario" is overly optimistic and tax revenues do not increase at the anticipated rates, what happens if the RDA is unable to make its bond payments? Do bond holders have rights to collect the money they are owed?

5) Regarding the Stadium Authority, what happens if the SA loses money? I understand that the 49ers have suggested that they might be willing to cover stadium operational shortfalls in connection with NFL game day operations, but what if these contributions fail to cover the Stadium Authority's annual shortfall?

For example, if the Stadium Authority can't pay the bill for utilities or police service, how will these city agencies cover the costs?

6) In last week's presentation, the estimate was that the Stadium Authority bonds would be just one step up from junk bonds, so they would probably have a fairly high interest cost. If the Stadium Authority defaults on these bonds, do these bond holders have any rights to collect the money they are owed?

7) While we've seen what total subsidy request is [$222M], what is the total the City and City agencies would spend in cash PLUS interest on the borrowed amounts?

8) If a stadium were built with private investment, would the revenue from naming rights, concession rights, etc. be subject to any sort of

local or state tax? If so, what are the estimates of the tax income this would generate?

9) Is the North Bayshore RDA area officially designated an "entertainment district"? If so, what are the criteria for evaluating entertainment-related developments in that area? If there is no official designation, then where is this term coming from?

10) On November 4, 2007, Steve Fine, Senior Communications Supervisor for the 49ers was quoted in The San Francisco News. He said that, in comparing the San Francisco proposal with the one in Santa Clara, that for Sam Francisco "we need to come up with a finance plan. There is one already in place for Santa Clara, but we would have to make one for San Francisco ."

If Mr. Fine's statement is correct, then why haven't residents seen this financing plan? If is statement is not true, why is he giving false information to the media?

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Football
The San Francisco 49ers of San Francisco or Santa Clara?
By HanNa Lee
Nov 4, 2007 - 3:58:04 PM

SAN FRANCISCO —In November of last year, the San Francisco 49ers announced plans to focus on Santa Clara as a site for a new stadium.

The city of Santa Clara is positive about the plans. As stated by Santa Clara City Council Member Kevin Moore: "The 49ers have trained here for over a decade, and they feel like a part of the community already," adding that, "We are excited to have the 49ers in Santa Clara . They are a prestigious team and they would be another diamond for our entertainment area."

One of the main advantages the Santa Clara site has is its accessibility. In regards to the accessibility of the site, Mr. Moore said, "The location is outstanding with all of its transportation options. There's no place with access like this in the Bay area. It will be good for fans' experience."

Steve Fine, Senior Communications Supervisor for the 49ers, also mentions the benefit for the experience for fans, "It has great access for fans and the public transit allows people from Sacramento , San Francisco , and the South Bay area easy access."

However, not all are excited about the move. On October 22, the formation of the organization Santa Clara Plays Fair (SCPF) was announced at Santa Clara Main Public Library. According to their website, they are "a grass-roots coalition of Santa Clara citizens and interested organizations who oppose the City of Santa Clara 's subsidy of a stadium for the San Francisco 49ers."

Michele Ryan, the chair of Santa Clara Plays Fair, gives a presentation comparing the projected costs of the residents of Santa Clara in the event the 49ers move into the city with the costs to residents from other cities in which stadiums have been built. (Photo courtesy of Santa Clara Plays Fair)

They believe that building the stadium will cost the city more than it will benefit, and that the money that would be used for the stadium should instead be used in ways that would more directly benefit the residents such as affordable housing, investing in industries that would provide well paying jobs for residents, and rebuilding Santa Clara's emergency relief fund.

Keeping the stadium in San Francisco is still an option being looked into.

According to Mr. Fine, "We are still in discussion with San Francisco on potential locations. We are looking at Hunter's point, close to Monster Park ."

Mr. Fine also mentioned three hurdles to making the stadium at Hunter's Point: "First, it used to be a naval shipyard, and there is some environmental contamination that would have to be cleaned up. There is also little infrastructure in the area, which would have to be built. Also, we need to come up with a

finance plan. There is one already in place for Santa Clara , but we would have to make one for San Francisco ."

Mr. Moore also commented on San Francisco 's efforts to keep the 49ers in San Francisco , stating that the efforts are "fantastic," and adding that, " San Francisco should do what they can to keep the site as an option."

But regardless of whether their stadium is in San Francisco or Santa Clara , they will continue to be the beloved San Francisco 49ers. As Mr. Moore made clear, if the 49ers do end up moving to Santa Clara , "We're going to keep the name San Francisco 49ers."

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