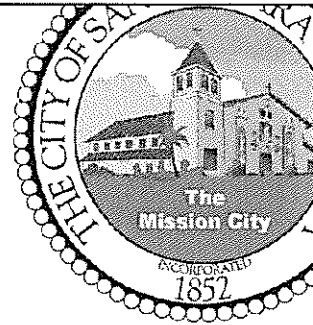


City of Santa Clara



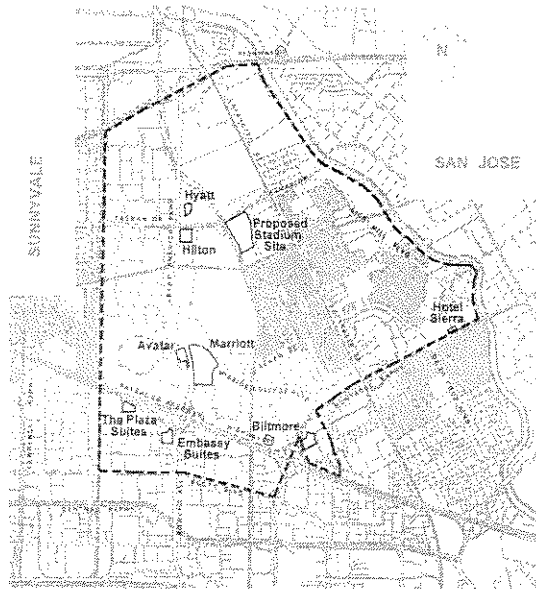
Hotel Community Facilities District Proposed Stadium Project

May 11, 2010

Hotel Petitions

- At the March 30, 2010 meeting all 8 hotels signed petitions in order to waive 90 to 180 day election waiting period
- The Rate and Method for Special Tax, Boundary Map was approved

Proposed Annexation Area Boundary Map



Community Facilities District

- CFD Properties
- Future Annexation Area

CFD Formation Overview

Landowner Vote

- Voting by mailed ballots to 6 hotels owning land in fee (not registered voters)
- City Redevelopment Agency will vote for 2 hotel parcels held under ground lease (based on petitions received from hotel owners)

District Boundaries

- Legal parcels (APNs) on which the 8 hotels are located (only hotel parcels are taxable property)
- Stadium parcels plus adjacent public streets (exempt from special tax)

Future Annexation Area

- Larger area designated for annexation of any parcels with future hotel development

Authorized Facilities and Services

Authorized Facilities

- Utility improvements
- Streets, parking lots and paving
- Sidewalks, pedestrian pathways and pedestrian bridges
- Fencing
- Landscaping and lighting
- Storm drain and flood protection facilities

Authorized Services

- Police protection services
- Fire protection and suppression services
- Ambulance and paramedic services

Rate and Method of Apportionment (RMA)

Rate and Method of Apportionment

- **CFD Special Tax Formula**
- **Mimics City Transient Occupancy Tax (TOT) Ordinance**
 - Same procedures for collection of 2% tax
 - Payment due quarterly after trigger event
 - Separate form will be required
 - Separate payment will be required
 - Same penalties and interest will be applied to delinquent special taxes
 - Same audit procedure will apply

CFD Special Tax Formula

- **Special tax trigger:** “Stadium Opening Date”, which is first game at new stadium
- **Special tax collection period:** 40 years from when collection of taxes begins
- **Special tax credits:** as set forth in Term Sheet or DDA

Financing

Financing

- Special 2% hotel tax will generate a revenue stream designed to support two forms of debt
 - A bond issue
 - A loan from the 49ers
 - Together, will fully leverage the revenue stream to generate \$35 million for projects

Financing (cont.)

- Special tax bond issue
 - Sold on the public market, with expectation of a rating and tax-exempt interest
 - Secured by a first lien on the special hotel tax
 - Key credit characteristic will be the amount of coverage of debt service by total pledged revenues (for example, 1.5-times to 2-times)
 - Market factors and structure will determine amount raised through bond sale

Financing (cont.)

● 49ers loan

- Secured by a subordinate lien on hotel tax revenues, paid after bonds
- Sized to produced the difference between the net proceeds of the bonds and \$35 million
- Depending on future tax revenues, 49er loan may not be fully repaid

Next Steps Stadium Ballot Measure

● June 8, 2010 Election

- If stadium vote passes, tax goes into effect when stadium opens
- If stadium vote does not pass, staff will return to Council to terminate the CFD

Staff Recommendation

- Adopt a Resolution for Formation for CFD
- Adopt a Resolution of Necessity to Incur Bonded Indebtedness
- Adopt a Resolution Calling CFD Special Election
- Adopt a Resolution Declaring Results of Special Election and Direct Recording of Notice of Special Tax Lien
- Pass to Print Ordinance Levying Special Taxes within the CFD

**Acreage/Vote Calculation - North Bayshore Hotels
Mello Roos - Community Facilities District**

BALLOT

#1

No.	Hotel Name / Address	APN	Property Owner Representative's Name / Title	Votes / Acres (1)	Percent of Vote	Yes Vote	No Vote
1	Biltmore Hotel 2151 Laurelwood Rd	104-14-089	Daphne Kang Owner	5	10.2%	5	
2	Embassy Suites 2885 Lakeside Dr	216-30-042/053	David A. Brooks Vice President	4	8.2%	4	
3	Hilton Santa Clara 4949 Great Am. Pkwy	104-43-042	Jennifer Sparacino (2) Executive Director, RDA	4	8.2%	4	
4	Hotel Avatar 4200 Great Am. Pkwy	104-41-040	R. Michael House Sole Managing Member	4	8.2%	4	
5	Hyatt Regency 5101 Great Am. Pkwy	104-55-005/012	Jennifer Sparacino (2) Executive Director, RDA	2	4.1%	2	
6	Santa Clara Marriott 2700 Mission College Blvd	104-40-022 & 104-41-026	Stephen Dorcich General Partner	26	53.0%	26	
7	Sierra Suites 3915 Rivermark Plaza	097-08-106	B. Anthony Isaac President	1	2.0%	1	
8	The Plaza Suites 3100 Lakeside Dr	216-30-054	Don Freeberg President Shirley Hough Secretary	3	6.1%	3	
				49	100.0%	49	0

Number of votes needed for 2/3rds majority: **33**

Footnote:

(1) Acreage rounded up to create whole integers for voting.

(2) City-owned property. City Manager voting as Executive Director of the Redevelopment Agency.

Prepared by: Assistant City

Updated: May 11, 2010

5/11/10

58.1

PM

**Acreage/Vote Calculation - North Bayshore Hotels
Mello Roos - Community Facilities District**

BALLOT

#2

No.	Hotel Name / Address	APN	Property Owner Representative's Name / Title	Votes / Acres (1)	Percent of Vote	Yes Vote	No Vote
1	Biltmore Hotel 2151 Laurelwood Rd	104-14-089	Daphne Kang Owner	5	10.2%	5	
2	Embassy Suites 2885 Lakeside Dr	216-30-042/053	David A. Brooks Vice President	4	8.2%	4	
3	Hilton Santa Clara 4949 Great Am. Pkwy	104-43-042	Jennifer Sparacino (2) Executive Director, RDA	4	8.2%	4	
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