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Santa Clara**
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SCSA
Santa Clara Stadium Authority

PRESS RELEASE

FOR IMMEDIATE RELEASE

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MAYOR'S MEDIA AVAILABILITY

When: Monday, August 13, 2018, 1:00 p.m. – 3:00 p.m.
Where: Santa Clara City Hall, Mayor and Council Office
What: See below

Santa Clara Wins \$180 Million Rent Dispute From 49ers for Levi's Stadium

*City Praises Arbitrator's Decision, Thanks Attorneys,
Congratulates Public*

**“We want to work with 49ers, not against them,” Mayor Lisa M. Gillmor says
“Hopefully the team understands that Santa Clara will always put
community interests first.”**

SANTA CLARA (August 12, 2018) – The City of Santa Clara's Stadium Authority, the public agency that owns Levi's Stadium, has won a major legal victory in a time-consuming and expensive dispute with the 49ers over the amount the NFL franchise will pay as rent to the Stadium Authority.

“The city is very pleased with the outcome as it is in the best interest of the city, residents, and Stadium Authority,” said Mayor Lisa M. Gillmor. “The arbitration award victory for the Stadium Authority is a complete vindication of the Stadium Authority's decision to reject the 49ers' rent reduction demand. The 49ers' request to reduce their rent by \$4.25 million per year has instead resulted in an annual increase of approximately \$262,000. We hope the 49ers will work with us, not against us, and see that we can be good partners if the team will work cooperatively with the public,” Gillmor added.

In March 2016, the 49ers requested an annual rent payment reduction of \$4.25 million, from \$24.5 million to just \$20.25 million per year. The City Council unanimously refused the reduction and the 49ers filed for arbitration to decide the issue.

The Stadium Authority greeted the Arbitrator's recent decision to deny a rent reduction and, instead, increased the rent by approximately \$262,000 each year as an important victory. In addition to the rent increase, the decision confirms that the Stadium Authority will receive back pay for rental payments owed, attorneys' fees and costs, and future increased rental payments.

Gillmor said the decision “shows that our actions to reform how the City has responded to the 49ers’ efforts to manage the City administration are successful. With the success of the City Council (acting as the Stadium Authority Board) and the new City administration, there is a new balance of power that puts the taxpayers and their representatives in charge.”

While the arbitration proceeding is confidential, the amount of the rental award itself is a public matter. The increased annual rent will allow the City to maintain its accelerated pace of paying down debt on the stadium, and the additional funds awarded will also allow for necessary capital reserves to accumulate. Had the Stadium Authority not prevailed, public debt would have taken longer to pay off while the 49ers enjoyed less rent for a publicly-owned facility.

The Stadium Authority is still working out the details of financially reporting this award and receipt of payment of the significant amount of back rental pay and attorney’s fees and costs. The Stadium Authority expects the 49ers to pay promptly owed back rent and all associated fees per direction of the award.

“Unfortunately, the 49ers have a record of withholding documents and payments from the Stadium Authority. Midway through this dispute, the 49ers discontinued rental payments. On behalf of the Stadium Authority Board, we will work to ensure timely payment of these public funds owed to the Stadium Authority and continue to hold the 49ers accountable to the public and Stadium Authority for issues important to Santa Clara,” Gillmor added.

Gillmor thanked the Arbitrator, City Attorney Brian Doyle, and outside counsel Larry Cirelli, Mohammad Walizadeh, and Emily Charley of the Hanson Bridget law firm.

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