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**Stadium Deal by San Francisco 49ers and Santa Clara Will Bring  
Thousands of New Jobs to South Bay**

*Term sheet agreement reached with no new taxes, no cost to local residents and no general fund dollars;*

*City's investment cut by nearly two-thirds, with team covering construction and operating cost overruns.*

**Santa Clara, CA** – The San Francisco 49ers announced today that the team has reached an agreement with the City of Santa Clara on a term sheet for a new \$937 million state-of-the-art stadium that will create thousands of new jobs and generate hundreds of millions of dollars in new economic impact for the City and the region. Financing the stadium will also trigger \$141 million in new funding to the Santa Clara Unified School District. The stadium will be publicly owned by a Stadium Authority, and the City of Santa Clara will retain ownership of the land used for the stadium project. The agreement must be approved by the Santa Clara City Council and a vote of the citizens of Santa Clara before the project can move forward.

The financial framework limits the City's investment to \$79 million (approximately 8% of the cost), with no new taxes, no cost to Santa Clara residents and no money from its general fund. The City's investment includes \$42 million from redevelopment financing and \$20 million from Santa Clara's municipal utility company to move an aging power substation located near the stadium site. The remaining \$17 million of the City's investment is for construction of a parking garage near the stadium site.

An additional \$35 million investment in the stadium will come from a fee charged to overnight guests at hotels near the stadium site. The fee will need to be approved by a vote of the hotels, and the hotels have indicated strong support for the plan. The remaining \$825 million cost of the \$937 million facility will be covered by the 49ers, the NFL and Stadium Authority project revenues such as naming rights.

Santa Clara's \$79 million investment is a sharp reduction from the \$222 million request first outlined in a 2007 stadium funding proposal. As part of the agreement, the 49ers also committed to cover all construction cost overruns at the facility and take responsibility for operational shortfalls.

In return for Santa Clara's investment, the City's general fund will receive millions of dollars, including fair market value rent for the stadium site. The rent will include base rent payments of at least \$40 million, plus a percentage of stadium profits which could generate an additional \$155 million for the City. Energy use at the stadium is also expected to generate \$150 million in new revenue for Santa Clara's municipal utility company.

"After years of hard work, we're pleased to have reached an agreement with the City staff," said 49ers President Jed York. "The stadium will make Santa Clara an even better place to live, work and play. Not only will this provide a world-class facility for our fans, it will also create an economic engine generating jobs and stimulus for local businesses. It's been a successful collaboration with the City of Santa Clara resulting in an agreement that provides the City with a significant return on its investment. We look forward to working with them on the next steps."

### **Stadium Agreement Will Bring Great Benefit to Santa Clara Community**

The construction and ongoing operation of the stadium is expected to provide a significant boost to the economy of the City and the region. A recent economic impact report conducted by Conventions, Sports & Leisure International indicates that the facility will fuel the creation of 2,230 jobs and \$249 million in economic activity in the region. In addition, special events such as the Super Bowl and the FIFA World Cup could bring hundreds of millions of dollars in added economic impact to the region.

If the project moves forward, Santa Clara's investment of redevelopment funds in the stadium will trigger \$141 million in new funding to the Santa Clara Unified School District over a 15-year period. The funds can be used by the school district at its

discretion on projects that benefit the community, such as maintaining class sizes and attracting and retaining the best teachers.

The agreement also calls for a special fee on tickets to stadium events that will benefit the Santa Clara community. The fee is expected to generate up to \$250,000 annually for youth athletic programs, libraries and the City's Senior Center facility.

## **Term Sheet Calls for 49ers to Bear Significant Risk to Protect Santa Clara's General Fund**

### Team Will Advance Millions Towards Santa Clara Investment

Due to current economic conditions, the availability of City funding from its redevelopment district has decreased. As a result, the 49ers have agreed to advance a portion of Santa Clara's \$79 million investment in this project. The advance is expected to be in the range of \$12 million. If the economy sufficiently rebounds, the team's advance will be repaid by the Redevelopment Agency. Otherwise, the team may not recoup its full advance. The team will also advance up to \$20 million towards the funding from hotels.

### Stadium Authority Will Protect City's General Fund

A separate public entity, the Santa Clara Stadium Authority, will own and operate the stadium to protect the City's general fund. To help fund construction of the stadium, the Authority will issue bonds based on revenues backed by its sale of assets such as naming rights, founding corporate sponsorships, ticket fees and concession rights. Backed by stadium revenue and issued by the Stadium Authority, the bonds would have no recourse and no impact on Santa Clara's general fund.

### Agreement Calls for 49ers to Cover Construction Cost Overruns and Operations Shortfalls

The team has agreed to take 100 percent of the risk of all construction cost overruns to protect the City's general fund. Once the stadium is built, the team also agreed to cover all operational cost shortfalls at the stadium and demolition costs at the end of the stadium's life.

## **New Garage Will Accommodate Parking for Great America Theme Park**

A garage that will be built by the City will replace overflow parking for the Great America Theme Park. The garage was previously approved by City Council and the full \$42 million in bonds needed for construction were sold over a decade ago, but it was never built. The City expects to use approximately 40% of the garage to replace the overflow parking, and has therefore allocated \$17 million of the total garage cost to the stadium project as part of its \$79 million investment.

## **Next Steps: City Council Vote and Public Election**

The Santa Clara City Council will hold a public meeting on June 2 to review the stadium agreement and determine next steps. If the agreement is approved by the City Council, residents will have an opportunity to weigh in on the project with a binding vote when the environmental review is completed.

"The citizens of Santa Clara have told us that a public vote is important to them, and we'll abide by the will of the voters," York said. "Based on the new jobs, new funding for local schools and the economic impact the stadium will bring to the City, we're confident this project will be successful at the ballot box."