City Council Agenda: 1-23-07
Item #: 3.6

CITY OF SAN JOSE
CAPITAL OF SILICON VALLEY

MEMORANDUM

TO: **Mayor & City Council**

FROM: **Councilmember Dave Cortese**
Councilmember Pete Constant

SUBJECT: **Resolution opposing SB 49**

DATE: **January 12, 2007**

APPROVED: DC

DATE: 1/12/07

RECOMMENDATION

It is recommended that the San Jose City Council adopt a resolution in opposition to SB 49 (Midgen).

BACKGROUND

In December 2006 the San Francisco 49ers, a National Football League franchise, announced its *disinterest* in continuing to play home games at Candlestick Park in San Francisco and its *interest* in relocating to a different Bay Area city within its market area: the city of Santa Clara (which for the last 20 years has served as the team's headquarters and training facility). The 49ers and the City of Santa Clara have discussed a proposed stadium near the Santa Clara Convention Center and the Great American Amusement Park.

Just ten minutes and 6.5 miles from San Jose, this proposed site is well served by public transit and would offer easy access to fans from several Bay Area freeways. Since more than 90 percent of the team's season ticket holders live outside the City of San Francisco, there is little doubt that the team's move anywhere in the Bay Area, particularly this close to San Jose, would help our city realize increased economic, social and recreational benefits.

On January 3, 2007, California State Senator Carole Migden introduced SB 49, relating to local government. If passed, this bill would prohibit a local agency or redevelopment agency from providing financial assistance to a sports stadium project that involves the relocation of a professional sports team franchise from the territorial jurisdiction of one local agency to another within the same market area. The bill defines "professional sports team franchise" as a franchise for the exhibition of National Football League games.

The passage of SB 49 is intended to prevent the San Francisco 49ers from relocating. If passed, it would impose the restriction on financial assistance on any local agency or redevelopment agency within 100 miles of San Francisco, thereby precluding any other Bay Area city from hosting the 49ers. It would prevent Santa Clara from entering any financial partnership with the 49ers without risking litigation and San Jose would lose out on benefits from the 49ers relocating to Santa Clara.

The passage of SB 49 could force the 49ers out of the Bay Area and perhaps out of the state. This bill's parochial vision to insulate sales tax generation inside San Francisco and to abrogate a local city's right to enter into public-private partnerships with NFL franchises is unjust.

We urge our colleagues on the City Council to adopt a resolution of opposition (attached) to SB 49 and work with our state delegation in Sacramento to ensure this bill is not passed into law.

RESOLUTION OF THE CITY COUNCIL OF THE CITY OF SAN JOSE OPPOSING CALIFORNIA STATE SENATE BILL 49

WHEREAS, on January 3, 2007, State Senator Carole Migden introduced in the California State Senate proposed statewide legislation (SB 49) to prohibit a local agency or redevelopment agency from providing financial assistance to a sports stadium project that involves the relocation of a professional sports team franchise from the territorial jurisdiction of one local agency to another within the same market area;

WHEREAS the proposed statewide legislation is intended to preclude public-private financial assistance that includes but is not limited to: bonds or other forms of indebtedness, loans, grants, subsidies, guaranties, tax incentives, conveyance of real property, rebates, rent credits and other forms of direct or indirect financial assistance to the professional sports franchise, any of its developer partners, or any of their affiliates, contractors, or agents in connection with a sports stadium project;

WHEREAS the proposed statewide legislation is intended to apply specifically to a franchise or other entity operated for the exhibition of National Football League games, and any affiliate organized to develop or operate a sports stadium;

WHEREAS the San Francisco 49ers, an NFL franchise that has its headquarters and training facilities in the City of Santa Clara and currently plays its home games at Candlestick Park in San Francisco, has publicly stated its interests in moving all of its operations outside of San Francisco and is considering the City of Santa Clara;

WHEREAS the proposed statewide legislation's definition of "market area" is either a geographic area that is recognized by the NFL as the territory for a professional sports franchise up to 100 miles or any other larger geographic area as the relevant market for the professional sports franchise up to 100 miles, the real intent of said legislation is to specifically prohibit a move by the San Francisco 49ers from the city of San Francisco to the city of Santa Clara or any other Bay Area municipality;

WHEREAS the San Francisco 49ers, already an economic, social and recreational asset for all the cities in the Bay Area, by moving closer to San Jose would increase economic, social and recreational benefits for our residents;

WHEREAS the passage of SB49 would eliminate the ability of San Jose and other municipalities to reap such benefits and would force the San Francisco 49ers out of the Bay Area entirely,

NOW, THEREFORE, BE IT RESOLVED that the City Council of the City of San Jose wholly opposes the proposed statewide legislation (SB 49) due to its deleterious effects on San Jose's economy and quality of life and those of our neighboring cities and counties.