



Memorandum

TO: HONORABLE MAYOR
AND CITY COUNCIL

FROM: Paul Krutko
Jennifer Maguire

SUBJECT: SEE BELOW

DATE: August 6, 2007

Approved

Date

8/15/07

COUNCIL DISTRICT: City-Wide

**SUBJECT: ADOPTION OF APPROPRIATION ORDINANCE AND FUNDING SOURCES
RESOLUTION AMENDMENTS IN THE GENERAL FUND TO ESTABLISH
FUNDING FOR ECONOMIC DEVELOPMENT PRE-DEVELOPMENT
ACTIVITIES**

RECOMMENDATION

Adoption of the following Appropriation Ordinance and Funding Sources Resolution amendments in the General Fund:

- a. Establish a City-wide appropriation to the Office of Economic Development for Economic Development Pre-Development Activities in the amount of \$100,000.
- b. Increase the estimate for Other Revenue by \$100,000.

OUTCOME

The approval of this action will enable staff to engage in necessary predevelopment activities by October 31, 2007 to determine the feasibility of locating a soccer stadium and related development in San Jose, and for projects of a similar nature in the future.

BACKGROUND

On June 12, 2007 the City Council authorized the City Manager to Negotiate and Execute a Non-Binding Memorandum of Understanding (MOU) with FWSH Partners, LLC regarding shared aspirations to bring a professional, Major League Soccer (MLS) Program back to the City. An MOU was subsequently executed and provided to Council on July 13, 2007, and includes a provision by which FWSH has agreed to pay \$100,000 to the City for predevelopment costs associated with the project.

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ANALYSIS

In accordance with the MOU currently in place, FWSH Partners, LLC forwarded \$100,000 to the City of San Jose for predevelopment costs associated with the exploration of a possible soccer stadium and related development in San Jose. Potential uses for these funds include preliminary title report, title reports, appraisals and related predevelopment or consultant services needed to effectively analyze the project.

EVALUATION AND FOLLOW-UP

Staff will provide a status report on the negotiations to Council by the October 31, 2007 date identified by the MOU.

PUBLIC OUTREACH/INTEREST

- Criterion 1:** Requires Council action on the use of public funds equal to \$1 million or greater. **(Required: Website Posting)**
- Criterion 2:** Adoption of a new or revised policy that may have implications for public health, safety, quality of life, or financial/economic vitality of the City. **(Required: E-mail and Website Posting)**
- Criterion 3:** Consideration of proposed changes to service delivery, programs, staffing that may have impacts to community services and have been identified by staff, Council or a Community group that requires special outreach. **(Required: E-mail, Website Posting, Community Meetings, Notice in appropriate newspapers)**

While this item is below the \$1 million threshold for Criterion 1, this memo is posted on the City's website for the August 28, 2007 Council Agenda.

COORDINATION

Office of Economic Development staff has coordinated this memorandum with the City Attorney's Office.

FISCAL/POLICY ALIGNMENT

This project aligns with Initiative 12 of the City's Economic Development Strategy of San Jose to "Encourage Sporting Teams, Events and Facilities, Professional as well as Amateur" and encourages the vision of San Jose as America's Most Livable City.

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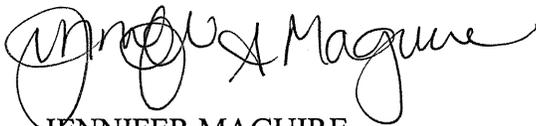
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BUDGET REFERENCE

Not applicable.

CEQA

Not a project.

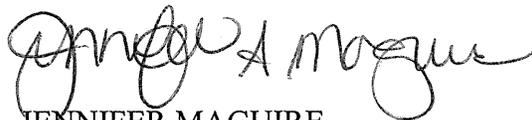


JENNIFER MAGUIRE
Acting Budget Director



PAUL KRUTKO
Chief Development Officer

I hereby certify that there will be available for appropriation in the General Fund in the Fiscal Year 2007-2008 moneys in excess of those heretofore appropriated therefrom, said excess being at least \$100,000.



JENNIFER MAGUIRE
Acting Budget Director

For questions please contact Nanci Klein, Manager or Corporate Outreach, at 408-535-8184.