

Memorandum

**TO: HONORABLE MAYOR AND
CITY COUNCIL**

FROM: Lee Price, MMC

**SUBJECT: ACTIONS RELATED TO
MAJOR LEAGUE BASEBALL**

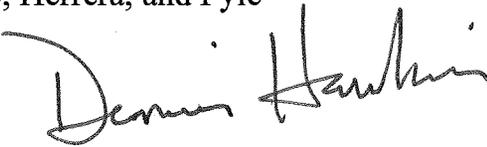
DATE: July 29, 2010

RECOMMENDATION:

As recommended by the Rules and Open Government Committee on July 28, 2010 and outlined in the attached memo previously submitted to the Committee:

It is recommended that the City Council and Redevelopment Agency adopt resolutions:

- A) Supporting the efforts of the Oakland Athletics Baseball team to move to San Jose; and,
- B) Amending the negotiating principles established by the City Council on May 12, 2009 as outlined in the attached memo dated July 23, 2010 submitted by Mayor Reed and Councilmembers Liccardo, Herrera, and Pyle


LEE PRICE, MMC
City Clerk





Memorandum

TO: RULES AND OPEN
GOVERNMENT COMMITTEE

FROM: Mayor Chuck Reed

SUBJECT: Ballot Measures

DATE: 7/22/10

APPROVED: *Chuck Reed*

DATE: *7/22/10*

RECOMMENDATION:

1. Agendize for Council consideration at the City Council meeting on August 3, 2010:

Discussion and action on potential measures to be placed on the November 2010 ballot:

- City/Redevelopment Agency participation in a Downtown ballpark project
 - Sales tax increase
 - Marijuana tax
 - Amendment to, or repeal of, Charter Section 1111 regarding binding arbitration
 - Modifications to Charter Section 1504 and 1505 regarding minimum benefits and contributions/cost sharing for pensions
2. Direct staff to prepare resolutions prior to August 3, 2010 as may be necessary for Council action.



Memorandum

TO: CITY COUNCIL

FROM: Mayor Chuck Reed
Councilmember Sam Liccardo
Councilmember Rose Herrera
Councilmember Nancy Pyle

SUBJECT: BASEBALL FOR
NOVEMBER 2010 BALLOT

DATE: July 23, 2010

APPROVE

Chuck Reed

DATE:

07/23/10

Rose Herrera

Sam Liccardo

Nancy Pyle

RECOMMENDATIONS:

Adoption of a resolution of the City Council calling and giving notice, on its own motion, of a Special Municipal Election to be held on November 2, 2010, to submit to the electors of the City of San Jose, a measure authorizing the City and Redevelopment Agency to use Redevelopment funds to participate in a Downtown ballpark project.

Ballot Language:

Shall the San Jose Downtown Ballpark and Jobs Measure be approved to authorize, but not require, the use of Redevelopment Agency funds, with no new taxes, to acquire and clear a site for a baseball stadium, fund related off-site improvements, and lease the site for a professional baseball team where the team would pay all on-site construction costs, operation and maintenance costs, generating new tax revenues for City operations?

Direct staff to prepare a Resolution of support for allowing the A's to move to San Jose and that incorporates the following background and amendments to the Negotiating Principles.

BACKGROUND:

On April 7, 2009, the City Council, by unanimous vote, reaffirmed its interest in supporting the efforts of the Oakland A's ownership to move the team to San Jose. Fifteen months have gone by. San Jose has done its part, and spent this year and a half achieving many milestones that would support a decision by Major League Baseball to move the A's to San Jose, including the following efforts:

- On May 12, 2009, the Council established Negotiating Principles for the development of a stadium, which included:
 1. The stadium development must generate a significant economic benefit to the City of San Jose, and have a positive impact on the City of San Jose General Fund,
 2. The Major League Baseball Team, at no cost to the City of San Jose, will be responsible for building the stadium structure and improvements on the approximate 14-acre designated stadium site
 3. The Major League Baseball Team will be responsible for paying for all stadium operating costs related to its activities,
 4. The name of the Major League Baseball Team must include San Jose, and
 5. If the San Jose Redevelopment Agency recommends a contribution in the form of land or a financial contribution for any other ballpark specific items, the citizens' of San Jose will be required to vote on the stadium project.
- On May 19, 2009, the Council established a Good Neighbor Committee to provide a forum for neighbors to work collaboratively to determine mitigations that could arise from developments in the Diridon Station neighborhood.
- On September 15, 2009, an Economic Impact Analysis for the Proposed Major League Ballpark, with strong economic benefit findings, was accepted by City Council.
- In October 2009, City and Agency staff officially met with the MLB Committee to commence a several-month process of providing information and data for Committee consideration and to support recommendations to the Commissioner.
- On May 19 and June 15, 2010, the Planning Commission and City Council certified the Ballpark Final SEIR respectively.

And, San Jose continues to wait for a response from Commissioner Selig and MLB.

Placing a measure on the November 2010 ballot will reinforce our continued commitment and the interest of our community in hosting a stadium in Downtown San Jose for the A's. Once permission is granted by Major League Baseball to the A's to pursue development of a ballpark in San Jose, the amended Negotiating Principles will guide the City's efforts.

Additions to the Negotiating Principles:

1. San Jose Municipal Code section 4.95.010 provides that the City may participate in a sports facility using tax dollars only after obtaining a majority vote of the voters of the City of San Jose approving such an expenditure. The Municipal Code defines "tax dollars" to include any commitment to fund wholly or in part a facility with General Fund

monies, Redevelopment fund monies, bonds, loans, special assessments or any other indebtedness guaranteed by City property, taxing authority or revenues.

2. Upon approval of the voters, the City of San Jose may spend San Jose Redevelopment Agency's Redevelopment funds, which are dedicated to redevelopment purposes by law and may not be used to pay City operating expenses, for the limited purposes and on the specific conditions set forth in the Amended Negotiating Principles.
3. The City and the Redevelopment Agency may, but are not required to, use Redevelopment funds for the following limited purposes:
 - To acquire and lease a cleared and environmentally clean site ready to be developed for a Downtown ballpark, free of improvements, easements or other encumbrances, for a baseball team; and
 - For off-site infrastructure and improvements, that may support a Downtown ballpark and benefit the surrounding area.
4. The City of San Jose and the San Jose Redevelopment Agency may consider using the Agency's Redevelopment funds for these purposes only if all of the following conditions are met:
 - a. No new taxes are imposed to fund these ballpark-related expenditures.
 - b. The City must determine that the ballpark development will generate a significant economic benefit to the City and have a positive impact on City General Fund revenues.
 - c. No public funds are spent to finance or reimburse any costs associated with construction of the ballpark or construction of any on-site infrastructure or improvements needed for the ballpark.
 - d. No public funds of any kind are spent to finance or reimburse any ballpark operational or maintenance costs related to activities conducted by or under the authority of the baseball team that uses the ballpark either at the ballpark or in the streets surrounding the ballpark.
 - e. No public funds are spent to finance or reimburse the cost of any traffic control, street cleanup, emergency or security services within the ballpark site or within the streets surrounding the ballpark that are related to activities at the ballpark conducted by or under the authority of the baseball team.
 - f. If the property is leased for a ballpark, the baseball team must be willing, at the end of the term of the lease, either to purchase the property at fair market value or to do one of the following things at the City's option and at no cost to the City or the Redevelopment Agency:

- Transfer ownership of the improvements to the City or Redevelopment Agency
 - Demolish the improvements and clear the site to make way for other development
- g. The entity that builds or operates the ballpark must be willing, if the City deems it appropriate, to make the ballpark available to the City during baseball's offseason for up to 10 days per year for community-related events, at no rental charge to the City.
- h. The name of the baseball team must include San Jose.
5. Nothing in these Negotiating Principles is intended to or does eliminate the City's or Redevelopment Agency's ability to consider mitigation measures, alternatives or denial of a ballpark project. Nothing in these Negotiating Principles is intended to or does curtail the obligations of the City and Redevelopment Agency to comply with the California Environmental Quality Act before deciding whether to pursue a ballpark. Nothing in these Negotiating Principles is intended to or does commit the City or Redevelopment Agency to any course of action. If the voters approve the ballot measure and if a ballpark is pursued with the permission of Major League Baseball, "tax dollars" as defined in Municipal Code Section 4.95.101 may be used only on the terms and conditions stated in these Negotiating Principles.