

RESOLUTION NO. 73820

A RESOLUTION OF THE COUNCIL OF THE CITY OF SAN JOSE AUTHORIZING THE CITY MANAGER TO NEGOTIATE AND EXECUTE A NON-BINDING MEMORANDUM OF UNDERSTANDING WITH FWSH PARTNERS, LLC REGARDING SHARED ASPIRATIONS TO BRING A PROFESSIONAL, MAJOR LEAGUE SOCCER PROGRAM BACK TO THE CITY OF SAN JOSE, TO EXPLORE THE CONSTRUCTION OF A STADIUM FOR THAT PURPOSE, AND TO EXPLORE THE POSSIBLE CONVERSION OF THE ISTAR PROPERTY FROM AN INDUSTRIAL PARK GENERAL PLAN LAND USE DESIGNATION TO A RESIDENTIAL LAND USE DESIGNATION FOR FINANCING THE DEVELOPMENT OF A PROFESSIONAL SOCCER STADIUM AT AN ALTERNATE SITE

WHEREAS, major league soccer in the City of San Jose ("City") has a proud history, marked by great on-field success and significant fan support despite operating in the oldest, undersized non-soccer specific venue in the league; and

WHEREAS, in November 2005, AEG, the owner of the San Jose Earthquakes Major League Soccer team, announced its intention to move the Earthquakes to Houston, Texas for the 2006 season; and

WHEREAS, in acknowledgement of the outstanding fan support for the Earthquakes franchise, Major League Soccer ("MLS") reserved the Earthquakes' name, colors and records in trust for a potential expansion franchise; and

WHEREAS, FWSH Partners, LLC ("FWSH") negotiated the rights to purchase an MLS expansion franchise; and

WHEREAS, the City has been advised that the rights to obtain an MLS franchise will be exercised only if that new MLS team can be housed in a new stadium designed specifically to house a professional MLS team; and

WHEREAS, private investors have indicated to the City that they have a clear vision for bringing the Earthquakes and an MLS program back to the City in a new stadium that can be constructed with 100% private financing; and

WHEREAS, the private financing plan is based on a concept of utilizing any profits that could be generated from a possible sale of certain real property known as the iStar parcel located in the Edenvale Area of the City towards stadium construction costs on another site to be located within the City; and

WHEREAS, FWSH proposes to exercise its rights for a new MLS franchise program to be located in the City once a Non-Binding Memorandum of Understanding is executed with the City; and

WHEREAS, City and FWSH share a desire to bring an MLS program back to the City of San José.

NOW, THEREFORE, BE IT RESOLVED BY THE COUNCIL OF THE CITY OF SAN JOSE THAT:

The City Manager is hereby authorized to negotiate and execute a Non-Binding Memorandum of Understanding with FWSH (an "MOU") within the following parameters:

1. The MOU shall describe and be consistent with facilitating the shared aspirations of City and FWSH to bring a professional, MLS program back to the City; and
2. The MOU shall reflect a willingness to explore the construction of a high quality stadium for that purpose, which construction would be financed solely by private investment and private funding; and
3. The MOU may contain terms regarding the preliminary exploration of a concept involving the possible conversion of the iStar Property, generally located at Highway 85 and Cottle Road, from an Industrial Park General Plan Land Use Designation to a

Residential Land Use Designation for the express purpose of financing the development of a high-quality, professional, major league soccer stadium at an alternate site located in the City, but shall contain terms reflecting an understanding and acknowledgement by all parties that the MOU shall in no way bind the City to approve any change in any General Plan Land Use Designation on the iStar Property or any other related development approvals for the iStar Property.

ADOPTED this 12th day of June, 2007, by the following vote:

AYES:	CAMPOS, CHIRCO, CONSTANT, CORTESE, LICCARDO, NGUYEN, OLIVERIO, PYLE, WILLIAMS; REED
NOES:	NONE
ABSENT:	NONE
DISQUALIFIED	NONE
VACANT:	DISTRICT 4

CHUCK REED
Mayor

ATTEST:

LEE PRICE, MMC
City Clerk