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Behind the 49ers stadium mess
John Coté, Chronicle Staff Writer

If not for a federal wiretap and a $400,000 bribe to the former governor of Louisiana, the San Francisco 49ers might have settled into a new stadium here years ago instead of now trying to leave the city where they were born.
Then-team owner Eddie DeBartolo Jr.'s bribe for a riverboat casino license in 1997 threw the 49ers into a two-year ownership limbo that helped kill a Candlestick Point shopping mall and stadium project that was to host the 2003 Super Bowl.

"If Eddie had not lost control of the team, the stadium project at Candlestick Point would definitely have gone forward," said former 49ers President Carmen Policy, the team's point man on that deal and now a consultant aiding Mayor Gavin Newsom's efforts to keep the team from moving.

"The stadium would have been built," Policy said.

Instead, DeBartolo resigned as team chairman, pleaded guilty to a felony and was later given a one-year league suspension. His sister and brother-in-law, with no previous experience running a pro football team, took over the 49ers. Policy left the team. The stadium project stalled.
That, coupled with the continued deterioration of Candlestick Park and the challenges of building a major venue along San Francisco's southeastern waterfront, paved the Niners' road south to Silicon Valley, former team officials and city leaders said.

A 63-year tradition
If the 49ers leave, it would mean the end of a 63-year tradition and the loss of a team that former Mayor now-Sen. Dianne Feinstein called part of the city's "critical history." The Niners' five Super Bowl wins starting in 1982 provided a rallying point for a city racked by the Jonestown massacre, the assassinations of Supervisor Harvey Milk and Mayor George Moscone and later the AIDS epidemic.
Owners Denise DeBartolo York, husband Dr. John York and now their son, Jed York - after abruptly pulling out of a mixed-use development and stadium project at San Francisco's Candlestick Point in November 2006 - say they hope to move the 49ers to Santa Clara.
How things got to this point is a matter of contention. Some blame Newsom's oversight of the negotiations. Others say the deal was too complex for the Yorks. The team says the plan was flawed and Santa Clara offered an easier option.
What's clear, though, is the 49ers had political allies, momentum and the narrow backing of voters in 1997 for a stadium-shopping mall at Candlestick Point. Although the plan had not been formalized, and skeptics questioned whether it made financial sense, former Mayor Willie Brown had staked much of his political capital on it.

"The contract would have been signed, and construction would have been under way," Brown said recently. "The Eddie DeBartolo thing did irreparable damage to the potential for a new stadium."

DeBartolo resigned as team chairman in late 1997 amid the federal extortion investigation involving former Louisiana Gov. Edwin "Fast Eddie" Edwards. Denise stepped into his role, limiting her brother's power over the 49ers, touching off a dispute that raised the possibility the team would be sold. At the same time, the two siblings were trying to split the assets of their deceased father's billion-dollar company. After lawsuits and countersuits, Denise emerged with the team.

5 Super Bowl winners

Eddie's brash, spare-no-expense approach produced five Super Bowl winners. By contrast, Denise and John were a reserved couple from Youngstown, Ohio, with no direct ties to San Francisco or its politics.

Denise was seen as an astute businesswoman who was named president of the Pittsburgh Penguins after her father bought the team in 1991, but she was the antithesis of her brother, who traveled with an entourage in a private jet.

Denise largely avoided the spotlight, telling The Chronicle in 2000 that she shopped at T.J. Maxx and defined herself first as a wife and mom who bought her own groceries, picked up her children from school and cooked dinners.

Her husband, Dr. John York, grew up near Little Rock, Ark., the son of a dentist. John was a pre-med major at Notre Dame and went on to specialize in blood pathology. He set up a lab in 1982 and turned it into a 500-person tri-state operation before selling it in 1993.

Running the 49ers fell to John York, who was hardly the free-spender or back-slapper DeBartolo was. York quickly earned a reputation - some say undeserved - for missteps and penny pinching on everything from bottled water to game balls awarded to the coaching staff.

He can also be socially awkward, with stretches of silence during conversation.

Yorks cautious

Bevan Dufty, a supporter of the Yorks and perhaps the biggest 49ers fan on the Board of Supervisors, described John York as a bit of an acquired taste.

"My joke about John is he's always better after he's had a glass of wine," Dufty said.

The Yorks, though, were cautious about the stadium-mall deal they inherited, even after they had official ownership of the 49ers in 2000. The plan already had critics who said it wasn't financially feasible. They hired a project point man, Peter Harris, who lasted four years. But there was little action.

"They had just taken over the team and were trying to learn how to swim in the waters of the NFL," former 49ers spokesman Sam Singer said. "Just managing the team was a giant endeavor."

The stadium price tag rose from $325 million to $500 million. Brown, who screamed with joy while swilling champagne atop a union hall table when the 1997 stadium measures squeaked by, continued to say through 2000 that the mall-stadium project was still a go. Now he says he understands the Yorks' reservations about signing on.

"People don't do that easily. They usually do that when it's their idea, not somebody else's," Brown said. "(The Yorks) didn't jump feet first into anything."

Team officials declined to make the Yorks available for interviews.

By late 2004 the landscape had changed.

"Across the country, big indoor malls were being replaced with much more pedestrian-oriented, mixed-use developments," said Michael Cohen, the mayor's economic development director.

Brown was replaced by Newsom who, in October 2004, set a one-year deadline to "get something started" on the stadium. The team had been losing, and the dot-com bubble bursting had pummeled the regional economy.

All the while, Candlestick Park, built in 1960 and dubbed a "pigsty" by DeBartolo in 1985, degraded. The team complained of leaks in luxury suites, rusty light towers, clogged drains in concession stands, broken escalators and elevators, and periodic parking lot flooding.

There are only two older NFL stadiums, but Chicago's Soldier Field and Green Bay's Lambeau Field have recently had major renovations.

The team and Newsom's administration delved into a project that combined retail, housing and a new stadium at Candlestick Point. The Niners signed up developer Lennar Corp., which was already working with the city to develop the Hunters Point Naval Shipyard.

City, team and Lennar representatives met weekly at City Hall for about a year starting in late 2005 to hash out a plan. Newsom's team thought big, wanting a stadium to be the showpiece of a 2016 Olympics bid.

Then, in November 2006, the team announced they were dropping San Francisco to pursue a stadium in Santa Clara

next to their practice facility.

"We were shocked," Cohen said.

The deal unraveled

Unbeknownst to San Francisco, the 49ers had quietly been in talks with South Bay officials for months before the announcement, e-mails and documents show.

Singer, now representing Lennar, compared those talks to marital infidelity, although team officials maintain they were up front about considering Santa Clara as a backup.

So what went wrong?

The 49ers pointed to a host of issues: The project called for a 9,300-space parking garage that was bad for traditional tailgating. Access was difficult. They questioned whether transportation improvements would get done on time.

"In retrospect, I think the specter of an Olympic bid made them nervous," Cohen said.

John York was concerned an Olympic stadium would distract from what the team wanted to build, said a source familiar with the talks.

Some of Newsom's City Hall critics say the mayor failed to develop a strong relationship with the Yorks because he didn't engage them like Brown and other city officials who regularly dined with John York.

Others say the San Francisco deal - a major infrastructure project in a politically charged city - was simply too complex and carried too much uncertainty for an owner looking to safeguard the family fortune.

Several people familiar with the stadium talks said the Yorks seemed more comfortable in a suburban setting with a traditional stadium surrounded by parking.

Team officials and city leaders rejected those arguments.

Cohen called it "unfathomable" to suggest Newsom and John York's relationship scuttled the deal.

"This is a business transaction," he said. "Business deals are done all the time by people who don't love each other."

Not about relationships

Larry MacNeil, the 49ers' current chief financial officer, agreed.

"It has nothing to do with personal relationships between Dr. York and Mayor Newsom," he said.

MacNeil also said the argument that John York's suburban background made him skittish was "really silly."

The Yorks hired financial, real estate, environmental and political consultants to work on the proposal, he said.

"John went out and hired the A team to see if this could work in San Francisco," MacNeil said. "That team came back and said this deal is not going to work."

San Francisco's plan

The San Francisco plan calls for the city to provide the land and Lennar to give the team $100 million for the stadium and pay for infrastructure improvements, including revamping the Harney Way and Highway 101 interchange that snarls game traffic. Lennar would develop housing, office and retail spaces.

Within months of the 49ers' shift to Santa Clara, Newsom unveiled a plan to move the stadium from Candlestick Point to Hunters Point for better access. It scaled down the garage and added specialized grass fields for parking that would double as sports fields.

The 49ers applauded the move, but continued to see access problems and raised concerns about the pace of toxic cleanup there.

Newsom, with the help of Feinstein and House Speaker Nancy Pelosi, secured an additional $81.6 million in federal funds that will clean up the proposed stadium plot by fall 2010. Newsom also successfully pushed a 2008 ballot measure endorsing the development proposal. Jed York, in a May 13 letter, said those efforts were to be "commended," but added: "The transportation concerns we outlined two years ago remain unresolved."

The city has "done everything they've asked us, but clearly their priority is not to stay in San Francisco, it's Santa Clara," Newsom said recently on the "Chronicle Live" sports talks show.

Santa Clara's hurdles
Santa Clara's plan is far from ironclad. The $937 million stadium deal still needs an environmental study, approval from Santa Clara voters next year and financing.

DeBartolo, who declined to be interviewed, said in a statement he hopes the team and fans "get the state-of-the-art stadium they deserve."
Former 49er safety Dwight Hicks, who played during the team's glory days, was more blunt.

"It would be a travesty for the city to lose the team," Hicks said. "It's the San Francisco 49ers. Enough said."

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