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One year after vote, Santa Clara 49ers stadium far from easy score

By Mike Rosenberg

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The stadium measure Santa Clara voters approved a year ago was supposed to seal the 49ers' move to the South Bay, but like the franchise's attempt to return to greatness on the field, the journey since then has included its share of fumbles.

In the past week, the team revealed the stadium price tag has jumped $50 million, to nearly $1 billion, while city and 49ers leaders now say they don't know exactly how much the team will pay to fund the project. Even bigger issues have surfaced to threaten funding for the project -- chiefly the NFL lockout and the governor's plan to eliminate redevelopment agencies -- raising serious questions that weren't there a year ago.

"There are a lot of balls in the air right now. If any of these balls are dropped, then the stadium is history, basically," said Stanford professor Roger Noll, a sports economics expert.

Niners officials, though, insist they'll raise the money to start construction in 18 months and open the 68,500-seat "landmark of Silicon Valley" next to Great America in time for the 2015 pro football season -- a year later than voters were told.

But just look at what's changed since June 8, 2010, when 58 percent of Santa Clara voters approved the stadium measure. Santa Clara's city council received its own update Tuesday night.

1. NFL lockout leads to delays

Perhaps the biggest question mark is the NFL's three-months-and-counting lockout, which may halt the 2011 season and has already delayed construction on the Niners' stadium by a year. The most recent plan called for the team and league to pay for more than half the construction costs, but now officials won't have any idea how much the NFL will chip in until the league and its players settle on a contract.

Additionally, league executives want the Niners and Raiders -- who also need a new stadium -- to explore sharing a new home before the league gives out big bucks, like the $300 million the NFL gave the Giants and Jets to build a stadium together in New Jersey.

But the Raiders have no plans to move to Santa Clara so far. And stadium experts noted the new contract could cut deeply into owners' revenues, making them reluctant to give out hundreds of millions of dollars for a new stadium.

"A lot of the funding, I think, depends on whether they're playing games, and if they're not, there goes a big chunk of the revenue stream," said Paul Staudohar, a professor emeritus of business administration at Cal State East Bay. "This thing could be delayed if there is a lockout that cuts deeply into the NFL season."

49ers CFO Larry MacNeil said the league's contribution is essential but that the team doesn't believe the work stoppage or the content of the collective bargaining agreement will affect the project anymore than it already has.

2. Plan to pay for stadium cloudier

Team and city officials just scrapped the numbers included in the financing plan set in 2009, which called for the city's Stadium Authority to raise $330 million by selling the rights to name the stadium and other sponsorships, while the team and league pay $493 million. They won't say exactly how much each side will contribute until the middle of next year -- citing ongoing negotiations -- although the 49ers will fund the 15 percent to 25 percent of building costs meant specifically for the team, such as locker rooms and the franchise's hall of fame. The stadium plan still relies on funds from the league, and from revenues raised by the Stadium Authority, but the city's general fund budget can't be tapped for the project -- as voters were promised.

Santa Clara Mayor Jamie Matthews noted team officials scored "quite a coup" in hiring the renowned CAA Sports agency in April to find a naming rights sponsor and that there's been "steady progress" in finding sponsors, including the expected hiring of a concessionaire next month. The 49ers also hired Silicon Valley heavy hitter Gideon Yu, a former executive at Yahoo, YouTube and Facebook, as chief strategy officer to work on the stadium financing plan.

49ers' COO Paraag Marathe said the team has already spent $20 million for design work and building a preview center in Santa Clara, where they are selling luxury suites, and have been pleased by the interest from corporations as they gear up to raise the team's share of the money next year. The team has promised to spend another $20 million in the next 12 months.

But critics question why the plans have only become more vague as the groundbreaking nears.

"It's pretty disgraceful that at this late date, the 49ers are completely unprepared to tell us where their share is coming from," said Bill Bailey, treasurer of opposition group Santa Clara Plays Fair. "And Santa Clara has yet to file any sort of budget (for their share). That's a great disappointment."

3. Costs rise to near $1 billion

Late Friday, officials revealed the cost of the project has increased from $937 million to $987 million, which also includes a parking garage next door and the relocation of a nearby utility substation. MacNeil said the increase is due to more accurate projections and design changes for the stadium. It's unclear who will pay for the extra costs.

MacNeil noted they won't know the actual cost until they receive contractors' estimates next year, but they're not worried about the price tag soaring even higher.

"It's going to be what it's going to be," MacNeil said.

4. A city funding source jeopardized

The stadium measure requires the city's Redevelopment Agency to spend up to $41.6 million to fund the project. But now Gov. Jerry Brown's budget proposal to kill the agencies across the state throws that funding into question. Who would be on the hook for the loss isn't clear: City leaders say the team would be responsible for making up the difference, but the team said it is relying on those funds to come from the city.

"It would be a bump in the road, but it wouldn't derail us from moving forward," Matthews said about the governor's plan, which the Legislature has yet to endorse.

The City Council already gave $4 million to the 49ers and has about $2.7 million in redevelopment bond revenues dedicated to spend on the project. It has taken actions it hopes will lock up the project as an irreversible, debt-servicing obligation, making it impossible for the state to stop. But Brown has said his administration will look at challenging all projects that cities have tried to sneak in since the governor announced his plan.

Despite the hurdles, both team and city leaders say they're on target. "We're well on the way to meeting our deadlines, we'll be playing football there in 2015," Matthews said. "The progress has been steady. It's a complex and large project and I'm very proud of what we've gotten done."

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