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Subject:	49ers/redevelopment news clip 22FEB11
Date:	Tuesday, February 22, 2011 8:35:01 AM

Santa Clara moving to protect redevelopment money for Niners stadium

By Lisa Fernandez
San Jose Mercury News
Posted: 02/20/2011 08:15:59 PM PST
Updated: 02/20/2011 08:45:48 PM PST

Fearful that it could lose up to $40 million in redevelopment funds already promised for a new 49ers football stadium, the Santa Clara City Council plans on Tuesday to send a message to Gov. Jerry Brown: Don't take away our stadium money.

City leaders are doing whatever they can to remind the governor that the 68,500-seat, $937 million stadium planned next to the Great America theme park has been a long-standing project that involves redevelopment funds, and should not be cut under Brown's proposal to do away with redevelopment agencies.

Without redevelopment funds, city leaders say they have no other public money to tap for the project, which city voters approved in June under the promise the city wouldn't use money from its general fund.

"The state's raid on local redevelopment agencies is a terrible thing," said Santa Clara Mayor Jamie Matthews.

As a proactive measure, the City Council plans Tuesday to "memorialize" official language into the stadium deal, effectively etching in stone that leaders had been crafting the proposal long before Brown began looking at disbanding redevelopment agencies.

"We wanted to be clear in our language that this has been planned out and under way for a long time," said acting assistant city manager Carol McCarthy. "We've been working on this for four years."

Shortly after he took office, Brown proposed doing away with redevelopment agencies across the state and funneling that money to schools and local governments.

At issue specifically for the upcoming 49ers stadium project is up to $40 million that the Santa Clara Redevelopment Agency has previously committed -- and voters approved spending in June.

Bill Bailey of Santa Clarans Play Fair, the grass-roots group formed in opposition to any public funding of the stadium, said he supported Brown's plan to phase out redevelopment agencies.

"This property tax money should go to the county and to schools," Bailey said. "That was the original intent. We shouldn't be subsidizing the 49ers."

No Plan B

McCarthy stressed that of the "up to $40 million," city leaders believe they'll need to issue only $26 million in bonds, and the rest could be borrowed from the team to cover the redevelopment portion of the stadium contribution.

Still, if the state Legislature decides to force redevelopment agencies to close up shop -- and cut off their cash flow -

- McCarthy conceded: "I don't know what we'll do."

McCarthy said the city would not put out another vote for Santa Clara residents. "We'll have to come up with another source of funding, a private source," she said.

Matthews reiterated: "The money would have to come from the team or other investors. But it wouldn't become an obligation for the taxpayers."

The ballot measure that voters approved in June prohibits the city from dipping into any city fund other than the Redevelopment Agency to pay for the stadium project.

Matthews said no one's been knocking on any doors looking for money just yet.

"At this point, we're just waiting to see what will occur," he said.

Similarly, 49ers spokeswoman Lisa Lang said the team has no Plan B.

"The voters voted on it," Lang said. "That money is an important part of the project and we're expecting it."

'We're concerned'

Lang also noted that of the approximately $40 million, the 49ers have guaranteed a $17 million advance to the Redevelopment Agency portion of the project.

But if redevelopment agencies disappear, Lang said: "The team would have to figure out how to address the gap. But we're not there yet."

On Tuesday, the council also is expected to establish itself as the Stadium Authority, which would own and operate the proposed stadium.

The council also will vote to allow the Redevelopment Agency to issue new debt so that the agency can issue bonds for the stadium construction and other infrastructure improvements in the Bayshore North Area.

Santa Clara City Council meeting
The council will discuss redevelopment at a meeting at 7 p.m. Tuesday in the council chamber, 1500 Warburton Ave. It will be broadcast live in Santa Clara on Municipal Cable Channel 15.

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