

**IF A FOOTBALL STADIUM  
IS SUCH A GOOD DEAL,  
WHY DON'T THE  
BILLIONAIRE YORKS  
WANT TO OWN IT?**

*Because, the Yorks Make an Additional \$30  
Million per Year, While Your City Makes  
\$700,000 per Year*

***And, HOW 1,700  
SANTA CLARA PARKING  
SPACES JUST BECAME  
THE MOST EXPENSIVE  
REAL ESTATE IN THE  
WORLD***

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***“Why don’t we want to own the Stadium? We aren’t in the stadium business.”***

- Jed York, May 23, 2007

***“[T] hat's what it's all about: doing what's best for the 49ers and doing what's best for the fans.”***

- Patricia Mahan, Santa Clara Mayor, June 19, 2007<sup>2</sup>

**M**aybe we have all become too comfortable with accepting spin as fact. Perhaps, we have lost our collective stomach to ask the obvious question, if we know the answer will be embarrassing for the respondent.

On May 23, 2007, at one of the York’s talking tours in Santa Clara, notwithmymoney member, Buck, asked 27 year old Jed York about the 300 ton gorilla in the room.

It was the question that was so essential, but one the Santa Clara City Council would not pose. Thereby, apparently, placing avoidance of embarrassment to the Yorks as a higher priority than protecting the pocketbooks of residents, who are being asked to donate \$1,600 - \$4,500 from each family member, to the billionaires.

Buck simply, but directly, asked York the Younger, Jed, why his family did not want to own the stadium they are asking Santa Clara residents to build, own and operate.

The response, “We aren’t in the stadium business.”<sup>3</sup> The answer was honest, and, at the same time, incomplete. Why the Yorks, who could otherwise afford to build, own and operate the stadium, but choose not to, is telling.

Constructing, owing and operating a stadium is a loser. The Yorks know this, so do we. Here is why.

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<sup>2</sup> See, [http://www.mercurynews.com/breakingnews/ci\\_6178546](http://www.mercurynews.com/breakingnews/ci_6178546)

<sup>3</sup> As if the City of Santa Clara is!

If the Yorks have the benefit of the 49ers playing in a new stadium, they will make an additional \$30 million annually.<sup>4</sup> If we residents fund the construction, own and operate the stadium, we will realize \$700,000 annually to our general fund<sup>5</sup>, in tax revenue. These figures assume a “best case” scenario for our city.<sup>6</sup>

So, let's do the numbers.

The billionaire Yorks / NFL investment: \$363 million.<sup>7</sup>

The Santa Clara residents' subsidy demanded by the Yorks:

Scenario I: \$180 million (\$160 million as demanded by the Yorks plus the \$20 million to \$30 million cost of moving a City electrical sub-station, both found by Santa Clara's Mayor and York campaign contribution recipient, Patricia Mayhan, to be “doable” even before she saw the York's proposal on April 24, So, now we are at **a subsidy of \$1,565 per resident.**<sup>8</sup>

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<sup>4</sup> We requested the Yorks, in writing, directly, and through the City of Santa Clara, again in writing, for the York / 49er financial projections, after a new stadium is built, on four occasions. To date, neither the Yorks nor the 49ers have responded to our, nor the City forwarded, requests. Therefore, we must assume, by default, the conclusion of experts who have researched the question of what an NFL owner makes additionally, as with the Yorks current request from Santa Clara, as true. \$30 million annually. Why the Santa Clara City Council has not asked the same question, on the residents' behalf, is unknown. See, Noll, Roger G., and Andrew Zimbalist. "Sports, Jobs, and Taxes: Are New Stadiums Worth the Cost?" *The Brookings Review*, Summer 1997, p. 35-39.

<sup>5</sup> <http://www.ci.santa-clara.ca.us/pdf/collateral/49ers-20070605-Agenda-Report-Eval-49ers-Economic-and-Fiscal-Benefits-Study.pdf> p.2

<sup>6</sup> See, Item 5 (c)(1) “report”  
<http://cityclerkdatabase.ci.santa-clara.ca.us/wx/pubhtml/pubhtml/3010.html#June-05-07Regular>

<sup>7</sup> [http://www.supportourniners.com/images/stadium\\_financing\\_fact\\_sheet.PDF](http://www.supportourniners.com/images/stadium_financing_fact_sheet.PDF)

<sup>8</sup> “Resident” means, each and every man, woman and child resident of the City of Santa Clara. For example, a family of four residing in Santa Clara, is being asked by the billionaire Yorks to give them between \$6,300 and \$18,000 for a stadium.

Scenario II: \$190 million (above) plus \$47million to build a parking garage. So, now we are at **a subsidy of \$237 million, or, \$2,060 per resident.**

Scenario III: \$237 million (above) plus the debt (\$330 million).<sup>9</sup> So, now we are at **a subsidy of \$537 million, or, \$4,470 per resident.**

**T**he Yorks/NFL \$363 million investment returns \$30 million annually in additional revenues to them. That works out to an annual return of 8.3%. The Yorks/NFL would be repaid in 12 years.

In contrast, the return on your subsidy is south of dismal.

Under Scenario I, a subsidy of \$180 million returns tax revenues to the City's general fund of \$700,000. That works out to an annual return of 0.39%. Your subsidy would be repaid in 257 years. Adding the amount the Yorks tell us the City would make (\$3 million annually) from operating the stadium makes little difference.<sup>10</sup> The annual return from \$700,000 plus \$3 million rises to 2%. The subsidy would be repaid in 50 years.

Under Scenario II, a subsidy of \$237 million, returning the same \$700,000 yields an annual return of 0.29% and would be repaid at the end of 339 years. Adding the \$3 million from operations, the return rises to 1.6% and the subsidy would be repaid in 64 years.

Under Scenario III, a subsidy of \$537 million, returning \$700,000 yields an annual return of 0.13% and would be repaid over 767 years. Including the \$3 million from operations, increases the annual return on your money to 0.69%, repaid over 145 years.

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<sup>9</sup> [http://www.supportourniners.com/images/stadium\\_financing\\_fact\\_sheet.PDF](http://www.supportourniners.com/images/stadium_financing_fact_sheet.PDF)

<sup>10</sup> [http://www.supportourniners.com/images/49ers\\_financial\\_proposal.pdf](http://www.supportourniners.com/images/49ers_financial_proposal.pdf) p.18

Given the foregoing analysis does not consider inflation nor interest payable on debt, the actual return on your money is, at best, zero, and more likely, negative. Even under the most optimistic scenario, your contribution to the billionaire Yorks would not be repaid until well after the useful life of the stadium. In short, we will never recoup our contribution.

Therefore, what we have referred to as a “subsidy” is hardly that. In reality, it is a donation, pure and simple.

The York’s “subsidy” request is a “no-brainer.”<sup>11</sup>

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<sup>11</sup> Cliche courtesy of unabashed stadium champion, Councilmember Kevin Moore, although, perhaps, not in the manner he intended.

# HOW 1,700 SANTA CLARA PARKING SPACES JUST BECAME THE MOST EXPENSIVE REAL ESTATE IN THE WORLD

*After hearing the Yorks' wanted \$160 million of our money (but before she had bothered to read the 49ers proposal), Mayor Mahan declared the request "doable."<sup>12</sup>*

*On top of the \$160 million, the Yorks said tossing in another \$20-\$30 million would be preferred, but not essential, to move a City electrical substation. The Mayor's response? That's "doable" too.<sup>13</sup>*

*"We're saying we're opposed to the [stadium] at this point in time (June 17, 2007)," said Stacy Frole, the Cedar Fair spokeswoman.<sup>14</sup>*

*"It's a relationship between [Cedar Fair] and Santa Clara. So, it's a matter for them." said Lisa Lang, 49ers spokesperson (June 18, 2007).<sup>15</sup>*

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<sup>12</sup> See, San Jose Mercury News, Patel & Swift, "49ers specify city share of stadium" April 25, 2007 Sec 1B.

<sup>13</sup> See, City Council video, April 24, 2007 Study Session.

<sup>14</sup> [http://www.mercurynews.com/breakingnews/ci\\_6151899](http://www.mercurynews.com/breakingnews/ci_6151899)

<sup>15</sup> [http://cbs5.com/local/local\\_story\\_169213630.html](http://cbs5.com/local/local_story_169213630.html)

**O**f course, what the Santa Clara City Council did in their moment of bravado was to unleash every potential handout of corporate welfare. “Trust your City Council” the *Santa Clara Weekly* told you. Trust your Chamber of Commerce, who endorsed the York’s subsidy request months before their proposal was even presented.

We believe, that, just because a person occupies a position of responsibility, or self-labels themselves as a “civic leader,” is no guarantee that person will act responsibly.

Mayor Mahan’s declaration says it all: “[T]hat’s what it’s all about: **doing what’s best for the 49ers and doing what’s best for the fans.**”

We differ. We believe it is not about some special interest. It is, rather, about the residents of the City of Santa Clara.

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**END**

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