



First Santa Clara 49ers stadium budget includes council pay hike

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The money is starting to flow into the 49ers stadium project in Santa Clara before shovels hit the ground, with council members shelling out funds to outside lawyers, consultants and city workers -- along with a 10 percent raise for themselves.

Critics say using stadium funds to bump council members' pay, even by a small amount, sends the wrong message as questions mount over how the city and team will pay for the increasingly pricey project. But council members defended their "very minor" stipends as "standard practice," saying they always get paid when they take on duties that require extra meeting time.

The first budget for the newly formed Santa Clara Stadium Authority -- the city arm in charge of the nearly 70,000-seat project next to Great America -- totals \$1.5 million for the fiscal year starting on July 1. Tax revenues from properties around the stadium site will provide the fuel to run the stadium authority, which is teaming up with the 49ers to plan, fund and build the \$987 million project.

The budget is separate from the big funding plan needed to pay for stadium construction. But it's still crucial, since the city needs the money to complete a financing plan, secure sponsorships, and sign lease and development deals with the team before the two-year construction project can begin in January 2013. In other words, no planning budget, no project.

Boost to council pay

The smallest

-- but some say most intriguing -- fund recipients are the City Council members, who also act as the stadium authority board and unanimously approved the budget Tuesday.

The seven council members are in line to get \$1,440 apiece extra next year for their work on the project, which includes discussing and voting on an item or two related to the stadium during most weekly council meetings. On rare occasions, they'll host special meetings just to discuss the stadium project.

The stadium-related pay comes on top of the part-time elected officials' annual salary, which in the past year was \$9,125 for the six council members and \$15,209 for Mayor Jamie Matthews. And on top of that, they also had the chance to earn up to about \$2,000 last year by attending various meetings for other city agencies, such as the Housing Authority.

The cost of the stadium has recently jumped by \$50 million as the NFL lockout and other financial uncertainties have given critics more ammunition to doubt whether the project can be funded. They say it's the wrong time for leaders to take a pay hike.

"I think it's the wrong message. Here they are, appointing themselves -- because the stadium authority is the City Council -- and giving themselves more money," said one of the council's most outspoken critics, Deborah Bress, who last fall exposed the free police motorcycle escorts the city was giving the team. "I think we've got the fox in charge of the henhouse. There are no checks and balances whatsoever."

But council members noted they took a voluntary pay cut in the winter and that they will only get paid if they attend stadium authority meetings.

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"It's such a major project, we've had a bazillion meetings on it," said Councilwoman Jamie McLeod, the toughest project critic on the council, who called the extra pay "very minor." She added: "I didn't think it was out of the ordinary."

Budget details approved

In the \$1.5 million budget, about two-thirds of the stadium planning will be done by outside consultants and one-third by City Hall.

A total of \$950,000 will go to Oakland-based law firm Goldfarb & Lipman, an economic consultant from San Francisco called Keyser Marston Associates, and the Palo Alto office of auditor Vavrinek, Trine, Day & Co.

"We're negotiating with a private business, essentially, that has tremendous negotiating skills," McLeod said of the 49ers. "They have their experts and I think it's appropriate to bring in our own experts."

Another \$550,000 will help pay the salaries of City Hall workers -- everyone from finance officials to planners to public works staffers -- who spend time working on stadium plans. Acting Assistant City Manager Carol McCarthy said these workers won't end up with more take-home pay as a result of the stadium work; rather, they'll get a bigger portion of their salary from the stadium budget and less from the city's general fund.

That likely means city workers will spend less time on other city matters at a time when employees have been laid off and the remaining staffers have been hit with furlough days.

"We're doing the best we can to balance the workload," McCarthy said.

Finally, \$35,000 in stadium funds will pay for supplies such as printing and publication costs, said City Manager Jennifer Sparacino, who doubles as the stadium authority's executive director.

Funding the stadium authority was a tricky task, even by bureaucratic standards.

The revenue was originally raised from the city's redevelopment agency, which collects property taxes in the Bayshore North area around Great

America. But the city gave \$4 million from the redevelopment pot to the 49ers this year after Gov. Jerry Brown said he would scrap the agencies.

The 49ers are now giving back \$1.5 million to the city to operate the stadium authority. The team also will likely give back about \$750,000 so the city later this year can begin site preparations, such as moving utility lines.

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STADIUM AUTHORITY CASH

Who gets the money from the Santa Clara Stadium Authority:

\$950,000

Three outside consultants: a law firm, economic experts and an auditor

\$550,000

Pay for city staffers who work on project planning

\$35,000

Supplies, such as printing and publication costs

\$10,080

Pay for City Council members

Source: City of Santa Clara. Figures are budgeted for the fiscal year starting July 1.

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