

Santa Clara

City of Santa Clara, California



**DATE:** June 1, 2007

**TO:** City Manager/Executive Director for Council/Redevelopment Agency Action

**FROM:** Assistant City Manager

**SUBJECT:** Evaluation of 49ers Economic and Fiscal Benefits Study

**EXECUTIVE SUMMARY:****Overview**

At the April 10, 2007 Council/Agency meeting, representatives from the San Francisco 49ers and their economic consulting firm, CS&L International, presented their study on the economic and fiscal benefits of a new stadium in Santa Clara. The Council/Agency directed staff to return to the June 5, 2007 meeting with an evaluation of the CS&L study. The Council/Agency chose to limit the focus of staff review to those economic/fiscal impacts occurring in the City of Santa Clara, given that to date, Santa Clara is the only regional governmental agency participating in the funding proposal for a new stadium. The report does not comment in any depth on County or regional benefits addressed in the CS&L Study. Keyser Marston Associates (KMA) conducted the evaluation at the City's/Agency's request.

**Keyser Marston's Evaluation Approach**

KMA's evaluation is based on:

- A review of the CS&L study, dated April 4, 2007;
- A follow up meeting and discussions with CS&L and the 49ers;
- Review of additional confidential materials and calculations provided by CS&L;
- Review of State sales tax regulations; and
- Consultation of various sports economics literature.

**Keyser Marston's Summary Findings**

KMA's findings are outlined as follows:

- While CS&L evaluated the economic benefits related to both a new stadium and the existing 49ers Training Center, KMA chose to separate the economic benefits of the Training Center from the economic benefits of the stadium as the Training Center lease between the City and the 49ers allows the 49ers, as the Lessee, to consider other forms of allowable development on the Training Center property.
- KMA estimated annual benefits based on a single year and construction benefits for the period of construction activity. KMA believes that while expressing these benefits over a longer period of time would result in larger estimates of benefit, the ratio of benefit to existing economic activity might not change.
- CS&L findings were restated to 2007 dollars in the KMA study. CS&L findings are based on 2012 dollars.
- KMA generally concurs with CS&L's estimate of \$85 million of annual direct, indirect and induced economic activity in the City of Santa Clara, however KMA attributes approximately one half of that economic benefit to the existing 49er Training Center facility.
- KMA generally concurs with CS&L's estimate of 830 full-time equivalent jobs. KMA estimates