



CITY OF OAKLAND

Office of the Mayor
Libby Schaaf



SCOTT HAGGERTY
President, Board of Supervisors

December 29, 2015

Eric P. Grubman
Executive Vice President
National Football League
345 Park Avenue
New York, NY 10154

Dear Mr. Grubman:

We are writing on behalf of the City of Oakland, the County of Alameda and thousands of Oakland Raiders fans throughout the Bay Area to give you an update on the progress of our efforts to keep the Raiders in Oakland.

While we have not yet reached negotiated deal terms, Oakland's discussions with the Raiders have been detailed and positive, and are ongoing. This letter and the accompanying attachment outline the issues and concepts that Oakland has presented to the team to date.

OAKLAND IS AT THE CENTER OF GROWTH FOR THE BAY AREA

Oakland remains a tremendous market for the NFL and the Raiders – and it is only getting stronger. Just last week the *San Francisco Business Times* reported that as dozens of companies have moved to Oakland in the past year the commercial vacancy rate has plummeted to a low 4.6 percent – now below nearby San Francisco's rate of 5.3 percent vacancy. The hot commercial market has shifted to Oakland as demand fueled a 7.6 point reduction in Oakland, while San Francisco saw only a 0.4 point reduction over the last year.

Overall the Bay Area remains the wealthiest market in the country. The combined average net worth of households in Oakland, San Francisco and Marin exceeds \$1 million. These are clear indicators that the Oakland market is booming and the region has the wealth to sustain the team. The growth in Oakland's corporate sector is adding to the strength and number of companies ready to support the Raiders locally, building on the vitality of the corporate community throughout the greater Bay Area that has the capacity and willingness to sponsor this team as a region.

UNBEATABLE LOCATION

The site the new Raiders stadium would sit on is a tremendous asset in its own right. In fact, the Coliseum location is one of the most transit-rich NFL sites in the nation with easy access to and from the stadium via bus and train rapid transit (BART & AC Transit), Amtrak and the Oakland International Airport which includes an automated airport connector.

Fans getting to the game by car have convenient access right off Interstate 880. The close proximity of the freeway to the stadium offers incredible freeway visibility of the venue. There are advertising and signage opportunities for the league, the team and their sponsors to reach game day visitors and over 230,000 traveling motorists daily.

The Coliseum site is considerably closer by public transit and car to San Francisco than the 49ers' Levi's Stadium, with drive time from San Francisco as short as 25 minutes, versus an hour or more to Levi's stadium.

OAKLAND IS READY TO BUILD NOW

One of our greatest strengths and differentiators is the fact that we own and have an approved land development plan for a new stadium and have secured the necessary environmental clearances. This is a significant financial contribution on the part of the City of Oakland and a tremendous time-saver for both the NFL and the Raiders on the path toward a new home for the team.

The Coliseum Area Specific Plan has been adopted and presents a broad range of development options, including full approval of a new Raiders stadium and a host of ancillary development that could contribute to offset stadium costs. In addition, the City and BART are discussing complimentary development on the approximately nine acres adjacent to the Coliseum, including significant improvements to connections between this transit hub and the Coliseum complex. Oakland has secured a \$40 million grant from our regional transportation agency ACTC to fund transit hub improvements. Additionally, a recent BART study identified \$140 million in potential improvements that BART may be willing to fund.

WILLING PARTNERS, REBUILDING TRUST

The support for building a new home for the Raiders in Oakland is strong. Oakland is the city where the Raiders' owner Mark Davis has continually said he'd like to stay and where we believe they belong.

We acknowledge that there have been years of frustration and false starts. The City's new administration has spent many hours these past seven months establishing a more stable and practical baseline for continuing discussions. The restoration of communication and trust between the interested parties is foundational. Given time, we are confident we can get to a deal that is responsible to all stakeholders.

DEVELOPMENT VALUE

As Oakland's market is booming, there is tremendous development value in the land surrounding a new stadium. Ancillary development can help create long-term value that benefits the region and team. We are committed to making the NFL and Raiders key partners in future development decisions, subject to appropriate community benefit agreements. We are prepared to engage in serious discussions about how a long-term lease of coliseum area land for development could help close the financing gap of constructing a new stadium, as well as give the Raiders control of their parking and game-day experience. The City of Oakland has completed an analysis that demonstrates significant development value in this land.

EXPLORING PUBLIC TOOLS

The City of Oakland has retained stadium financing expert Mitchell Ziets of Tipping Point Sports to help identify and structure various public financing tools. These tools would be used to supplement private financing sources to create a Stadium financing plan that works for the team and is responsible to taxpayers. We are only exploring public financing that would utilize new revenues that would not otherwise exist but for the construction of a new Stadium and development on the site and that would not put other public dollars at risk.

Public financing tools include mechanisms to allow the Raiders to monetize future operating lease payments, tax increment financing and privately secured lease revenue bonds.

Additionally, the City of Oakland is prepared to finance the infrastructure improvements to the entire site as the taxpayers would own the infrastructure in all perpetuity. These discussions are on-going and use of any of these tools will require approval from the Oakland City Council and the Alameda County Board of Supervisors.

SIMPLIFYING AND WORKING UNENCUMBERED

Defeasance of the Existing Coliseum Debt. We have made significant progress in lifting the bond encumbrance on the existing Coliseum facility, which would enable site flexibility. Discussions have included the possibility of the County securing the remaining debt on the Coliseum facility and executing an agreement with the City to then pay the County directly for the City's share. We have agreed on outside bond counsel and expect approvals could come to the public bodies for a vote in April 2016. We note that the existing Coliseum facility is subject to a lease with MLB's Oakland Athletics, although discussions about a new downtown facility for the A's are on-going and productive.

Buying out the County's Interest. The City of Oakland and Alameda County have made progress in simplifying the ownership and negotiation process for the Raiders and NFL by discussing the possibility of a City buy-out of the County's interest in the Coliseum and surrounding lands.

NEXT STEPS

While we realize that many steps are necessary to proceed with specific development of a new Raiders stadium, our commitment is strong and discussions have been open and

honest among the parties. We stand ready to move from our current discussions to more formal negotiations to outline an agreed-upon stadium financing plan. Any formal offers and contractual decisions require approval by the public bodies involved.

The history, identity and future of the Raiders and the City of Oakland are inextricably linked. We have the foundation for a partnership that gives the Raiders and their passionate fans the new facility they deserve while being responsible to our taxpayers.

We remain committed to keeping the Raiders in a way that is responsible to all stakeholders. Raiders' owner Mark Davis has continually said his preference is to give the Raiders a new home in Oakland. Based on the existing goodwill and substantive engagement to date, we know we can put years of speculation and uncertainty to rest. We need additional time from the NFL to build on our forward momentum.

Please let us know if you need any additional information or whether we can provide more clarification about any of the issues raised in this letter.

Sincerely,



Libby Schaaf
Mayor
City of Oakland



Scott Haggerty
President, Board of Supervisors
County of Alameda

Attachment A -- Concepts Presented by Oakland to the Raiders

The following table summarizes the concepts that the City of Oakland has been discussing with the Raiders. Actions will be required by the City Council and/or County Board of Supervisors prior to any formal offer.

Concept	Description
Site	South 60 acres of Coliseum plus 9 acres around the Coliseum BART transit hub for development
Development Rights	Team/NFL/Private Developer will have long-term control of development rights, subject to the City Development Requirements – TBD
City Development Requirements	TBD; have discussed appropriate community benefits agreement; minimum upfront investment, reciprocal parking agreement; performance milestones, guarantee of property or other tax revenues after certain time period.
Stadium Description	Open air football stadium with approximately 55,000 seats and amenities meeting NFL expectations
Stadium Design and Construction	Team will be responsible for the design and construction, subject to the standard City design and construction approval process.
Estimated Stadium Budget	Estimated \$ 900 million according to Raiders (excludes infrastructure and transit-related improvements)
Potential Stadium Cost Overruns	Team will be responsible for cost overruns beyond the Stadium Budget
Infrastructure Description	Improvements include utility replacement and relocation, creek improvements, transportation improvements and demolition; focus has been on the 60 acre portion of the site
Infrastructure Design and Construction	City will be responsible for the design and construction of the public infrastructure
Estimated Infrastructure Budget	\$90 million to be financed by the City of Oakland
Stadium Planning and Construction Schedule	Review and Approval: 2016 – early 2017 Design and Construction Drawings: late 2016 through 1 st quarter 2017 Construction Commences: 2017 Stadium Opening Target Date: Summer 2019 Demolition of Coliseum: TBD
Stadium Completion Responsibility	Team will guarantee completion by the target date.
Parking	Any future development could preserve at least 8,000 surface parking spaces on games days. Analysis is underway regarding how surface parking would be maintained during construction of new stadium.
Stadium Ownership	Raiders; City or City/County would own underlying land.
Stadium Revenues	Team to retain 100 percent of Stadium and game day revenues; non-game day revenues TBD
Stadium Operating Expenses	Team to operate stadium and responsible for operating expenses except for City or outside events. Third party operator may be used with a guaranteed operating budget.
Major Conditions Precedent to Development	-County-City bond defeasance finalized -Financing Plan finalized and approved -Finding of CEQA & Specific Plan compliance for final project