

## **Summary of Proposed Settlement Agreement Submitted by the City of Industry**

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The following is a summary of the proposed settlement agreement submitted by the City of Industry regarding the City of Industry/Majestic Realty proposed NFL Stadium based development project. To view this and all documents related to the project in their entirety, visit [www.cityofdiamondbar.com](http://www.cityofdiamondbar.com). For questions or comments, please contact the City of Diamond Bar at 909.839.7010 or email at [info@ci.diamond-bar.ca.us](mailto:info@ci.diamond-bar.ca.us).

### **Background**

#### **Tolling Agreement**

On March 26, 2009, the City of Industry City Council approved a Tolling Agreement that extends the date upon which the City of Diamond Bar may file a lawsuit from March 30, 2009 to April 23, 2009.

#### **Proposed Settlement Agreement**

At that same March meeting, Industry also approved a proposed Settlement Agreement. After extensive negotiations between the two cities, the proposed Settlement Agreement reflects measures to mitigate the impacts of the proposed stadium based development upon the City of Diamond Bar.

The City of Diamond Bar City Council will consider the proposed agreement at its April 7 meeting. At this meeting, the City Council has the option to take the following course of action to: approve the proposed settlement agreement, continue the matter to a later date; or not accept the terms of the proposed settlement agreement and direct legal counsel to file litigation against the City of Industry.

### **Terms of Proposed Settlement Agreement**

#### **Traffic Mitigation Fund**

The City of Industry will pay the City of Diamond Bar a total of \$20 million to mitigate traffic issues generated by the stadium based development. Use of these monies is at the sole discretion of the City of Diamond Bar and will only be used for projects located within city boundaries. The City of Industry will be responsible for all roadway improvements in and around the stadium project.

The monies will be paid in five phases as construction progresses:

1. \$5 million shall be deposited upon issuance of a grading permit for the stadium.
2. \$2.5 million shall be deposited 24 months after the first installment, but no earlier than the first building permit for the stadium.

3. \$2.5 million shall be paid concurrently with the issuance of an occupancy permit for the stadium or when the stadium becomes operational.
4. \$7 million shall be deposited when the second and third installments have been 90 % expended by Diamond Bar.
5. \$3 million shall be paid concurrent with the issuance of the first building permit for any retail store, restaurant, office building other than those directly related to the stadium operation.

### **Wayfinding Signage**

The City of Industry will pay all costs associated with the implementation of a “wayfinding” signage program for stadium events, including permanent signage, to be installed at locations agreed upon by both parties.

### **Public Safety Impacts**

- During events which exceed 25,000 attendees, Grand Avenue would retain two open travel lanes at all times to ensure the free flow of emergency vehicles. In addition, public safety personnel and resources are not be diminished in Diamond Bar as a result of the stadium or its related facilities.
- Additional public safety costs associated with the project or a specific event would be borne solely by the City of Industry or stadium operator, including traffic control and a Sheriff’s sub-station located within stadium.
- Establishment of a Public Safety Oversight committee comprised of representatives from the Sheriff’s and Fire departments, cities of Diamond Bar and Industry and stadium personnel. The committee will provide oversight to the development and implementation of an event-day public safety plan for the stadium and immediately adjacent areas within Diamond Bar.

### **Noise and Light Impacts**

- A six foot block wall and landscaped berm will be constructed to lessen visual impacts to residential neighborhoods immediately adjacent to the eastern parking area.
- A “quiet zone” will be constructed at the Lemon Avenue railway crossing located just north of Lycoming Street.

### **Community Facility Fund**

- Establishment of a Diamond Bar Community Facility Fund. Use of these monies is at the sole discretion of the City of Diamond Bar and may be used for parks, programs and services for the community.
- Payments will be received annually in any year that the stadium is in operation. The terms of the payments are as follows:
  - When a minimum of 24 total events occur in the stadium the base payment shall be \$700,000 or in any year that a minimum of 10 or more NFL games are played in the stadium the base payment shall be \$700,000.
  - If the number of events exceeds 24, the base payment shall increase by \$100,000.

- In any year that the number of events exceeds 29, the base payment shall increase by an additional \$100,000.
- In any year that the number of events exceeds 34, the base payment shall be increased by an additional \$100,000.
- The payment terms will be reviewed every five years based upon the cumulative annual changes in the NFL ticket price for games in the stadium. For example, if the beginning ticket price is \$50.00 and the cumulative increases and decreases in the average ticket price for each of the first five years is \$5.00, the percentage change is 10 percent. Therefore, the base payment of \$700,000 would increase to \$770,000 for years 6 through 10.

#### **Recreation Facilities Fund**

- Utilized for the development, operation, and maintenance of community facilities in Diamond Bar. In addition, the City of Industry will pay \$1 million to Diamond Bar for the creation of a new athletic field at Lorbeer Middle School. If for any reason the project is not completed, the monies will be utilized for other City facility projects.

#### **Former Honda Site**

- Maintain site to a minimum of 5 acres for future development.

#### **Most Favored Entities Clause**

- In the event the City of Industry enters into or proposes to enter into a revenue-sharing agreement with one or more municipalities related to revenues generated by the NFL stadium, the City of Diamond Bar would be entitled to same agreement.

#### **Reimbursement of Legal Fees**

- Reimbursement up to \$300,000 for legal and consultant fees.