

## **Councilmember Raj Chahal's Statement in Response to the Civil Grand Jury's Report**

When I read the Civil Grand Jury's (CGJ) report, I was shocked and disappointed to see that our judicial system, a system meant to provide fairness and bring to light truth, was instead misutilized to spread falsehoods with political motives. Assumptions, lies, and misrepresentations are the hallmarks of the CGJ's report. Any investigation which is focused on bringing forward fair and truthful findings would seek to listen and hear perspectives from all sides and stakeholders – however, the CGJ did not once reach out to me to bring my perspectives forward in its report. Furthermore, the report is marred by many inaccuracies. As an elected official and as a citizen, I'm deeply concerned that a sacred institution of our judicial system has been used by individuals with political motives to mislead and misinform our citizens. The truth is, in my tenure on Council, I have always strived to be a problem solver to get the best outcomes for our residents, and I have absolutely never given any corporation, including the 49ers, any preferential treatment. Below, I have listed out detailed responses to many of the report's false assumptions and misrepresentations:

Despite characterizations in the CGJ's report, I have a track-record of voting against the 49ers positions' when I believe it's in the best interest of our residents. Here are some examples:

- I was the first councilmember/Stadium Authority board member to challenge the KPMG clean audit of the 49ers and asked the Executive Director to write to KPMG to question how the audit was “clean” when the Stadium Authority had been pointing out that they are not getting financial data. (Prior to this, the “clean” KPMG audit was accepted and filed for years without question).
- I was the Stadium Authority board member who put priority to have a cloud based accounting/financial package be implemented so that the Stadium Authority can have direct access to the financial data. Finally, this year we have implemented that package.
- Stadium Marketing plans: The Stadium Authority Board, time and again pointed out that ManCo's marketing plan was bad - I suggested if their plan is bad, we should hire a marketing agency which can suggest ManCo a better marketing plan.
- I voted to terminate management contract with ManCo.
- I was one of the councilmembers/Stadium Authority board members who challenged the \$36m property tax refund to 49ers. Please note on 5/4/21 City Council unanimously authorized the filing of two separate amicus briefs by the Stadium Authority and City of Santa Clara to support the County's position. I did support to overturn the Appeal's Board decision.

### **Misrepresentation in the CGJ report:**

"Second and relatedly, the close proximity just before the City Council meetings certainly suggests that the content of the meetings concerns the matters before the City Council." (Page 15 of the CGJ report)

- Since May of 2021, my meetings with the 49ers took place on Wednesdays which were always a day after the council meetings. Our meetings with 49ers took place after the council meetings were already over. The above contention that we discussed the council agenda with 49ers does not hold well. My calendar is a public record and clearly dispels this false assumption. The CGJ had a responsibility to take these public records into account, however it failed to do so in favor of creating a false narrative.

**Misrepresentations in the CGJ report:**

“PACs are also considered to be lobbyists. Figure 1 lists PACs created by the 49ers on behalf of City Council Voting Bloc members Karen Hardy and Raj Chahal (running for reelection) and Anthony Becker (challenger to Mayor Lisa Gillmor) in the November 2022 General Election.” (Page 9 of the CGJ report)

- The CGJ’s report suggests that I am influenced by PAC spending. However, this claim is purely political and unsubstantiated. I have not taken a single dime from any PAC or special interests, rather I returned checks from PACS/Special interests. I have publicly declared that I do not want any independent expenditure from 49ers or any special interest on my behalf. My comments can be read in Mercury News and I also said the same to San Francisco Chronicle and on my website. I am also concerned that the CGJ has taken a one-sided concern to the influence of PACs and special interest money in our City. For many election cycles, developers have been pouring money directly into the elections/campaigns of our Mayor and other councilmembers, yet this doesn’t appear to be an issue to the CGJ.

**Misrepresentations in the CGJ report:**

“The Civil Grand Jury reviewed the public calendars of the councilmembers and observed that while the calendars of the City Council Voting Bloc include a ‘general statement of the issues discussed’ as required by the Ordinance, the councilmembers’ descriptions of their meetings with the 49ers lobbyists are still vague and abbreviated, with only one- or two-word descriptors, most commonly ‘SCSA/49ers.’ (SCSA stands for Santa Clara Stadium Authority.) Because of the large number and systematic nature of these closed-door meetings with lobbyists, the Civil Grand Jury is concerned about transparency and whether the 49ers lobbyists are dictating City/Stadium Authority policy to the detriment of the residents.” (Page 15-16 in the CGJ report)

- The report makes a dangerous assumption that meeting with stakeholders such as the 49ers means that councilmembers are creating “policy to the detriment of the residents.” I vehemently reject this unsubstantiated claim. The goal of each meeting I have with stakeholders is to become educated and better informed to make the best decisions for our residents. Although myself and Councilmember Hardy had joint meetings, I never had any discussion with other councilmembers and our meetings were essentially listening sessions. We never committed anything during these meetings. Additionally, the CGJ report itself says that councilmembers did not violate the city calendar ordinance.
- Again the CGJ takes a one-sided and political stance. The previous Councils always had so called “serial meetings” with most stakeholders. Almost every councilmember had meetings with "Related Company" before they approved their plans in 2016 - why were those meetings not investigated? Why did the CGJ cherry pick meetings with the 49ers only?

### **Misrepresentation in the CGJ report:**

“In February 2022, the City Council passed a resolution welcoming the 2026 FIFA World Cup (Competition) to the City. At that meeting, the then-City Manager raised concerns about how hosting the FIFA World Cup at the Stadium could negatively impact the City/Stadium Authority.” (Page 20 of the CGJ report)

- The CGJ falsely depicts that the council did not protect the city. Here is the wording from FIFA resolution passed by the council to protect the city: "WHEREAS, 2026 FIFA World Cup matches would be a Santa Clara Stadium Authority Non NFL event and both the City of Santa Clara and Santa Clara Stadium Authority must be insulated from any financial losses in accordance with voter-approved Measure J: The Santa Clara Stadium Taxpayer Protection and Economic Progress and required in Government Guarantees requirements, respectively." Please note that all seven councilmembers voted for this resolution, and the CGJ is inaccurate to only involve five councilmembers in its discussion of FIFA matters. Inconsistencies such as this one suggest that the CGJ had political motives against the five councilmembers much of its report is about.

### **Misrepresentations in the CGJ report:**

“Councilmembers’ acceptance of football tickets from the 49ers has raised serious concerns that these members are in violation of the Political Reform Act. Further, there are City laws that regulate this conduct, including the City’s ordinance code that makes it ‘unlawful...for any City official to accept any gift from a lobbyist.’” (Page 23 of the CGJ report)

- As mentioned many times publicly, I never received gifts of football tickets from the 49ers. The tour on 11/5/2021 was an operational tour in our authority of being Stadium Authority Board members and FPPC Regulation 18942.1(c): (Full text of this FPPC regulation is produced below):
  - **§ 18942.1. Definition of “Informational Material.”**  
***“Informational material” means any goods or service that serves primarily to convey information and that is provided to the official for the purpose of assisting the official in the performance of official duties or the duties of the elective office the official seeks. Informational material may include:***
    - (a) Books, reports, pamphlets, calendars, periodicals, photographs, audio and video recordings, flash drives, CD-ROMS, or DVD ROMS or other similar recordings, or free or discounted admission to informational conferences or seminars.*
    - (b) Scale models, pictorial representations, maps, and other such items, provided that when the item has a fair market value in excess of the gift limit amount specified in Regulation 18940.2, the burden shall be on the recipient to demonstrate that the item is informational material.*
    - (c) On-site demonstrations, tours, or inspections. Transportation provided to or in connection with an on-site demonstration, tour, or inspection is also considered “informational material” when any of the following apply:*
      - (1) The transportation serves as the means by which the information is conveyed and is integral to the conveyance of the information, such as an aerial tour over an area.*
      - (2) The transportation is provided solely at the site of a demonstration, tour, or*

*inspection, including to and from an area of that site that is legally inaccessible to the public.*

- During our visit to stadium on 11/15/2021, until the end of the fourth quarter of the game, we were not even in the site of the game. We were visiting various operational centers such as public safety command center, fire department command center, traffic and parking command center, holding facility operations, staging area for public safety, press area etc. The CGJ had a responsibility to at least reach out to me in order for me to testify on this matter. However, the CGJ chose to make assumptions and create false allegations that we were gifted game tickets. The FPPC has opened a case in this regard, and I'm confident that the Commission's findings will affirm that the operational tour was within our rights as Stadium Authority members.
- I would also like to point out the opinion of city attorney's office which clearly mentioned that this operational tour falls under the FPPC regulation 18942.1(c). Here is a link to the full advice:  
<https://drive.google.com/file/d/1IS0JmBuu5DE5jmtxgN4WgGS21L8hUI4k/view?usp=sharing>

#### **Misrepresentation in the CGJ report:**

“To fully appreciate the seriousness of the situation and the pessimism of the City about the prospect of non-NFL events resulting in income to the City, the 2022-2023 Stadium Authority budget specifies zero dollars for Performance Rent. See Figure 4 below.” (Page 17 of the CGJ report)

- The CGJ is falsely reporting that the current accounting is not shared by ManCo with the Stadium Authority staff. From this year, the financial/accounting package (for which I fought for a long time) has been implemented and the three concerts we held this year have made roughly \$2.173 million for our General Fund. Instead of publishing a false narrative, the CGJ should have asked Stadium Authority staff about this.

#### **Misrepresentations in the CGJ report:**

“In particular, the day after Hardy and Chahal attended the 49ers game, they voted with the City Council Voting Bloc in favor of extending the weekday Stadium curfew. The curfew was put in place to protect the neighbors on weeknights, but the 49ers have been lobbying to change it. The Civil Grand Jury cannot read the minds of the councilmembers, but their actions give an appearance of impropriety that is diminishing the trust of their constituents, their own City staff, and fellow councilmembers.” (Page 24 of the CGJ report)

- Please note, curfew relaxation of 5 weekdays was passed after consideration of the special experts report as asked for by the council before I even got on to the council. The report of the survey reported the following:
  - *“A majority support the general idea of limited exceptions to the curfew and when asked about specific options, 56% support 3-4 exceptions per year and 60% support 2-3 exceptions per summer. Opposition is consistently about a quarter.”*

(Slide#44 of the survey report from EMC Research, Lew Edwards Group and Public Dialogue Consortium) The full power point report from these experts can be found on the City website:

<https://www.santaclaraca.gov/home/showpublisheddocument/58235/636651930628230000>

- Residents close to stadium supported 5 to 7 curfew relaxation days for the stadium events and I voted to approve only 5 curfew relaxation days. This was one way to make money from the stadium for our general fund. I was surprised that when expert scientific survey gave their recommendation in 2018 to have 5 to 7 weekday curfew relaxation days, the former council did not implement the recommendations. Linking my vote for a five day curfew relaxation to anything other than improving outcomes for our residents is just misrepresentation and political. My vote was in the best interest of residents and made after considering the expert scientific survey reports, consulting with residents, and assessing the financial impacts of curfew relaxation.
- Please also note because of this relaxation, 2022-23 will be the best year ever for making money from stadium concerts, with 7 concerts already booked, the Stadium Authority is already anticipated to make \$2.1 million from 3 concerts. Also note, not all of 5 curfew days have been used for the year.

The above points clearly illustrate the many falsehoods and political motivations behind the Civil Grand Jury's report. I express my deep dissatisfaction with the misuse of our sacred judicial institutions for political purposes. I hope that the above responses to the falsehoods laid out by the CGJ's report can bring to light the truth and reality of the situation.

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