



Legislation Text

File #: 2025-1193, **Version:** 1

To: Sonoma County Board of Supervisors

Department or Agency Name(s): Economic Development Collaborative

Staff Name and Phone Number: Ethan Brown; Katherine DiPasqua 707-565-4893

Vote Requirement: 4/5th

Supervisorial District(s): Third

Title:

United Soccer League (USL) Letter of Intent, Confidentiality Agreement with the City of Santa Rosa, Ad Hoc Committee Charter, and Budget Adjustment to Support Community Engagement

Recommended Action:

- A) Authorize the County Executive to execute a Letter of Intent (LOI), and any potential amendments, in a form approved by County Counsel, between the County of Sonoma and United Soccer League (USL) through September 17, 2026.
- B) Authorize the County Executive to execute a Confidentiality Agreement, in a form approved by County Counsel, between County of Sonoma and City of Santa Rosa for the purpose of sharing information and materials related to the USL Opportunity.
- C) Review and approve the USL Ad Hoc Committee Charter.
- D) Adopt a Budget Resolution programming \$30,000 from FY 2025-26 General Fund Contingencies to Economic Development Collaborative for County Counsel, facilitation, and translation costs associated with preliminary negotiations and community engagement related to the USL opportunity

(4/5th Vote Required)

Executive Summary:

The United Soccer League (USL) has expressed an interest in expanding into Santa Rosa due to its growing population, strong local economy, high youth soccer participation rates, and a desire to establish a presence in the North Bay. Given this interest, USL began discussions with the City of Santa Rosa (City) about the potential development of a multi-purpose stadium for professional men's and women's soccer. In March 2025, the City of Santa Rosa signed a letter of intent to enter exclusive negotiations with USL for a period of one year, with an option to extend an additional six months. Through the course of negotiations, USL and the City of Santa Rosa have identified county-owned sites, including the Sonoma County Fairgrounds, as a potential location for the stadium.

A potential stadium at the Fairgrounds could also accommodate other athletics, including youth sports, and generate new energy, activity, and revenue for the Fairgrounds, at a time when facility use is decreasing due to the wind-down of horseracing. Beyond the benefits to the Fairgrounds itself, a new sports entertainment complex could bring significant economic benefits to the entire region, including job creation, increased visitation, private investment, and overall contribution to local quality of life.

On October 17, 2025, the Board of Supervisors and Fair Board held a Joint Special Meeting at the Sonoma

County Fairgrounds to discuss the USL opportunity and provide direction to staff [<https://sonoma-county.legistar.com/MeetingDetail.aspx?ID=1245371&GUID=3C4C299B-BCC8-44B8-82DA-BE07C2BDC9FE&Options=info|&Search=>]. In that meeting the Board of Supervisors directed staff to coordinate with the City and USL to add the County of Sonoma as an additional party to the Letter of Intent (LOI). The two Boards also discussed the potential of each creating an Ad Hoc Committee, which could coordinate with each other, County staff, and the City of Santa Rosa's Ad Hoc Committee as discussions with USL continue to evolve.

Discussion:

Letter of Intent (LOI) and Confidentiality Agreement

On March 18, 2025, the City and United Soccer League (USL) signed a Letter of Intent (LOI) to enter exclusive negotiations for one year, with an option to extend another six months, to evaluate options for establishing professional men's and women's soccer teams and building a new multi-purpose stadium in Santa Rosa. The LOI encompasses both Sonoma and Napa counties, thus protecting the territory by preventing the City from negotiating with competing leagues and USL from negotiating with other cities in the region. During the Joint Special Meeting held at the Sonoma County Fairgrounds on October 17th, the Board of Supervisors gave direction to staff to work with the City and USL to add the County of Sonoma as an additional party to the LOI.

In the weeks following the October 17th meeting, the City of Santa Rosa and USL recommended an alternative structure where the City and USL would maintain their existing, two-party LOI and instead execute an amendment that extends the term of the LOI to September 17, 2026 and amends the exclusivity obligation terms to allow USL to coordinate with the County of Sonoma and Sonoma County Fairgrounds for the "limited purpose of discussing potential development of a multi-purpose stadium on County-owned property located within the City of Santa Rosa city limits." The City's LOI amendment was executed by the City Manager on November 26, 2025, and is included as Attachment 1.

Under this alternative structure, staff is recommending that the Board of Supervisors authorize the County Executive to execute a separate Letter of Intent between the County and USL. The LOI between the County and USL will mirror the agreement USL has with the City, with a term expiring September 17, 2026, and a carve out in the exclusivity obligation terms allowing USL to discuss development options with the Fairgrounds and City of Santa Rosa (Attachment 2). Once both agreements are in place, USL will be able to complete their due diligence and financial feasibility analysis on the Fairgrounds and other potential sites to determine if the discussions should move forward into the next phase of negotiations, which would include a Memorandum of Understanding for project development.

To support continued discussions with the Fairgrounds and City of Santa Rosa about the USL opportunity, County Counsel sent Common Interest Agreements (CIA's) to both the Fairgrounds and the City for review and execution. The Fair Board approved and executed their CIA in November 2025. The City has proposed the attached Confidentiality Agreement instead of a CIA to support secure information-sharing between the two agencies (Attachment 3). This agreement will establish a structure for sharing reports, data, analyses, and other USL-related materials, and staff is recommending that the Board of Supervisors authorize the County Executive to execute the Agreement.

Following the approval of this item, County staff will continue to engage with Fairgrounds and City of Santa Rosa staff in our weekly USL Workgroup meetings. To further support collaboration and information sharing,

County staff will provide a presentation to the Fair Board at a Special Meeting to provide an update on the USL opportunity. And in January 2026, staff will be organizing a joint meeting with the County, Fair Board, and City Council ad hoc committees to discuss roles and responsibilities, next steps, and timeline.

USL Charter and Areas of Focus

After the joint meeting with the Fair Board, on October 28, 2025, the Chair of the Board of Supervisors established the United Soccer League (USL) Ad Hoc Committee and appointed Supervisors Hermosillo and Coursey. The purpose of the Ad Hoc is to provide direction to staff in evaluating USL's interest in the Fairgrounds for a potential development. The USL Ad Hoc Committee will be convened for a limited term through September 30, 2026, or earlier depending on the timing of next steps.

The Ad Hoc Committee met on November 13, 2025, to develop the Ad Hoc Charter (Attachment 4), determine meeting frequency, and discuss how and when the group will engage with the Fairgrounds' Ad Hoc Committee, which was formed on October 23, 2025, and consists of Rob Muelrath, Teejay Lowe, and Mathew Daly.

The County's USL Ad Hoc Committee will focus on the following tasks:

- Evaluate USL proposal and provide feedback to staff.
- Work with staff to determine if discussions should be advanced into the next phase of development for the full Board of Supervisors' consideration.

Next Steps

In November 2025, County Counsel completed title review of the Fairgrounds and confirms that the property is owned by the County of Sonoma and there are no title-related encumbrances that would limit evaluation of potential development opportunities.

Once the LOI is executed, USL will begin to conduct fit testing and conceptual design on the Fairgrounds property. In early 2026, they will start developing an initial funding model, which will include research on public financing options. To support the project financing and limit public subsidies required for a new stadium and sports complex, it is anticipated USL will propose a mixed-use entertainment district that would include housing, retail, and other uses, along with potentially leveraging tax-increment financing tools. Staff anticipates USL will complete their feasibility studies in late Summer 2026, and staff will return to the Board of Supervisors with an update and options for consideration in Fall 2026.

While USL is working on their financial feasibility analysis and conceptual design, staff from Sonoma County Economic Development Collaborative (EDC) and Fairgrounds, with support from the City and USL, plan to host a series of community engagement sessions to solicit feedback from local stakeholders, including residents who live near the Fairgrounds, business owners, and representatives from construction, labor groups, and the soccer community.

To support these efforts, this item requests \$30,000 of funding from General Fund Contingences. Of that amount, \$10,000 will be for County Counsel time to review feasibility studies, governance, financing models, and development options. The remaining \$20,000 will be used for facilitation and translation services related to the community engagement sessions.

Strategic Plan:

N/A

Racial Equity:

Was this item identified as an opportunity to apply the Racial Equity Toolkit?

No

Prior Board Actions:

October 17, 2025: Discussion of United Soccer League Opportunity in Santa Rosa [<https://sonoma-county.legistar.com/LegislationDetail.aspx?ID=7700945&GUID=3BA74DC4-412E-40D6-8C46-628F78D78E4C&Options=&Search=>]

FISCAL SUMMARY

Expenditures	FY25-26 Adopted	FY26-27 Projected	FY27-28 Projected
Budgeted Expenses	\$35,742		
Additional Appropriation Requested	\$30,000		
Total Expenditures	\$65,742		
Funding Sources			
General Fund/WA GF	\$26,067		
State/Federal			
Fees/Other	\$9,675		
Use of Fund Balance			
General Fund Contingencies	\$30,000		
Total Sources	\$65,742		

Narrative Explanation of Fiscal Impacts:

The total costs incurred to-date for preliminary investigation of the USL opportunity is \$35,742. This includes \$19,350 for the title reports on the Fairgrounds property, which was split evenly between the EDC and the Fairgrounds, and \$16,392 of County Counsel time billed to EDC through October 2025. All costs incurred to-date have been absorbed in EDC’s existing Fiscal Year 2025-26 budget allocations. However, continued work on USL will require additional support from the General Fund. Today’s item would allocate \$30,000 of General Fund Contingencies to EDC’s Fiscal Year 2025-26 budget for County Counsel costs, and facilitation and translation costs to support a series of community engagement events at the Fairgrounds.

Staffing Impacts:

Position Title (Payroll Classification)	Monthly Salary Range (A-I Step)	Additions (Number)	Deletions (Number)

Narrative Explanation of Staffing Impacts (If Required):

Existing staffing allocations are sufficient to manage this process at this time.

Attachments:

Attachment 1: Amendment to Letter of Intent Between City of Santa Rosa and USL

Attachment 2: Letter of Intent Between County of Sonoma and USL

Attachment 3: Confidentiality Agreement

Attachment 2: USL Ad Hoc Committee Charter

Attachment 3: Budget Resolution

Related Items “On File” with the Clerk of the Board:

None.