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City Manager's Office

Memorandum

TO: HONORABLE MAYOR AND
CITY COUNCIL

FROM: Ed Shikada

SUBJECT: Arena Authority Executive
Summary for Fiscal Year 2009-10

DATE: November 22, 2010

INFORMATION

Transmitted for your information is an Executive Summary of activities undertaken by the San Jose Arena Authority during FY2009-10. Under agreement with the City, the Arena Authority provides oversight of the management and operation of HP Pavilion at San Jose, Sharks Ice at San Jose and San Jose Municipal Stadium. Information pertaining to the Arena Authority's role as community liaison is also included.

During FY2009-10, the Arena Authority continued to administer and provide oversight for the following operational and community based programs:

- HP Pavilion and San Jose Transportation and Parking Management Plan
- HP Pavilion at San Jose and Logitech Ice and San Jose Capital Improvement programs
- Arena ticket distribution program, City and Community events program, San Jose Sports Hall of Fame Recognition events, and the San Jose Giants Community Ticket Program
- Regular community outreach to vicinity residential neighborhoods and business owners regarding ongoing Pavilion and vicinity events and projects

The Arena Authority Board and staff continues to identify and address issues relating to the day-to-day operations of the Pavilion and ice training facility, as well as, determining objectives to successfully sustain the facilities over the long term. Through the partnership created by the City, the Arena Authority and HP Pavilion Management, the Authority continues to serve an integral role in the on-going oversight and management of the Pavilion, Logitech Ice at San Jose, and San Jose Municipal Stadium. For additional information, please contact Sheila Tucker at 535-8115.

ED SHIKADA
Assistant City Manager

San Jose Arena Authority

Memorandum

To: Debra Figone, City Manager
Ed Shikada, Assistant City Manager

From: Chris Morrisey, Executive Director, and Patricia Lord, Chairperson

Subject: Arena Authority Executive Summary for Fiscal Year 2009-10

Date: November 18, 2010

Arena Authority Executive Summary Fiscal Year 2009-10

Executive Summary

On behalf of the Board of Directors and staff of the San Jose Arena Authority, we are pleased to submit an Executive Summary of activities undertaken by the Arena Authority during the 2009-10 fiscal year. Included in this Executive Summary are items administered by the Arena Authority for its oversight of the management and operation of HP Pavilion at San Jose, Sharks Ice at San Jose and San Jose Municipal Stadium. Additionally, information pertaining to the Arena Authority's community outreach programs is also included in the Executive Summary.

Background

In fulfilling its oversight role of these important City-owned capital assets, the Arena Authority has considerable input into the day-to-day administration of the facilities. Pursuant to the terms and conditions of the Amended and Restated San Jose Arena Management Agreement, the Arena Authority performs two major functions in relation to the management and operation of HP Pavilion at San Jose. The two functions include: (1) oversee the Pavilion manager's day-to-day operations of the Pavilion on behalf of the City; and (2) serve as the community liaison while addressing the broader public concerns relating to Pavilion operations.

San Jose Arena Authority

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For Sharks Ice at San Jose, the Arena Authority has a number of significant management oversight responsibilities. Under the terms of the Amended and Restated Lease and Management Agreement for Sharks Ice at San Jose, the Authority conducts, among other duties, an annual evaluation of the manager's performance in the programming and operation of the ice training facility. Through the management agreement for San Jose Municipal Stadium, the Authority has been designated by the City to perform an oversight role in relation to the operation of the stadium facilities and to act as a liaison to the broader community for ongoing stadium operations.

In serving as community liaison, the Arena Authority continues to expand its outreach efforts to promote a number of important community-based programs. These programs include the Arena Ticket Distribution program; the Pavilion City and Community Events program; the San Jose Sports Hall of Fame; and the San Jose Giants Community Ticket program. Details of these programs are included within the Executive Summary.

Facilities Oversight

In fulfilling the function of Pavilion facilities oversight, the Arena Authority engages a number of City and County departments to facilitate the management of the Pavilion's day-to-day operations. To that end, the Authority works collaboratively with the City's Department of Transportation and Police Department, the Valley Transportation Authority and HP Pavilion Management in the administration of a comprehensive Pavilion transportation and parking management plan (TPMP). Through the implementation of this plan, critical vehicular traffic and pedestrian movement strategies, vicinity parking operations, public transit management issues and neighborhood integrity concerns are addressed and managed in an efficient and well thought-out manner. The Pavilion TPMP is reviewed and updated every three years.

A second feature to the Arena Authority's role in the oversight of operations of the Pavilion as well as Sharks Ice at San Jose involves the implementation and management of a comprehensive capital repairs and replacements program. Under the auspices of the Arena Authority's Facilities Committee, annual capital repairs and replacements budgets are developed, evaluated and subsequently implemented. For FY 2009-10, the Arena Authority recommended \$1,053,000 in capital improvements to the Pavilion and \$273,000 in capital improvements to Sharks Ice at San Jose.

For San Jose Municipal Stadium, the Arena Authority conferred with the offices of the Mayor and City Council to identify capital improvements funding through the Redevelopment Agency. As a result of this collaborative effort, \$300,000 was approved in Redevelopment Agency funds to address the replacement of the stadium transformer. Since the Arena Authority began administrative oversight of Municipal

Stadium, \$900,000 in public funding has been secured for stadium capital improvements.

Also during this past fiscal year, the Arena Authority was an active member of the Mayor's Good Neighbor Committee. The committee convenes on a regular basis to identify, prioritize and address issues relating to the development and operation in the Arena/Diridon Station area. Items addressed in committee discussions included a major league baseball stadium, river parklands and trails, High Speed Rail, BART and the traffic, parking and neighborhood integrity issues associated with these projects. It is expected that the committee will be presenting a number of recommendations later this year to the Mayor and City Council.

Community Outreach Programs

The Arena Authority serves a critical function as the City's community liaison in identifying and addressing day-to-day operational issues at the Pavilion. In performing this task, the Authority has established a number of essential community-based programs to serve those who live and work in San Jose.

To address the daily operational components to the Pavilion, the Authority undertakes a number of community outreach programs to insure that vicinity residents and businesses are notified of upcoming Pavilion and local events and projects in a timely fashion. This is accomplished through direct contact with vicinity residents and business owners and through the regular distribution of event calendars and area project notifications.

Arena Ticket Distribution Program

Additionally, the Authority has administered to a highly successful Arena Ticket Distribution program. From a total inventory of 4,256 tickets available to the Arena Authority during FY 2009-10, the Authority distributed all 4,256 Pavilion tickets for municipal use and public sale. Since the program's inception in 1993, the Arena Authority has distributed over 82,000 Pavilion tickets to the San Jose community. For a comprehensive list of the ticket recipients for municipal use during FY 2009-10, please contact the Arena Authority.

City and Community Events Program

The Arena Authority continues to administer to the Pavilion's City and Community Events program. During the last fiscal year, five service/educational organizations successfully implemented events at the Pavilion. As a result of this activity, \$132,000 of

City and Community Events program funding was allocated to program applicants to offset event expenses. The City and Community Events program activity from FY 2009-10 is included as Attachment A.

Sports Hall of Fame Program

In November 2009, the Arena Authority participated in the 15th annual San Jose Sports Hall of Fame program. As a program administrator, the Authority has representation on the Sports Hall of Fame selection committee; oversees the installation of the bronze plaques of the Sports Hall of Fame inductees; and annually administers to a countywide high school scholarship program. HP Pavilion at San Jose is home to the San Jose Sports Hall of Fame. The bronze plaques presented at the annual induction ceremony are eventually placed on permanent display along the Pavilion's public concourse. To date, 71 athletes and coaches have been inducted into the San Jose Sports Hall of Fame.

San Jose Giants Community Ticket Program

For San Jose Municipal Stadium, the Arena Authority worked directly with the City Manager's Office, the City Attorney's Office and the Baseball Acquisition Company to develop a community school ticket distribution program. As a result, the Authority drafted and implemented program guidelines to ensure that complimentary Giants game tickets are made available annually to school districts throughout San Jose during the Giants regular season. For the 2009 season, over 1,950 Giants game tickets were distributed to school districts throughout San Jose. Through June of the 2010 season, over 3,500 tickets have been issued to schools throughout the area.

In closing, the Arena Authority continues to work diligently to ensure that these important City-owned assets are managed and operated in a fashion consistent with other first-rate sports and entertainment facilities. From these efforts, HP Pavilion at San Jose continues to be recognized as one of the greatest sports and entertainment venues in North America. Sharks Ice at San Jose is one of the most active ice facilities in the United States. And during the 2009 baseball season, Municipal Stadium established a new stadium attendance record with over 223,000 fans coming to see the San Jose Giants. These results clearly indicate that the role of the Arena Authority continues to support in making these City-owned facilities major regional attractions for sports, recreation and entertainment.

Attachment. FY 2009-10 City and Community Events Program Information

Applicant: work2future
Event: Resource and Job Fair
Event Date: July 29, 2009
Program Funding: \$25,000

Applicant: Mexican Heritage Corporation
Event: Concert for Cesar
Event Date: September 27, 2009
Program Funding: \$25,000

Applicant: San Jose Sports Authority
Event: San Jose Sports Hall of Fame Induction Ceremony
Event Date: November 11, 2009
Program Funding: \$50,000

Applicant: San Jose Unified School District
Event: School Commencement Exercises
Event Date: June 2, 2010
Program Funding: \$16,000

Applicant: Charlie Wedemeyer Family Outreach
Event: Remembrance and Celebration
Event Date: June 19, 2010
Program Funding: \$16,000