



# Memorandum

**TO:** HONORABLE MAYOR AND  
CITY COUNCIL

**FROM:** Kim Walesh

**SUBJECT:** SEE BELOW

**DATE:** May 17, 2012

Approved

Date

5/18/12

**SUBJECT: HP PAVILION AT SAN JOSE CAPITAL BUDGET RECOMMENDATION**

## RECOMMENDATION

It is recommended that the City Council approve the HP Pavilion at San Jose 2012-2013 Capital Budget as submitted by the San Jose Arena Authority Board of Directors.

## BACKGROUND

In accordance with the agreement between the City and HP Pavilion Management (Silicon Valley Sports and Entertainment), the Capital Repairs and Replacements Budget is presented to the City Council for approval. The budget is supported by the existing Arena Capital Reserve Fund that was established for this purpose. Over the last several years (and continuing in future years) both the City and Silicon Valley Sports and Entertainment (SVSE) have made contributions to the Arena Capital Reserve Fund per the terms of the management agreement.

## ANALYSIS

The San Jose Arena Authority Board of Directors reviewed and recommends that the City Council approve the 2012-2013 Capital Budget with major repairs and replacements focusing on food service equipment, portable radios, and Fixed Seating. A comprehensive list of the individual capital improvements recommended is attached for reference. For 2012-2013, the normal capital repairs and replacements budget totals \$989,000.

The Arena Capital Reserve Fund has sufficient funding to support the normal capital repairs and replacements proposed for 2012-2013. After these costs are taken into consideration and with conservative revenue and expenditure projections, the remaining balance in this fund at the end of 2012-2013 is projected to be slightly over \$1.6 million.

HONORABLE MAYOR AND CITY COUNCIL

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**COORDINATION**

This memorandum has been coordinated with the Arena Authority, Department of Public Works, the Office of the City Attorney, and the Department of Finance.

/s/

KIM WALESH  
Director of Economic Development  
Chief Strategist

For more information on this memorandum please contact Lee Wilcox, Downtown Manager, at 408-535-8172.

**HP PAVILION AT SAN JOSE**  
**Capital Budget Recommendations for 2012-2013**

<u>Normal Capital Repair/Replacement</u>	<u>Proposed Budget</u>
Rider Scrubbers	\$ 60,000
Elevators	55,000
Fall Protection	105,000
Food Service Equipment	200,000
Glazing	10,000
Mechanical, Plumbing & Electrical	
Brine Chillers	53,000
Air Conditioning Chillers	28,000
Hall of Fame	26,000
Hoist Systems	12,000
Ice Machines	15,000
LEED-Green Initiatives	50,000
Lighting System	46,000
Motorized Carts	15,000
Portable Radios	123,000
Seating Fixed	100,000
Trash Compactor	16,000
Unanticipated Repairs	<u>75,000</u>
<b>Total 2012-2013 Proposed Capital Budget</b>	<b>\$ 989,000</b>