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November 7, 2008

Mr. Harry Mavrogenes
Executive Director
San Jose Redevelopment Agency
200 E. Santa Clara Street, 14th Floor
San Jose Ca, 95113

Dear Mr. Mavrogenes:

Thank you for taking the opportunity to meet with Mr. Chris Morrisey, the San Jose Arena Authority's Executive Director, and Mr. Jim Weyermann, President of the San Jose Giants, to discuss Capital funding for San Jose Municipal Stadium. As you know, the Arena Authority was delegated management oversight responsibilities for San Jose Municipal Stadium by the Mayor and City Council through an agreement with the stadium's operator, the Baseball Acquisition Company (San Jose Giants). Now serving as the oversight body for three of the City's greatest sports facility assets (HP Pavilion at San Jose; Sharks Ice at San Jose; and San Jose Municipal Stadium) the Arena Authority has come to recognize the importance of well thought-out, long-term Capital budget planning to maintain these exceptional regional attractions. That being said, San Jose Municipal Stadium is in critical need of significant Capital improvements funding.

For your reference, San Jose Municipal Stadium began operations in 1942 and maintains most of its original operating capabilities. Although the City is charged with maintaining the structural integrity of the stadium (grandstands, concessions stands, electrical systems among others) there has been minimal Capital funding invested by the City over the past 20 years. As the stadium's operator, the Baseball Acquisition Company has funded over \$2,000,000 in stadium Capital improvements over the last four years.

In 2008, the San Jose Giants set a new attendance record with over 192,000 fans visiting San Jose Municipal Stadium. The stadium has long been regarded as one of the City's most unique and treasured community assets, attracting thousands of patrons to see professional baseball at very affordable prices. Yet despite its growing popularity, many features of San Jose Municipal Stadium are still grossly outdated, in great disrepair and in critical need of improvements to bring the facility to a standard that reflects well on the City of San Jose.

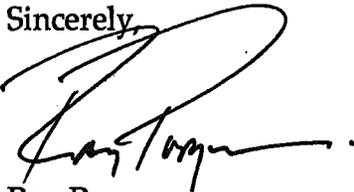
The Arena Authority understands that given the vast needs in the City for funding it is not possible to bring San Jose Municipal Stadium up to more contemporary standards in one year. To address this reality, the Arena Authority has taken a formal position to support a consistent, long-term Capital funding source for the improvement of the baseball facility. While the Council-approved agreement directs portions of stadium revenues into a newly established Stadium Capital Reserve Fund, the revenue generated for the fund is inadequate to address the most basic Capital needs.

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In identifying the critical Capital needs that would have the most direct impact on the fan experience, the San Jose Giants have made an initial funding request of \$1,500,000. Included in this request is funding to improve a number of essential fan amenities, including restroom renovations, concession stands upgrades, patron seating improvements and stadium power upgrades. There are many additional requirements to bring San Jose Municipal Stadium up to minimum standards as determined by Minor League Baseball but the Arena Authority understands the need to address these stadium issues over time.

In closing, I want to thank you in advance for any consideration you may bring to funding this important community asset. Please feel free to contact Mr. Morrisey or me if you have any questions or need additional information.

Sincerely,



Ray Purpur
Chair, San Jose Arena Authority

cc: Honorable Mayor and Members of the City Council
Members of the San Jose Arena Authority Board of Directors
Chris Morrisey, San Jose Arena Authority
Jim Weyermann, San Jose Giants



Memorandum

TO: MAYOR REED
SUBJECT: MUNICIPAL STADIUM

FROM: Councilmember Madison P. Nguyen
DATE: 11/19/2008

Approved

Date

11/19/2008

RECOMMENDATION

That the following recommendation be enacted.

BACKGROUND

The San Jose Giants minor league baseball team has been housed at Municipal Stadium for the past 60 years. For the past six decades, the team has provided thousands of families and children an affordable way to enjoy America's favorite past time. Each year, the team gives back to the community by raising funds for local youth sports programs and schools; and holds over 100 special events such as Cub Scout Camp-Outs, free movie nights; Halloween Fest, high school baseball championships, and Youth and adult baseball clinics. Municipal Stadium is also the home of SJSU baseball.

In 2008, the San Jose Giants set a new attendance record with over 192,000 fans visiting Municipal Stadium. The stadium has long been regarded as one of the City's most unique and treasured community assets. Despite its growing popularity, many features of Municipal Stadium are still grossly outdated, in great disrepair and in critical need of improvements to bring the facility to a standard that reflects well on the City of San Jose. (HOK architects, nationally known for their work with Minor League Parks, conducted a needs assessment analysis in 2004 and identified the various capital projects necessary to bring the stadium up to current standards; since then the team has invested over 2 million dollars of their own capital in order to address emergency repairs and fan upgrades.) The Arena Authority analysis of the 2004 study concurs with its' conclusions and has formally recommended capital funding for Municipal Stadium.

This request is intended to retain the flexibility to access funds for capital improvements to Municipal Stadium in the amount of \$5.8 million. Funds will be used to upgrade and expand public restrooms; Replace two outdated concourse food service areas; Replace locker rooms and training areas; Replace perimeter fence that encloses the stadium; Replace home and visiting team player dugout areas; Replace and upgrade seating areas in operations center and press box; and provide electrical upgrades with computer and phone lines (There have been no upgrades to the facility since 1942 when the building was constructed).

New Expenditure/Reinstatement

Program/Project Title: San Jose Municipal Stadium

RDA Project Area: Strong Neighborhood Initiative Redevelopment Project Area/Industrial zone, not considered to be in any designated neighborhood planning area

Amount of Agency Funding Required: \$ 1.5 million

Funding Source

Program/Project Title: San Jose Municipal Stadium

Amount of Agency Funding Change: \$ 1.5 million

This change is: One-time X Ongoing

Anticipated Outcomes. Requested funding changes would affect benefits or services for San José residents, businesses, community groups, etc. in accordance with one of the following goals and objectives relevant to the City's redevelopment efforts:

These improvements will provide safety, accessibility and recreational opportunities for the residents in our city.

- Create Jobs and Expand Business
- Build Public Facilities
- Strong Neighborhoods Initiative and Affordable Housing

Department or Organization Contact: Please list contact information for the individual that certified cost estimates contained within your recommendation.

Department or Organization: San Jose Giants Baseball Club

Name: Jim Weyermann

Phone number: 408-297-1435

E-mail address: jimw@sjgiants.com

SAN JOSE MUNICIPAL STADIUM FIVE YEAR CAPITAL BUDGET

CAPITAL ITEM	PROJECTED BUDGET	Priority
CONCOURSE FOOD SERVICE AREA		
<i>Replace two current substandard concourse food service areas</i>	\$1,500,000.00	#1
Replace and expand concourse food service areas to include upgrades to food preparation areas, cooking areas, food refrigeration and storage areas, and patron point of sale areas		
SEATING AREA UPGRADES		
<i>Add upper seating area suites adjacent to games operations center/press box</i>	\$750,000.00	#2
Add upper seating area suites for community group access and corporate sales		
Add Outfield Seating		
GAME OPERATIONS CENTER/PRESS BOX		
<i>Replace current substandard game operations center/press box</i>	\$400,000.00	#3
Expand and replace game operations center/press box, including flooring, windows, doors and separate work space areas for game operations room, public address announcer booth and visiting team radio broadcast room; add air conditioning to the game operations center/press box		
HOME TEAM AND VISITING TEAM DUGOUTS		
<i>Expand and replace current substandard home and visiting team player dugout areas</i>	\$225,000.00	#4
Expand and replace components to home and visiting team dugouts, including seating areas, equipment storage areas, flooring, lighting, electrical and water sources and player safety fencing		
PUBLIC RESTROOMS		
<i>Upgrade and expand current substandard public restrooms</i>	\$750,000.00	#5
Expand current stadium public restroom capacity; upgrade concourse restroom partitions, toilets, sinks, urinals, glass and flooring; remove portable restrooms in stadium seating areas and build additional, permanent public restrooms in the vicinity of the right and left field seating areas		
PERIMETER FENCE		
<i>Replace current substandard perimeter fence that encloses the stadium</i>	\$150,000.00	#6
Upgrade and replace current chain linked and other perimeter fencing to more properly secure the stadium premises; remove old, leaning outfield wall damaged in 2007 storm		
Electrical Upgrades/Computer & Phone Lines		
There have been no major electrical upgrades since 1942 when the building was constructed.	\$550,000.00	On-Going
Upgrade and add lines for computerization and installation of new phone/intercom system.	Must be implemented to support other improvements on the list	

SAN JOSE MUNICIPAL STADIUM FIVE YEAR CAPITAL BUDGET

HOME LOCKER ROOM/TRAINING AREA			
<i>Replace current substandard home and visiting team locker rooms and home training/rehabilitation area</i>		\$1,000,000.00	#7
Included in the replacement would be new flooring, ceilings, lockers, lighting, fixtures, showers, players restrooms, laundry room equipment, player equipment storage areas, manager/coaches room and restroom, and player training/rehabilitation room upgrades			
Total Capital Budget		\$5,325,000	