



Memorandum

TO: HONORABLE MAYOR
AND CITY COUNCIL

FROM: Ed Shikada

SUBJECT: HP PAVILION AT SAN JOSE
CAPITAL BUDGET
RECOMMENDATIONS

DATE: May 1, 2009

Approved

Christine J. Shippy

Date

5/4/09

RECOMMENDATION

It is recommended that the City Council approve the attached HP Pavilion Capital Repairs and Replacement Budgets for 2009-2010 as submitted by the San José Arena Authority Board of Directors.

BACKGROUND

In accordance with the agreement between the City of San José and the San José Arena Management (Silicon Valley Sports and Entertainment), the Capital Repairs and Replacement budget for 2009-2010 is presented to the City Council for approval. This budget is supported by the existing Arena Capital Reserve Fund that was established for this purpose. Over the last several years, both the City and Silicon Valley Sports and Entertainment (SVSE) have made contributions to the Arena Capital Reserve Fund per the agreement.

ANALYSIS

The San José Arena Authority Board of Directors reviewed and recommends that City Council approve the annual capital budget for 2009-2010. Lists of the individual capital improvements recommended are attached for your reference. For 2009-2010, the normal capital repairs and replacements budget totals \$1,053,000.

The Arena Capital Reserve Fund has sufficient funding to support the normal capital repairs and replacements proposed for 2009-2010. After these costs are taken into consideration and with conservative revenue and expenditure projections, the remaining balance in this fund at the end of 2009-2010 is projected at \$700,000.

COORDINATION

Staff from the San José Arena Authority, SVSE, and the City have coordinated to present this budget as part of the City's annual budget process.

Ed Shikada
Deputy City Manager

Attachment

HP PAVILION AT SAN JOSE
Capital Budget Recommendations for 2009-2010

Normal Capital Repair/Replacement	2009-2010 Budgeted Amount
Replace boilers	70,000
Replace building automation system	25,000
Replace folding chairs	25,000
Replace motorized carts	31,000
Replace plexiglass	24,000
Replace retractable seating at sections 107/109 end and infill sections	700,000
Replace section 128 fixed seating	100,000
Replace security cameras and install three additional	25,000
Replace three ice machines	15,000
Replace variable speed drives on air handlers	18,000
Unanticipated Repairs	20,000
Total Normal Capital Repairs and Replacements	1,053,000
 Total 2009-2010 Proposed Capital Budget	 1,053,000