



San Jose Arena Authority

Memorandum

To: Members of the Arena Authority Board of Directors

From: John Veargason, Co-Chair, Facilities Committee *cm/for*
Mark Burriss, Co-Chair, Facilities Committee

Subject: Recommendation on Addition to the HP Pavilion at San Jose Capital Repairs and Replacements Budget for Fiscal Year 2011-2012

Date: May 17, 2011

On March 23rd, the Arena Authority Board of Directors approved the Facilities Committee recommendation for the capital budget for HP Pavilion at San Jose. Since that time, there have been subsequent discussions and clarifications to add a line item for the production and installation of the San Jose Sports Hall of Fame plaques that are displayed along the Pavilion's public concourse. Originally, due to the timing of the capital budget submittal, the payment for the Sports Hall of Fame plaques was being considered from the Unanticipated Capital Repairs line item included in the Pavilion capital budget. (That Unanticipated Capital Repairs line item amount was \$50,000.)

Recently, the City Manager's Office advised the Arena Authority to specifically call out the Sports Hall of Fame plaques as a separate capital budget line item. As a result, as Co-Chairs of the Facilities Committee, we are advising that the Arena Authority Board consider adding a separate Sports Hall of Fame plaque line item for \$25,000 and adjusting the Unanticipated Capital Repairs line item to \$25,000 in the FY 2011-12 Pavilion capital budget. Please note that HP Pavilion Management concurs with this activity and that this action does not alter the final capital budget recommendation figure the Board approved for City Council consideration (\$1,165,000). Additionally, a Sports Hall of Fame plaque line item will be included in future Pavilion capital budgets.

Please also note that this budget recommendation reflects the City's action to discontinue the Sports Hall of Fame plaque grant program. Since the early years of the Sports Hall of Fame, the City had funded the production and installation of the inductee and honoree plaques through an annual grant program. This grant program was managed through the City's Department of Parks, Recreation and Neighborhood Services. Due to the City's structural budget deficits, the grant program was discontinued in 2010. For 2010, the Sports Hall of Fame plaques were funded through the Arena Authority's plaque grant fund carryover. That fund is now completely expended.