



## Memorandum

**TO:** HONORABLE MAYOR,  
CITY COUNCIL, AND  
REDEVELOPMENT AGENCY  
BOARD

**FROM:** RICHARD DOYLE  
City Attorney  
General Counsel

**SUBJECT:** Actions to Implement the  
Revenue Generating Policy

**DATE:** March 11, 2004

### **RECOMMENDATION**

- A. Approval of an Ordinance by the City Council modifying Section 4.01.010 of Chapter 4.01, and amending Sections 4.04.010 and 4.04.020 of Chapter 4.04 of Title 4 of the San José Municipal Code, making changes necessary to implement the Revenue Generating Policy adopted by City Council on January 20, 2004;
- B. Adoption of a Resolution by the City Council revising the Revenue Generating Policy pursuant to City Council direction at the meeting of January 20, 2004;
- C. Adoption of a Resolution by the Agency Board approving the Redevelopment Agency's Revenue Generating Policy; and
- D. Adoption of a Resolution by the Agency Board amending Article II, Section 4.A. of the Agency By-laws to authorize the Executive Director to accept donations and enter into Sponsorship Agreements in an amount not to exceed \$100,000.

### **BACKGROUND**

On January 20, 2004 City Council adopted Resolution No. 71932, establishing a new City policy referred to as the "Revenue Generating Policy." The policy establishes the scope of authority of the City Manager in seeking donation and sponsorship opportunities for the benefit of the City. Also at that meeting the Redevelopment Agency staff indicated its intent to bring a similar policy to the Agency Board for approval.

## **ANALYSIS**

### A. City Policy

To implement the policy in the form approved by City Council, several modifications must be made to the existing provisions of the San Jose Municipal Code. One of the changes in the attached ordinance is to increase the City Manager's authority to accept donations and sponsorship agreements in an amount not to exceed \$100,000, provided the agreements do not exceed an initial term of one year, and with no more than four (4) one-year extension options provided in the agreement. In addition the draft ordinance includes a new definition of "sponsorship" and provides that the City Manager shall, where practicable, seek competitive proposals or bids when seeking sponsorship or donation opportunities.

In addition, at the January 20, 2004 City Council meeting, several City Council members raised questions and asked for changes to the version of the policy distributed at that meeting. The attached policy shows, in redline form, the proposed changes to the previously adopted Revenue Generating Policy which are in response to City Council's comments at the January 20 meeting, or which are proposed as further clarification of the policy.

### B. Agency Policy

The attached Agency Policy is redlined against the City Policy. In general, the proposed Agency Policy mirrors the City Policy except where certain provisions in the City Policy would not apply to the Agency. For example, the prohibition on the solicitation of contributions by employees in uniform has been deleted from the Agency Policy since the Agency has no uniformed employees. It should also be noted that the Agency Policy requires that the City Revenue Generating Policy and Procedures be followed with regard to any facility owned, or to be owned by the City. Furthermore, the annual reporting requirement has been modified to a "periodic" reporting, because Agency staff does not anticipate the level of donation activity that City staff does.

The proposed amendments to the Agency By-laws also mirror the changes to the Municipal Code with respect to the Executive Director's authority.

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Page 3

**PUBLIC OUTREACH**

Not applicable.

**CEQA**

Not a project.

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cc: Del Borgsdorf  
Harry Mavrogenes