



Memorandum

TO: HONORABLE MAYOR AND
CITY COUNCIL

FROM: Del D. Borgsdorf
Harry S. Mavrogenes

SUBJECT: AGREEMENT TO RECEIVE
ADVISORY SERVICES ON ISSUES
RELATED TO THE SPORTS
INDUSTRY, THEATER
ENTERTAINMENT FACILITIES, AND
THE SAN JOSE MARKETPLACE

DATE: May 17, 2004

RECOMMENDATION

Adoption of a resolution authorizing the City Manager to negotiate and execute a contract with Conventions, Sports & Leisure International to provide advisory services on issues related to the sports industry, theater entertainment facilities, and the San José marketplace in an amount not to exceed \$175,000 for the period December 1, 2003 to December 31, 2004.

BACKGROUND

One of the strategic initiatives in the Council-adopted Economic Development Strategy is to “evolve and position downtown as a unique creative and cultural center of Silicon Valley.” A recommended tactic within that initiative is to “help facilitate the addition of new cultural, entertainment, and athletic attractions downtown.”

Another strategic initiative of the Economic Development Strategy is to “encourage sporting teams, events and facilities, professional as well as amateur.” That initiative includes a recommended tactic to “strengthen our ability to keep and grow sports teams and events in San José.”

ANALYSIS

In order to implement the two tactics listed above, a number of efforts are underway. The recommended action will provide support for the City’s efforts to implement the tactics.

One effort is the creation of the expanded Sports Facility Task Force, which includes City Manager’s Office staff, Mayor’s Office staff, Councilmembers Linda LeZotte and David Cortese, and the San José Sports Authority. The task force’s work focuses on comparing San José with other major league cities involved in one or more of the four major professional sports leagues.

The recommended contract would allow the City to take advantage of the expertise of Conventions, Sports & Leisure International, one of the nation’s leading firms in the area of

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May 14, 2004

SUBJECT: ADOPTION OF A RESOLUTION AUTHORIZING THE CITY MANAGER TO NEGOTIATE AND EXECUTE AN AGREEMENT TO RECEIVE ADVISORY SERVICES ON ISSUES RELATED TO THE SPORTS INDUSTRY, THEATER ENTERTAINMENT FACILITIES, AND THE SAN JOSE MARKETPLACE

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sports and public assembly facility consulting. CSL has provided consulting services to nearly two-thirds of the 115 franchises in Major League Baseball, the National Football League, the National Basketball Association, and the National Hockey League, and has assisted many cities throughout the country in the analysis of entertainment facilities.

Because they are consistently involved in many major transactions across the country, CSL understands the components of successful transactions, has insight into the reasons some efforts fail, and keeps abreast of changes in the marketplace. This background and experience will help the City analyze options for attracting more professional sports teams to San José, and to attract more sports events and explore other sports-related opportunities to help bolster the City's economy.

Its experience with analysis of entertainment facilities will also assist the City in a detailed analysis of the economics and viability of a downtown theater entertainment facility. This work has been partially funded by the Redevelopment Agency (\$12,500) and Silicon Valley Sports and Entertainment (\$25,000), consistent with an Exclusive Negotiations Agreement.

The proposed agreement with Conventions, Sports & Leisure International has a term commencing December 1, 2003 and ending December 31, 2004. The total compensation under the agreement will not exceed \$175,000.

PUBLIC OUTREACH

Not applicable.

COST IMPLICATIONS

As mentioned above, the Redevelopment Agency will provide \$12,500 toward the consulting related to a downtown theater entertainment facility, and Silicon Valley Sports and Entertainment will provide \$25,000. The City Manager's non-personal/equipment appropriation in the General Fund will provide the remaining \$137,500 necessary for this agreement.

COORDINATION

This memo was coordinated with the City Attorney's Office, General Counsel's Office, and City Manager's Budget Office.

CEQA

Not a project.


Del D. Borgsdorf
City Manager


Harry S. Mavrogenes
Interim Executive Director