

SUPPLEMENTAL

COUNCIL AGENDA: 06-12-07
ITEM: ~~3~~ 3.5



Memorandum

TO: HONORABLE MAYOR AND
CITY COUNCIL

FROM: Ed Shikada
Albert Balagso

SUBJECT: FRAMEWORK FOR
ADVANCING PUBLIC-
PRIVATE PARTNERSHIPS

DATE: June 7, 2007

Approved

Date

6/8/07

COUNCIL DISTRICT: Citywide

SUPPLEMENTAL

REASON FOR SUPPLEMENTAL

This supplemental memorandum provides expanded descriptions of two of the proposed case studies, in order to provide the City Council with examples of the issues that will be involved in advancing public-private partnerships.

ANALYSIS

The first two case studies proposed in our May 25th memorandum were: (a) an agreement with Adobe Systems to allow the company to assume responsibility for turf maintenance at McEnergy Park, and (b) an amended agreement with the Police Activities League to facilitate corporate contributions to improvement of PAL stadium.

Each of these case studies is described in more detail below.

(a) Adobe Systems turf maintenance at McEnergy Park

In October 2006, PRNS staff and representatives of Adobe Systems began discussions of the potential for the company to enhance maintenance of McEnergy Park adjacent to Adobe's headquarters building in downtown San Jose. This maintenance work would be conducted by a landscape maintenance company under contract with Adobe, at no cost to the City. Through these discussions, it was concluded that Adobe's participation would focus on turf maintenance, and not involve restrooms or hardscape maintenance. A draft Agreement has been developed and is currently being reviewed by Adobe for approval.

Several issues have been identified to date, and terms acceptable to both Adobe and City staff are being negotiated and will be reported to the City Council under this case study:

- Defining the scope of services to ensure that all parties have a clear understanding of work to be performed, including horticultural work practices and integrated pest management.
- Applicability of prevailing wage and related reporting requirements to Adobe's activities under the Agreement. The City Attorney's Office has determined that the proposed services are subject to prevailing wage requirements under current City Council policy; the City Council could alter this requirement.
- Clarifying City approval processes, including meeting and conferring with appropriate City employee organizations.
- Installation of appropriate signage acknowledging Adobe's involvement, similar to Adopt-a-Park signage.
- Appropriate insurance general business liability, automobile, and workers compensation coverage and indemnification provisions.

Staff anticipates completing discussions with Adobe on the outstanding issues by August.

(b) PAL Board agreement for improvement of PAL stadium

The City and PAL have an existing Agreement for the use, operation, and scheduling at PAL stadium effective to 2009. Over the past several years, staff and PAL board members have discussed opportunities to partner on the improvement, maintenance, and use of PAL stadium. Most recently, these discussions have focused on an extension to the Agreement that would enhance PAL's ability to solicit corporate and other sponsorship of improvements to the facilities, as well as increase rental of the facility to other organizations. Among the issues identified to date, and under discussion, are the following:

- Willingness of both parties to establish a longer term Agreement, possibly up to 20 years, to allow PAL to market sponsor capital investment opportunities.
- Applicability of prevailing wage and related reporting requirements to PAL's activities under the Agreement.
- Negotiation of a revenue sharing method that supports PAL programs, City maintenance, and joint investment in capital improvement and future replacement.
- Willingness of the City to establish third party facility rental rates that differ from other City facilities.
- Ability of the City to serve as the fiscal agent for facility revenues without encumbering PAL with restrictions associated with City funds, such as prevailing wage and public bidding requirements.
- Defining acceptable signage/acknowledgements for sponsors.

Staff anticipates completing discussions with PAL on outstanding issues by August.

HONORABLE MAYOR AND CITY COUNCIL

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Subject: Framework for Advancing Public-Private Partnerships

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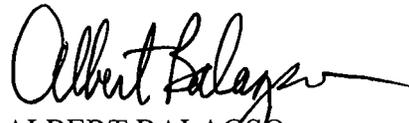
As noted in our May 25th memorandum, these and other proposed case studies will provide valuable real-world situations through which the City can evaluate the applicability of various policies and practices to Public-Private Partnerships.

COORDINATION

This memorandum has been coordinated with representatives of Adobe Systems and the San Jose Police Activities League, as well as the City Attorney's Office.



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Services

For questions, please contact Ed Shikada, Deputy City Manager, at (408) 535-8190.