



Memorandum

TO: HONORABLE MAYOR
AND CITY COUNCIL

FROM: Paul Krutko

SUBJECT: AGREEMENT WITH SAN JOSE
SPORTS AUTHORITY FOR
FY 2007-2008

DATE: June 4, 2007

Approved

Ray Winer

Date

6/10/07

COUNCIL DISTRICT: City-Wide

RECOMMENDATION

Approval of an agreement with the San Jose Sports Authority for the period July 1, 2007 to June 30, 2011, in an amount not to exceed \$608,895 for FY 2007-2008.

OUTCOME

Approval of this agreement will facilitate the continuation of San Jose Sports Authority's efforts to promote San Jose as a site for high profile sporting events and to develop and support local sporting events and organizations.

BACKGROUND

The San Jose Sports Authority (SJSA) is a nonprofit corporation formed in 1991 to promote San Jose as a site for high profile state, national and international sporting events and to develop and support existing sporting events and organizations in San Jose and the Bay Area. Under contract with the City, SJSA engages in the following activities:

- 1) contacts national governing bodies, institutions and professional organizations, sports promotion and domestic and international sports organizations to solicit high profile sporting events for San Jose;
- 2) solicits funds through fund raising activities to support the SJSA and to underwrite events;
- 3) provides information to local residents on sports activities taking place in the community;

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- 4) markets San Jose as a host city for sporting events; and
- 5) coordinates SJSA sponsored or sanctioned events with relevant City offices and departments.

Examples of events the SJSA was instrumental in bringing to San Jose during the recent contract period include the NCAA Division I Mens Basketball Championships – West Regional, the Pac-10 Conference Women’s Basketball Tournament, the U.S. Olympic Team Trials in Judo and Taekwondo, the U.S. Olympic Team Trials in Rhythmic Gymnastics, and the Dew Action Sports Tour. In addition, SJSA also partnered with the City to promote/sponsor the 2006 and 2007 Amgen Tour of California and the Inaugural 2007 King of the Mountain Ride.

ANALYSIS

The proposed Agreement is generally a continuation of the prior agreement with the Sports Authority. Under the terms of the Agreement, SJSA will continue to promote San Jose as a site for high profile state, national and international sporting events as well as support existing events and organization through June 30, 2011. The proposed budget for the Sports Authority in FY 2007-2008 is \$508,895, which reflects a three percent cost of living increase and a 4.7 percent citywide reduction to community-based organizations. In addition the Sports Opportunity Fund has a proposed budget of \$350,000, which includes one-time resources in the amount of \$100,000 to support the partnership between SJSA and OED in their efforts to bring high profile Olympic and NCAA events to San Jose.

The Agreement provides that funding for SJSA is subject to annual appropriation by City Council, and that the annual budget shall include a reserve account to be used for attraction and support of major events. The Agreement further provides that the City Manager or designee plus two other individuals shall be appointed annually by the Mayor as voting members of the Board.

Attachment B of the Agreement sets out goals and performance measures for both attracting and hosting major and minor sporting events as well as developing and supporting youth and community sporting events, and reads as follows.

Attracting/Hosting Sporting Events

- During the next four years attract/host five major spectator sporting events. A major sporting event is one that is defined as having an economic impact of a minimum of \$1.5 million and is broadcast on national television. During FY 2007-2008 attract one major spectator sporting event.
- Attract/host eight minor spectator sporting events. A minor sporting event is one that is either broadcast on regional cable sports television and/or has an economic impact of a minimum of \$100,000. During FY 2007-2008 attract one minor spectator sporting event.

- Attract/host seven minor participatory events that have an economic impact of a minimum of \$50,000. During FY 2007-2008 attract one minor participatory event.

Youth/Community Sports

- The First Tee of San Jose – Impact lives of young people by providing learning facilities and educational programs that promote character development and life-enhancing values through the game of golf. The primary facility for The First Tee of San Jose is Rancho del Pueblo Golf Course and Driving Range through a separate agreement with the City of San José. Currently serving 350 participants with the goal of serving 700 by the conclusion of the term.
- REACH Youth Scholarship – Scholarship budget for Reach Youth Scholarship will be between \$10,000 and \$15,000 annually.
- San Jose Sports Hall of Fame Induction Dinner – Continue at existing level of attracting approximately 600 to 800 attendees and break even financially.

POLICY ALTERNATIVES

Not applicable.

PUBLIC OUTREACH/INTEREST

- Criteria 1:** Requires Council action on the use of public funds equal to \$1 million or greater. **(Required: Website Posting)**
- Criteria 2:** Adoption of a new or revised policy that may have implications for public health, safety, quality of life, or financial/economic vitality of the City. **(Required: E-mail and Website Posting)**
- Criteria 3:** Consideration of proposed changes to service delivery, programs, staffing that may have impacts to community services and have been identified by staff, Council or a Community group that requires special outreach. **(Required: E-mail, Website Posting, Community Meetings, Notice in appropriate newspapers)**

While this agreement is under the \$1 million threshold for Criteria 1, this memorandum will be posted on the City's website for the June 26, 2007 City Council agenda.

COORDINATION

The agreement and report have been coordinated with the San Jose Sports Authority and Board, the City Attorney's Office, the City Manager's Budget Office, and Risk Management.

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FISCAL/POLICY ALIGNMENT

Approval of this agreement furthers the vision of San Jose as America's Most Livable City and aligns directly with Economic Development Strategy Initiative 12 to "Encourage Sporting Teams, Events, and Facilities, Professional as Well as Amateur."

COST SUMMARY/IMPLICATIONS

This agreement will be funded out of the General Fund by the Sports Authority and Sports Opportunity Fund.

BUDGET REFERENCE

Fund #	Appn #	Appn. Name	Total Appn	Amt. for Contract	2007-2008 Proposed Operating Budget Page	Last Budget Action (Date, Ord. No.)
001	2181	Sports Authority	\$508,895	\$508,895	IX - 10	N/A
001	3346	Sports Opportunity Fund	\$350,000	\$100,000	IX - 9	N/A
Total Current Funding Available			\$858,895	\$608,895		

CEQA

Not a project.



PAUL KRUTKO
Chief Development Officer
City Manager's Office

For questions please contact Paul Krutko, Chief Development Officer, at 408-535-8182.