**COUNCIL AGENDA:** 08-22-06
**ITEM:** 4.3(a)

CITY OF SAN JOSE
CAPITAL OF SILICON VALLEY

# Memorandum

**TO:** HONORABLE MAYOR AND CITY COUNCIL

**FROM:** Dan McFadden

**SUBJECT:** **SEE BELOW**

**DATE:** August 17, 2006

Approved

Date 8/18/06

**SUBJECT: Recommendation for HP Pavilion Management's Advertising Plan at HP Pavilion at San José**

Please find attached a memorandum from the San Jose Arena Authority regarding the HP Pavilion Management's Advertising Plan with the following recommendation:

Acceptance of the HP Pavilion at San José's Advertising Plan.

Dan McFadden
Deputy City Manager

For more information contact: Dan McFadden, Deputy City Manager at (408) 535-8120

**Council Agenda:** 8-22-06

**Item:** 4.3(a)

San Jose Arena Authority

# MEMORANDUM

**To:** Honorable Mayor and Members of the City Council

**From:** Chris Morrisey, Executive Director

**Subject:** Recommendation for HP Pavilion Management's Advertising Plan at HP Pavilion at San Jose

**Date:** July 28, 2006

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## *RECOMMENDATION*

The San Jose Arena Authority Board of Directors has requested that HP Pavilion Management's biennial advertising plan be submitted to the City Manager's Office for consideration and subsequently forwarded to the Mayor and City Council of San Jose for legislative approval.

## *OUTCOME*

The outcome of City Council approval of this biennial advertising plan will support the City's obligation to review and approve HP Pavilion Management's advertising plan as required in the Amended and Restated San Jose Arena Management Agreement.

## *BACKGROUND*

HP Pavilion Management has formally submitted to the Arena Authority Board of Directors an advertising plan for the display of advertising signs at HP Pavilion at San Jose. The advertising plan submitted by HP Pavilion Management is comparable to plans previously submitted to the City with the exception of the addition of new graphics for the branding of the Pavilion Club area.

HP Pavilion Management is obligated to submit an advertising plan to the City for consideration and review at least once every two years. For your reference, specific guidelines for advertising at HP Pavilion at San Jose are specified in **Attachment 8: Arena Advertising** of the Amended and Restated Arena Management Agreement.

## *ANALYSIS*

At the Arena Authority's May 24, 2006 Board of Directors meeting, Mr. Don Gralnek, HP Pavilion Management's Executive Vice President and General Counsel, presented components to the advertising plan to the Arena Authority Board. Mr. Gralnek advised the Authority Board that there were no new additions or modifications to the advertising plan except for the addition of the exterior Automated Teller Machine that was approved by the City Council in the fall of 2005 and the inclusion of a new graphics package for the branding of the Pavilion Club area.

The new elements to the Pavilion Club advertising package include signage at both the north and south Pavilion Club entrances; signage within the club leading into the lower Pavilion seating areas; signage in the lower Pavilion seating areas leading into the Club; signage along a wall in the Club above Sharks player portraits; and signage on the exterior of the Pavilion adjacent to the Club-level entrance at the Pavilion's West Santa Clara Street restaurant entrance. It is the understanding of the Arena Authority that due to the naming of the Pavilion Club and the addition of the proposed exterior advertising, that HP Pavilion Management is currently in discussions with the City Manager's Office to identify the appropriate steps to address City approval relating to these issues. Please note that the Arena Authority's recommendation solely relates to the interior Pavilion advertising plan as presented by HP Pavilion Management and the graphics package for the Pavilion Club. This recommendation does not address the exterior advertising or the naming decisions associated with the Pavilion Club. (See revenue/naming memo attached below.)

## *PUBLIC OUTREACH*

No public outreach was required in the submittal of this biennial advertising plan.

## *COORDINATION*

At the May 24 San Jose Arena Authority Board of Directors meeting, the Board viewed and discussed HP Pavilion Management's advertising plan. Following the review of the plan, the Board unanimously voted in favor of the plan to be forwarded to the City Manager's Office for consideration and subsequently submitted to the Mayor and City Council for legislative approval. Please also note that the Authority Board acknowledged that HP Pavilion Management would continue to address elements to the Pavilion Club naming and exterior advertising with the appropriate City liaisons.

## *COST IMPLICATIONS*

There are no costs to the City of San Jose associated with the modifications of the Pavilion advertising plan.

## *CEQA*

This is not a project.

Report prepared by:

Chris Morrisey
Executive Director
San Jose Arena Authority
977-4783

# ATTACHMENT 8

ATTACHMENT 8
TO
MANAGEMENT AGREEMENT: ARENA ADVERTISING

Definition

The term "advertising" shall include any graphic device that incorporates a registered trademark or trade name. The area of an advertising sign or device shall be the largest rectangle that encompasses all copy (both advertising and non-advertising), television monitor(s), background, and frame of such sign or device, not including suspension pendants or support posts.

Excluded from this definition of advertising shall be:

1. Safety, directional and informational signage of the type and extent shown on the construction documents prepared by the Office of Michael Manwaring and dated July 4, 1990 as revised and approved by SJ and Manager.

2. Decorative graphics of the type and extent shown on the construction documents prepared by the Office of Michael Manwaring and dated July 4, 1990 as revised and approved by SJ and Manager.

3. Decorative and commemorative art as may be incorporated into the project by SJ and/or the Fine Arts Commission.

4. Announcements displayed on the reader board or other electronic boards within the Arena of Arena events.

5. Temporary presentations of advertising or promotional materials displayed or distributed within the Arena, except in areas specifically prohibited from being used for such purposes, but in any event conforming to the Advertising Plan and Applicable Standard.

6. Within the club and restaurant, but not in areas visible from the concourse.



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Exterior Advertising

With the exception of advertising expressly associated with the naming of the Arena building, all exterior advertising shall be prohibited, whether free-standing or affixed to the Arena Building. Announcements of future events at the Arena within areas designated for same shall be permitted. Reader Board, or other Facilities, unless approved by SJ and consistent with the Management Agreement.

Building Name

Advertising associated with naming of the Arena shall be handled pursuant to Section 6.03 of the Management Agreement.

Interior Advertising

It is the intention of the parties that except for advertising within the Concourse which shall be governed by special provisions as set forth below, Manager shall be permitted to display or present advertising within the Arena consistent with an advertising plan developed by Manager and presented from time to time to the City for approval which approval shall be reasonably and promptly given. Said advertising plan shall be approved at least once every two (2) years and shall contain the locations/areas within the Arena where advertising is intended to be displayed and the manner and visual appearance of presentation. Manager and SJ acknowledge

1. SJ's continuing strong public interest in the visual appearance of the Arena and established public policy to require advertising within the Arena comply with the Applicable Standard and be compatible with the design aesthetics of the Arena, and

2. Manager's' legitimate expectations to develop and promote advertising within the Arena that is consistent with the applicable policies contained in this Attachment and in the Management Agreement.

   Said advertising plan shall address such items as:

   (1) The scoreboards;
   (2) Hockey dasher boards;
   (3) The balcony fascia;
   (4) Team benches;
   (5) Scorers tables and penalty boxes;
   (6) Video systems;
   (7) User/location of banners;
   (8) Sky box level sound walls;
   (9) Sale and promotion of merchandise associated with events at the Arena;



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(10) Location of temporary advertising; and
(11) Proprietary signs regarding name of club.

Advertising within the Concourse

1. Advertising of products not associated with events at the Arena within the Concourse shall be limited to 32 pendant signs with two faces each. Each face shall measure no more than 48 square feet.

2. Signs identifying concession franchises on concession stand fascias and back walls. Fascia signage shall not be larger in area than the product of one-half the fascia height times the length of the front edge of the counter.

3. Frames around television monitors. Television monitors shall be confined to the pendant concourse signs and to the fascia or back wall of concession stands.

4. Signs on portable stands.

5. Proprietary signage necessary to identify the owner or operator of devices such as telephones and automatic teller machines.

6. From time to time, Manager may submit requests to the City for its approval for alternative standards and systems to be used in the Concourse.



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