

RESOLUTION NO. 74097

A RESOLUTION OF THE COUNCIL OF THE CITY OF SAN JOSE AUTHORIZING THE CITY MANAGER TO NEGOTIATE AND EXECUTE A NEW AGREEMENT RELATING TO SAN JOSE MUNICIPAL STADIUM WITH THE BASEBALL ACQUISITION COMPANY, INC.

WHEREAS, the San José Municipal Stadium (“Stadium”) was opened in 1942, which Stadium premises include the stadium and parking areas located at the corner of Senter Road and Alma Street, bounded by Kelley Park to the east and the Ice Centre to the west and is the home of the San José Giants single A baseball team (“Giants”); and

WHEREAS, Baseball Acquisition Company, Inc. (“BAC”) currently uses, manages and operates the Stadium under an agreement with the City of San José (“City”), for a term through October 1, 2009; and

WHEREAS, the Stadium has been an active and popular sports facility in the City for 65 years, and there has never been an established and sustained Capital repairs and replacements program;

WHEREAS, the City, BAC and the San José Arena Authority (“Authority”) have convened to develop a conceptual framework for funding a Capital repairs replacement program, which framework includes, execution of an agreement between City and Authority under which Authority will oversee management and operation of the Stadium; and

WHEREAS, the City, and BAC desire to enter into a new agreement (“Agreement”) that would expire on September 30, 2013, which transfers management oversight authority of the Stadium to the Authority, allows BAC to make certain capital repairs and improvements to the Stadium, develops Stadium naming rights terms, creates a

Stadium Capital Fund, and introduces a community ticket distribution program for Giants' baseball games; and

NOW, THEREFORE, BE IT RESOLVED BY THE COUNCIL OF THE CITY OF SAN JOSE THAT:

The City Manager is hereby authorized to negotiate and execute an agreement with Baseball Acquisition Company:

1. For a term from the date of execution through September 30, 2013.
2. To transfer to San José Arena Authority the oversight role for stadium operations, including contract administration, facility management and operation, Capital budget preparation, and community program development.
3. To allow the BAC to solicit interested parties to potential naming of San José Municipal Stadium and develop draft business terms, subject to review and approval of City Council.
4. To create a San José Municipal Stadium Capital Fund from all funds generated by naming rights activity by the BAC and by other annual fees paid by the BAC to the City plus an initial \$200,000 contribution from the City.
5. To authorize the City Manager to negotiate repayment terms to BAC for up to \$500,000 in the aggregate- which amounts would be paid to BAC upon termination of the Agreement as partial reimbursement to BAC for the cost of specified long term improvements BAC will make to the facility at its sole cost, subject to the City's specific approval including approval in writing of the terms of repayment.

6. To allow BAC to make certain capital repairs or replacements to the facility without prior approval, subject to conditions specified in the agreement including that work does not require Department of Public Works review and is for an amount less than \$25,000.

7. To allow for the development of a new community ticket distribution program for tickets to professional baseball games.

ADOPTED this 6th day of November, 2007, by the following vote:

AYES: CAMPOS, CHIRCO, CHU, CORTESE, LICCARDO,
NGUYEN, OLIVERIO, PYLE, WILLIAMS; REED

NOES: NONE

ABSENT: CONSTANT

DISQUALIFIED: NONE

CHUCK REED
Mayor

ATTEST:

LEE PRICE, MMC
City Clerk