



# Memorandum

**TO:** CITY COUNCIL

**FROM:** Mayor Chuck Reed  
Vice Mayor Dave Cortese  
Councilmember Sam  
Liccardo

**SUBJECT:** SEE BELOW

**DATE:** December 13, 2007

**APPROVED:**

**DATE:**

12-13-07

**SUBJECT: DECEMBER 18, 2007 STUDY SESSION ON THE MANAGEMENT AND OPERATIONS OF THE CONVENTION CENTER AND CULTURAL FACILITIES**

## RECOMMENDATION

Approve recommendations outlined in the December 5, 2007 staff report with the following amendments and additions:

1. Civic Auditorium Operations: Continue to include the San Jose Civic Auditorium under the Team San Jose management team. However, the Team San Jose operation of the Civic Auditorium should be tied to a set of annual bookings and promotions performance standards and guidelines to be developed jointly with City staff and approved by City Council. In addition, it is recommended that Team San Jose issue a quarterly report which addresses confirmed bookings for the Civic Auditorium, and a work plan to address increasing utilization of the Civic Auditorium with target revenue goals.
2. Additional Terms and Conditions of the Management Contract:
  - To include performance measures for the potential reduction of the current subsidy. Any savings achieved will be allocated to the Capital Improvement Fund for the repair, replacement and renovation of the facilities.
  - To provide the City Council, at a future date, more comprehensive information about the use and operation of each of the theaters, the costs to operate the facilities, and how each is managed from a financial perspective.
  - To facilitate the Tech Museum's option for additional use of Parkside Hall.
  - Include Team San Jose in planning, design and construction activities related to expanding or rehabilitating any facility under Team San Jose management.

## **BACKGROUND**

The June 2004 Council approval of an agreement with Team San José was an endorsement of the unique attributes the partnership brought to the management of the Convention Center and cultural facilities, its ability to maximize the successful operation of these facilities, and derive high returns on public and private investments. Significant strides have been made to increase gross revenues, bookings, customer service satisfaction, and to reduce the City subsidy. While appreciative of Team San Jose's progress to date, it is now necessary to require more of the City Administration and the management team of Team San José in meeting performance standards and delivery of services.

San José continues to be a destination and home for people from all over the world. Maximizing opportunities to invite thousands of local, state, national and international visitors to our city and our Downtown convention and cultural facilities must continue to be a top priority of the City Administration and Team San Jose. Fiscal responsibility, reduction of operations costs and increase of revenues and profitability need to continue to be the drivers that help us achieve our goals.

The proposed staff recommendations are strong and heading in the right direction. It is recommended that the Council approve the staff report with the amendments and additions above.