

CITY COUNCIL SPECIAL MEETING AGENDA

MANAGEMENT AND OPERATIONS CONVENTION CENTER AND CULTURAL FACILITIES

DECEMBER 17, 2007

SYNOPSIS

PETE CONSTANT
FORREST WILLIAMS
SAM LICCARDO
KANSEN CHU
NORA CAMPOS

DISTRICT 1
DISTRICT 2
DISTRICT 3
DISTRICT 4
DISTRICT 5

CHUCK REED, MAYOR

PIERLUIGI OLIVERIO
MADISON P. NGUYEN
DAVID D CORTESE, VICE MAYOR
JUDY CHIRCO
NANCY PYLE

DISTRICT 6
DISTRICT 7
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DISTRICT 9
DISTRICT 10

Welcome to the San José City Council meeting!

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- **Call to Order and Roll Call**
1:03 p.m. Absent Council Members: Chirco. (Excused)

- **Purpose**
 - (1) To present information on various reports concerning the Convention Center and Cultural Facilities as well as policy options for the management and operations of the facilities.
 - (2) To provide a recommendation for the Council regarding the management of the Convention Center and Cultural Facilities at the conclusion of Team San José's five-year term.
 - (3) Provide a response to the Civil Grand Jury's recommendation that the City issue an RFP for management and operations of the Convention Center and Cultural Facilities.

- **Outcome**
 - (1) Discussion of policy options for the management and operations of the Convention Center and Cultural Facilities.
 - (2) Council to provide direction and decision on future management and operations of facilities.
 - (3) To provide final response to the Civil Grand Jury.

- (1) Purpose of Special Session and Expected Outcomes**
Mayor Reed provided opening remarks.

- (2) Overview of Key Reports:**
 - (a) Performance Audits of TSJ for FY 2005-06 and FY 2006-07 (Auditor)
 - (b) Assessing Performance: A Framework for the San Jose McEnery Convention Center, by Kai-Yan Lee (Auditor)
 - (c) Overview of Special Study Session on November 13 re: Convention Center Expansion (RDA/OED)
 - (d) Convention Center Benchmarking Study (Team San Jose)
 - (e) Civic Auditorium Study (Strategic Advisory Group Representative)**Presentations received.**

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(3) Presentation and Discussion of Policy Alternatives and Staff Recommendation:

- (a) Issue new Request for Proposal
- (b) Extend the current agreement with Team San Jose with the same terms and conditions
- (c) Extend the agreement with Team San Jose with new and modified terms and conditions.

Presentations received.

(4) Staff Recommendation:

- (a) Adoption of a resolution authorizing the City Manager to negotiate an additional five years with Team San José with new and modified business terms and conditions for the management of the Convention Center and Cultural Facilities, including the subcontracting of bookings and promotions at the Civic Auditorium by Team San Jose for the period July 1, 2009 through June 30, 2014. Staff will provide status of the negotiations to the Community and Economic Development Committee (CED) in May 2008 and to the full Council in June 2008.

Resolution No. 74166 adopted.

- (b) Direct staff to provide a follow up response to the Civil Grand jury on the actions taken by the City regarding the recommendation to issue an RFP for management of the convention center and cultural facilities.

Approved.

The memorandum from Mayor Reed, Vice Mayor Cortese and Council Member Liccardo, dated December 13, 2007 was approved, as amended:

- (1) Civic Auditorium Operations: Continue to include the San José Civic Auditorium under the Team San José Management Team. However, the Team San José 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 José 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 of conditions of the Management Contract:**
 - (a) 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.**
 - (b) To provide the City Council, at a future date, more comprehensive information about the use and operation of each of the theatres, the costs to operate the facilities and how each is managed from a financial perspective.**
 - (c) To facilitate the Tech Museum's option for additional use of Parkside Hall.**

- (4) (Cont'd.)
- (2) (d) **Include Team San José in planning, design and construction activities related to expanding or rehabilitating any facility under Team San José management.**
 - (3) **Preserve the City positions in the current management agreement in order to ensure the continued expertise and excellent level of service.**
 - (4) **Direct Staff to return in 90 days with the additional analysis of the roles and fiduciary responsibilities of both Team San José and the Convention Visitors Bureau, a recommendation on the two feasibility or appropriateness of the two entities remaining separate (with their own Board of Directors and Executive Director) and further, explore any additional recommendations regarding the streamlining of Civil Service rules for the City employees.**
- (6) **Public Comments**
Sixteen speakers expressed support for the contract with Team San José.
- (7) **Adjournment**
The Council of the City of San José adjourned the meeting at 4:16 p.m.