

COUNCIL AGENDA: 6-15-10  
ITEM:

## Memorandum

**TO:** HONORABLE MAYOR, CITY  
COUNCIL AND REDEVELOPMENT  
AGENCY BOARD

**FROM:** Debra Figone  
Harry S. Mavrogenes

**SUBJECT: THIRD AMENDMENT TO THE  
AMENDED & RESTATED SAN  
JOSE ARENA MANAGEMENT  
AGREEMENT**

**DATE:** June 1, 2010

**Council District: 3**  
**SNI AREA: NA**

### RECOMMENDATION

It is recommended that the City Council and Redevelopment Agency Board adopt resolutions approving the Third Amendment to Amended and Restated San Jose Arena Management Agreement between the City of San Jose, Redevelopment Agency and the San Jose Arena Management, LLC (SJAM).

### OUTCOME

The Third Amendment addresses the private development of additional parking adjacent to HP Pavilion at San Jose (Arena) that will support the successful operation of that facility and reduce on a one-for-one basis the current City obligation to make available 3,175 off-site parking spaces within one-third of a mile and 6,350 off-site spaces within one-half of a mile from the Arena. In addition, the Third Amendment modifies the Amended and Restated Agreement to more specifically address the obligations of the City and Arena Management in regards to other parking and access issues in the eventuality that a Major League baseball (MLB) stadium, high speed rail station and/or BART station are constructed within the Diridon Area. The construction of additional parking and collaboration on accessibility issues are important actions to support the Arena as a major economic generator in the Downtown.

For the purposes of the obligations contained in this Third Amendment, the Redevelopment Agency is a signatory. The Redevelopment Agency is not a party to the Amended and Restated Agreement.

### EXECUTIVE SUMMARY

SJAM is requesting that the City and Agency support the development of additional on-site parking on a site adjacent to the HP Pavilion (see Exhibit 2 Lot E). SJAM is in the process of acquiring this site privately but may need City or Agency assistance in completing the land

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assembly necessary. SJAM will provide the funds necessary to complete the acquisition. The construction of the additional on-site parking will also be paid for with private funds. Additional on-site parking will be operated by SJAM and all revenues generated will be revenue to SJAM. Additional parking constructed as a result of this Amendment will reduce the City's obligation to provide off-site parking on a one-for-one basis.

The Third Amendment also modifies the Amended and Restated Agreement in the following ways:

- Currently SJAM operates Lot D (see Exhibit 2) through an agreement with the Agency. This agreement provides for a notice to vacate provision of 12 months; the Third Amendment increases the notice period to 24 months, except in the case if the land is needed for the development of BART for which the notice provision would remain at 12 months;
- The City agrees to require that a Transportation and Parking Management Plan (TPMP) and construction mitigation plan be prepared for a MLB Stadium, high speed rail station and/ BART station if such a project receives a transfer of property from the City or Agency;
- City will use its best efforts to ensure parking is available to Arena customers in the event of overlapping events between the Arena and a professional MLB stadium;
- The additional on-site parking contemplated to be constructed under the terms of this Amendment, along with the current on-site parking, will be made available by SJAM to the general public on days and times other than are needed for an Arena event;
- The City or the Agency agree to provide a funding commitment to complete the Autumn Street alignment from Julian Street to Santa Clara Street (Exhibit 4) as a part of the transfer or prior to the transfer by the City or Agency of property for a MLB stadium; and
- The City agrees to work with SJAM on specific traffic improvements that will maintain the capacity of the Park and Autumn intersection at a specified level if a professional MLB stadium is constructed.

**BACKGROUND**

HP Pavilion at San Jose opened in September 1993. Since that time, San Jose Arena Management LLC has operated the facility under a management agreement. This agreement has been amended and restated several times to reflect changing circumstances with the goal to maintain the Arena as one of the best facilities of its type in the nation. Such amendments can be expected given that the Arena is nearing its twentieth year of operation.

The current Amended and Restated Agreement includes a number of obligations that the City previously agreed to in regards to the provision of parking and traffic management for the Arena. In particular the Agreement contains City obligations in regards to on-site parking, off-site

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parking and the creation and maintenance of a Transportation and Parking Management Plan (TPMP) in support of Arena operations. For example, the City is obligated to provide parking to Arena employees at no cost to SJMA.

**ANALYSIS**

Key elements of the proposed Third Amendment include provisions pertaining to the following:

***Additional Parking***

Over the last 18 months, a series of discussions have led to the negotiation of the Third Amendment that is being proposed by this action. The City, Agency and SJAM agree that an important enhancement to the Arena "asset" would be the creation of additional on-site parking. Recognizing the City and Agency's current financial position and funding priorities, SJAM is interested in pursuing the construction of additional on-site parking with private funds. As shown in Exhibit 2, the proposed site (Lot E) is adjacent to the existing Arena parking lots and the Arena. The City, Agency and SJAM jointly investigated the possibility of constructing additional parking on the existing Arena parking lots. It was determined that it would be more cost efficient to construct additional parking on the proposed site. Construction of a parking structure on the existing arena parking lot would yield a lower net number of new spaces as the building structure of a garage would reduce the number of spaces currently on the surface lot.

The proposed Third Amendment provides a procedure through which SJAM will first attempt to acquire the needed property privately. If that is not possible, the City and Agency would consider seeking Council and Board approval of steps to assist the acquisition process including eminent domain if necessary. The cost of acquisition will be the financial obligation of SJAM. SJAM will operate the additional parking and retain all revenues generated from that operation.

The proposed Third Amendment also provides that additional parking developed as a result of this Amendment will reduce the City's current obligation to provide off-site parking within a third and within a half a mile from the Arena entrance on Santa Clara Street on a one-for-one basis. The current City obligation is to make available 3,175 off-site parking spaces within one-third of a mile and 6,350 off-site spaces within one-half of a mile from the Arena.

The Third Amendment also specifies that the proposed additional parking and the current on-site parking will be made available to the general public on other than Arena event days or during the day when the Arena event is in the evening. SJAM has the right to charge the public for parking during those times and to retain all revenues collected.

***Lot D***

SJAM currently uses this Agency owned property across Santa Clara Street from the Arena for parking purposes. This use agreement provides for SJAM to vacate this property upon 12 months notice if needed for development. The proposed Third Amendment requires notice of 24

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months, except in the event the property is needed for the BART project. If the City or Agency proposes to transfer Lot D for private development, the 24 month provision would apply and the City or Agency is agreeing to conduct a public proposal process in which SJAM will be invited to participate.

#### ***Project Transportation and Parking and Management Plans***

Through the proposed Third Amendment, the City is agreeing contractually to impose the requirement on a MLB stadium project, high speed rail station and BART station that those projects prepare Transportation, Parking and Management Plans (TPMP) similar in scope and detail to the one that the Arena currently operates under if the City or Agency convey land for that project. The Amendment also spells out City Council oversight through the Transportation and Environment Committee over the initial approval and subsequent amendment of such TPMPs.

#### ***Overlapping Events***

The proposed Third Amendment recognizes that if a MLB stadium is constructed, there will be certain days on which there will be events scheduled in the stadium that may be occurring at the same time as events in the Arena. It provides that the City will use its best efforts to provide parking that is available to Arena patrons. The City agrees to develop and include specific measures in the baseball TPMP that will address the City's current off-site obligation to make parking available to the Arena. That TPMP would also include reasonable measures to avoid overlapping events when possible and to facilitate cooperation between the operators of the MLB stadium and the Arena.

#### ***Autumn Street***

The proposed Third Amendment requires the City or Agency to propose funding for the realignment of Autumn Street from Julian Street to Santa Clara Street (Phase 2) prior to the transfer of any publicly owned property for a MLB stadium or through the actual transfer agreement. The City and the Agency are actively seeking funds for this project. While the current Supplemental Environment Impact Report for a proposed MLB stadium assumes completion of this project prior to completion of a MLB stadium, the Amendment includes an additional contractual commitment to SJAM to fund the project.

#### ***Park Avenue and Autumn Street Intersection***

The proposed Amendment contemplates that special attention will be paid to the design, alignment and potential reconstruction of this key intersection that will be vital in maintaining a high level of vehicular and pedestrian capacity to and from the Arena and the proposed stadium (75% of its current capacity).

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### **FISCAL/POLICY ALIGNMENT**

The proposed amendment has limited impact on the City and Agency financially. The proposed additional parking to be developed on Lot E is to be financed entirely with private funds from SJAM. To the degree, the City or Agency would need to be involved in the acquisition of land; those costs will be reimbursed by SJAM.

Funds for the preparation and management of the new TPMPs contemplated by this amendment will be identified from those projects if and when they ever come to fruition.

As noted above, the City and Agency are actively seeking funding from federal, state and regional sources for the Autumn Street Phase 2 project. Funding for work necessary to enhance the Park Avenue and Autumn Street intersection will be sought from similar sources, as well as City and Agency resources (if available) and through the project budget for the construction of the MLB stadium in accordance with the Guiding Principles adopted by the City Council for that project.

### **PUBLIC OUTREACH/INTEREST**

- ✓ **Criterion 1:** Requires Council action on the use of public funds equal to \$1 million or greater.
- Criterion 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.
- Criterion 3:** Consideration of proposed changes to service delivery, programs, or staffing that may have impacts to community services and have been identified by staff, the Board or Council, or a community group that requires special outreach.

This item meets Criterion 1 above as it may require Council or Board action in the future on the use of public funds equal to \$1 million or greater. The City or the Agency is agreeing to provide a funding commitment to complete the Autumn Street alignment from Julian Street to Santa Clara Street (Exhibit 4) as a part of the transfer or prior to the transfer by the City or Agency of property for a MLB stadium. This project is estimated to cost in excess of \$10M. This memorandum will be posted to the City's website for the June 15, 2010, City Council Agenda.

### **COORDINATION**

This memo has been coordinated with the City Attorney's Office and the Department of Transportation.

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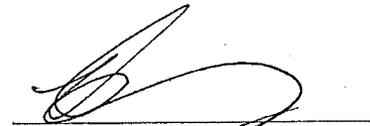
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**CEQA**

Not a project, PP10-066, Amendment to an existing agreement.



DEBRA ELGONH  
City Manager



HARRY S. MAVROGENES  
Executive Director

Attachments:

- Third Amendment to Amended and Restated San Jose Management Agreement Among the City of San Jose, The Redevelopment Agency of the City of San Jose and the San Jose Arena Management, LLC
- Exhibit 1 - Map of the Diridon Area
- Exhibit 2 - Concept Plan for Additional Parking
- Exhibit 3 - TPMP Framework
- Exhibit 4 - Map of Autumn Street Right-of-Way

For questions please contact Paul Krutko, Chief Development Officer, at (408) 535-8179.

**THIRD AMENDMENT TO AMENDED AND RESTATED  
SAN JOSE ARENA MANAGEMENT AGREEMENT AMONG  
THE CITY OF SAN JOSE, THE REDEVELOPMENT AGENCY OF THE CITY OF SAN JOSE  
AND  
SAN JOSE ARENA MANAGEMENT, LLC**

THIS THIRD AMENDMENT TO AMENDED AND RESTATED SAN JOSE ARENA MANAGEMENT AGREEMENT ("THIRD AMENDMENT") is made and entered into as of \_\_\_\_\_, 2010, among the CITY OF SAN JOSE, a municipal corporation ("City"), The REDEVELOPMENT AGENCY OF THE CITY OF SAN JOSE ("Agency"), and SAN JOSE ARENA MANAGEMENT, LLC, a Delaware Limited Liability Company ("Manager"). The obligations of Manager hereunder are guaranteed by the San José Sharks LLC, a Delaware Limited Liability Company, as set forth in Attachment 12.

**RECITALS**

A. WHEREAS, Manager, City and the Agency have entered into an agreement (the "Agreement to Enter"), dated October 24, 1991, which provided for the design and construction of the Arena Facilities.

B. WHEREAS, City and Manager entered into the Amended and Restated San Jose Arena Management Agreement ("Agreement") as of December 2000.

C. WHEREAS, on January 13, 2004 City and Manager entered into a First Amendment to the Management Agreement and an Addendum to the Management Agreement.

D. WHEREAS, on August 17, 2007 City and Manager entered into a Second Amendment to the Management Agreement as well as City and Manager also entered into a Capital Enhancement Agreement.

E. WHEREAS, the purpose and intent of this Third Amendment is to provide definitions, criteria, and procedures to be used pursuant to the Agreement to address potential impacts (both physical and environmental) of certain future Projects in the Diridon Area so such Projects do not materially adversely affect the rights and obligations of the Manager and City with respect to the parking circulation and traffic provisions of the Agreement.

F. WHEREAS, the purpose and intent of this THIRD AMENDMENT is to set forth the intent of the parties to work collaboratively toward the development of parking to be located adjacent to the Arena [Lot E].

G. WHEREAS, the parties acknowledge that the intent of the parties is to ensure the effectiveness and competitiveness of Arena through the term of the Agreement and this THIRD AMENDMENT advances that basic goal.

## AGREEMENT

**NOW, THEREFORE**, in consideration of the premises, and of the terms, covenants and conditions herein contained, the parties mutually agree as follows:

**Section 1. Agency as Party.** Agency is not a party to the original Agreement, however to the extent, and only to the extent, this THIRD AMENDMENT includes rights and obligations with respect to Agency, Agency shall be a party.

**Section 2. Conflicts.** It is expressly agreed among and intended by the parties that in event of a conflict or inconsistency between provisions of the Agreement and this THIRD AMENDMENT, the provisions of this Amendment shall control and govern such conflict or inconsistencies;

**Section 3. Existing Parking.** On-Site Parking shall be managed by Manager for the benefit of the Arena and other parking patrons during the term of the Agreement, as may be extended by the mutual agreement of the parties;

**Section 4. Definitions.** Unless otherwise defined in this Amendment, all terms used in this THIRD AMENDMENT shall be defined by the definitions set forth in the Agreement. **The following Definitions are added to Article I Section 1.04. References and Definitions to read as follows:**

- A. **"Transfer"** means sale, leasing, assignment, exchange, grant, or contribution of real property.
- B. **"Diridon Area"** means the geographical area described in Exhibit 1 attached hereto.
- C. **"Project"** means the proposed baseball stadium, proposed High Speed Rail Station and, proposed BART station. (we may need to further define these projects).

**Section 5. Additional On-site Parking.**

- A. Parties agree that it is in the best interest of the parties to provide for the future vitality and viability of the Arena and to continue to realize economic benefits which the Arena provides to the Manager and the City of San Jose community. To that end, this THIRD AMENDMENT is intended to increase on-site parking available to the public and to customers of Arena ("Additional Parking"). Specifically, City and Manager agree such Additional Parking be provided in the area immediately North of Arena bounded by Julian Street, West St. John Street, and Montgomery Street ("Additional Parking Area" or Lot E).
- B. Parties agree that the concept plan as set forth in Attachment 19 is the basis for development of the Additional Parking on Lot E. Parties acknowledge that the plan shown in Exhibit 2 includes use of Montgomery Street right-of-way and that this right-of-way would not be included in the Additional Parking project if the expense of including such right-of-way exceeds the benefits.
- C. Based on mutually acceptable timelines, but no later than October 1, 2010, City, Agency and Manager will enter into negotiations for an agreement to detail the cooperation between and responsibility of the parties with respect to surface parking and any

subsequent parking structure for such Additional Parking. The agreement shall address the following matters:

1. As soon as possible, Manager will acquire or attempt to acquire fee title to real property described in Exhibit 2 attached hereto in the Additional Parking Area (Acquisition Parcels) using funds provided by Manager. After Manager has made good faith efforts to acquire real property in such Additional Parking Area and has not successfully acquired fee title to any such real property the City or Agency upon request of the Manager and subject to the approval of the City Council or Agency board, will make good faith efforts to acquire fee title to such designated real property based on fair market value determined by an appraiser mutually selected the parties. The purchase price and appraisal costs shall be paid with funds advanced by Manager no later than thirty (30) days after City request for the funds. If the City or Agency is unable to acquire any Acquisition Parcels by negotiation upon terms and conditions acceptable to the City and Agency, the City and Agency's staff will recommend to the City Council or Agency Board, as appropriate, that City Council or Agency Board use eminent domain power to acquire the Acquisition Parcel or Parcels. Nothing contained herein shall be construed to mean that the City or Agency is agreeing or has agreed to exercise the right of eminent domain, which rights shall be exercised only in the sole discretion of the City Council or Agency Board and only after the City or Agency has adopted a Resolution of Necessity pursuant to Code of Civil Procedure Section 1245.210 *et seq.* for the relevant Acquisition Parcel and has established pursuant to law that:
  - (a) The public interest and necessity require the development;
  - (b) The development is planned and located in the manner that will be most compatible with the greatest public good and the least private injury; and
  - (c) The property sought to be acquired is necessary for the development.

In the event the City or Agency adopts a Resolution of Necessity, the City or Agency shall use its best efforts to complete the acquisition within the time set agreed to by the parties.

2. Any Transfer of the title to such real property so acquired by City or Agency to Manager, will be subject to reimbursement to City/Agency of actual third party costs customarily incurred in such acquisition and transfer including but not limited to fees and taxes.
3. Upon mutual agreement of the parties but timed to coincide no later than transfers pursuant to Section 4 (C)(2), City or Agency will transfer all of its interests in all rights-of-way and excess properties it owns/acquires or may own or acquire in Additional Parking Area if such transfer assists development and financing of Additional Parking or operation/efficiency of such Additional Parking. Manager shall pay fair market value for all such real property interests transferred by City or Agency as determined by an appraisal mutually agreed to

by the parties except to the extent of any street rights of way that by operation of law revert to the adjacent property owners. The final purchase price for such transfer shall be as agreed to by the Parties.

4. Upon the Manager acquiring fee title to the property for the Additional Parking, the Manager at its expense shall construct surface parking containing approximately 250 spaces in the Additional Parking Area (Lot E). If neither the City nor Agency provides any financial assistance for construction of the parking structure on Lot E, the decision regarding whether and when to construct the parking structure on Lot E will be made by Manager. Manager shall comply with all applicable government regulations in the construction of any surface parking or parking structure on Lot E.
5. If the City provides financial assistance for the construction of a parking structure on Lot E the parties shall mutually agree to a schedule for construction of the additional parking and for the expected opening of this Additional Parking. It is agreed by the parties that at least in all instances during the term of the Agreement as amended and extended Manager shall operate the Additional Parking.
6. It is the intent of the parties that Manager will be responsible to finance the construction of the surface lot and any parking structure on Lot E. If Manager develops Additional Parking without City or Agency financial assistance, Manager shall operate the Additional Parking and all revenues received from such Additional Parking shall belong to Manager until such time as Manager transfers such Additional Parking to a third party including without limitation City or Agency. Upon any such transfer the transferee shall be subject to all the provisions of the Agreement as amended from time to time.
7. Any parking developed as Additional Parking on Lot E will be counted as off-site spaces pursuant to Section 15.02 A of the Agreement to reduce the amount of off-site spaces to be provided by the City on a one for one basis.

**Section 6.** Property identified as 5A and also referred to as Lot D (522 or 540 W. Santa Clara Street). Manager shall have the exclusive right to use and manage, for parking purposes, the 5A property at the S.W. corner of Santa Clara Street and Autumn Street consisting of some 78,000 square feet of land owned by Agency during the term of this Agreement as extended, subject to City's Right to terminate Manager's use upon 24 months prior written notice from City to Manager for the sole purpose of transferring fee title for a public development project or for private development to a private developer selected pursuant to the public proposal process referred to below. Said notice period is reduced to 12 months if the Lot D property is needed for the BART project. If the Lot D property is proposed to be transferred for private development, prior to the Transfer, City or Agency will conduct a public proposal process in which Manager shall be invited to participate. As of date of this Third Amendment, there are no commitments by City or Agency to any private party with respect to future use and control of Lot D.

**Section 7. Transportation, Parking and Management Plan (TPMP).** In the event that the City or Agency Transfers real property for the construction of a Project (as defined in Section 3 above) in the Diridon Area, City or Agency will include in any document of Transfer of property a requirement for a TPMP and a construction mitigation plan for the proposed Project. The baseball TPMP will be reviewed on a periodic and as needed basis by a TPMP committee which will include representatives from the City and the entity operating the Ballpark. The baseball TPMP will be similar to the Arena TPMP described in section 15.03 of the Agreement and will be coordinated with, be consistent with and not be in conflict with the Arena TPMP. The Manager may serve as an ex-official member of the baseball TPMP committee. City and Manager will provide leadership and follow-through on Event Operations Committee to implement an extensive communications program for both Arena and other event producers to encourage parties to use routes and parking facilities that would minimize conflicts with each other. Exhibit 3 attached hereto, contains a required framework for the TPMPs. The baseball TPMP and any substantive amendment to the baseball TPMP shall be approved, if at all, after a public hearing before the City Council's Transportation and Environment Committee. Amendments and updates to the baseball TPMP will be as needed in order to conform to changed circumstances provided that any such amendment to the baseball TPMP shall be consistent with and not in conflict with the Arena TPMP. The costs of administration and management of the TPMPs shall be addressed and provided for in the TPMPs.

**Section 8. Overlapping events.** City and Agency acknowledge that the Agreement establishes that Arena patrons are to have access to available parking for Arena events. City further acknowledges the obligations of section 15.02 of the Agreement to use best efforts to provide parking which is available to Arena patrons and the application of such obligations to and during such overlapping events. City as part of the required baseball TPMP will specifically address methods and programs to meet its off-site parking obligations referred to in section 15.02. In addition, the baseball TPMP will include reasonable measures to avoid to the maximum extent practicable overlapping events and to facilitate cooperation among the parties in minimizing any adverse effects should an overlapping event be unavoidable. More specifically, with respect to conditions arising when there are overlapping events, Baseball TPMP will contain provisions detailing operation and management plans, procedures, programs and actions that will result in the safe and efficient movement of vehicles, bicyclists, and pedestrians throughout Diridon Area.

**Section 9. Public Parking.** During the term of the Agreement, Manager hereby agrees to make available parking spaces in the Additional Parking and the On-site Parking for parking by the general public other than on an Event Days, in accordance with, and subject to the terms and conditions of the Parking Operations Plan to be updated and incorporated into the Arena TPMP prior to completion of the Additional Parking. On Event Days where the event has an evening starting time, Manager will work with City to make On-Site Parking and Additional Parking available to the public up to a reasonable time before the event begins and in a manner that does not interfere with Arena patrons. Manager may impose charges for such public parking and shall retain all revenues collected from such charges.

**Section 10. Autumn Street Realignment.** The Baseball SEIR assumes Autumn Street to be realigned to a new right of way as shown on Exhibit 4 attached hereto prior to the opening of the proposed baseball stadium. City or Agency staff, as the case may be, shall include in future capital budgets to be presented to the City Council or Agency Board sufficient funds to construct this realignment project. City or Agency will provide a funding commitment to complete and open to the

public the Autumn Street realignment either prior to the transfer of property by the City or Agency for a baseball stadium or through the property Transfer agreement to transfer said property.

**Section 11. Design and operation of Autumn Parkway/Park Avenue.** If a Ball park is constructed as part of any reconfigured Autumn Parkway at Park, the City will make its best efforts to design, construct and operate the intersection and immediately adjacent corridors in a manner as to maximize the safe and efficient flow of vehicular, bicycle, and pedestrian traffic to efficiently serve the Diridon Area, the Arena and the Ballpark provided that the Autumn Parkway/Park Avenue intersection shall not be reconfigured in a manner so as to reduce traffic capacity measured against the existing intersection capacity of greater than 25%. In so doing, City will consider all geometric design, traffic control devices, and operational strategies to maximize the capacity of the intersection in a balanced manner to meet all intersection demands and to not create significant increases in delays for Arena customers on non-overlapping Arena event days. The City will also utilize separate analyses of traffic and pedestrian requirements and movements so as to ensure that the final design and operation of the intersection will result in maximized operations and the most efficient movement of vehicles and pedestrians through the intersection, particularly during simultaneous events. This analysis and design process will take place sufficiently in advance of the construction documents to allow meaningful review and analysis by Manager prior to completion of construction documents.

More specifically, the City will consider the use of various approaches and tools to achieve the intended result of an intersection that functions effectively and efficiently, including, but not limited to:

- Review of traffic analysis and needs in the development of various design alternatives to determine the best final design for the intersection;
- Use of the most technologically advanced traffic signal systems and controls
- Event based traffic signal timing and operation;
- Event based traffic control elements such as lane closures and police traffic control to maximize capacity needs;
- Bicycle and Pedestrian design treatments to maximize capacity and flow and to minimize delay to vehicular movements.

Manager will be given advance notice of the commencement of the above process and is encouraged to provide input and suggestions to City throughout the process of intersection design and the development of operational strategies with the goal of achieving the best overall function of the intersection for the Diridon Area, the Arena and the Ballpark

**Section 12. Arbitration.** Any dispute between Parties pursuant to this Third Amendment or with respect to any matter herein shall be resolved, if requested, by a Party hereto, by Arbitration pursuant to Section 30.13.

IN WITNESS WHEREOF, the parties have executed this Management Agreement as of the day, month and year first above written.

**"CITY"**

APPROVED AS TO FORM:

CITY OF SAN JOSE, a municipal corporation

\_\_\_\_\_  
RICHARD DOYLE  
City Attorney

By: \_\_\_\_\_  
City Clerk

**"AGENCY"**

THE REDEVELOPMENT AGENCY OF THE CITY OF SAN JOSE

**"MANAGER"**

SAN JOSE ARENA MANAGEMENT LLC, a Delaware limited liability company

By: \_\_\_\_\_

By: \_\_\_\_\_  
President and Chief Executive Officer

EXHIBIT 1

DIRIDON/ARENA AREA MAP

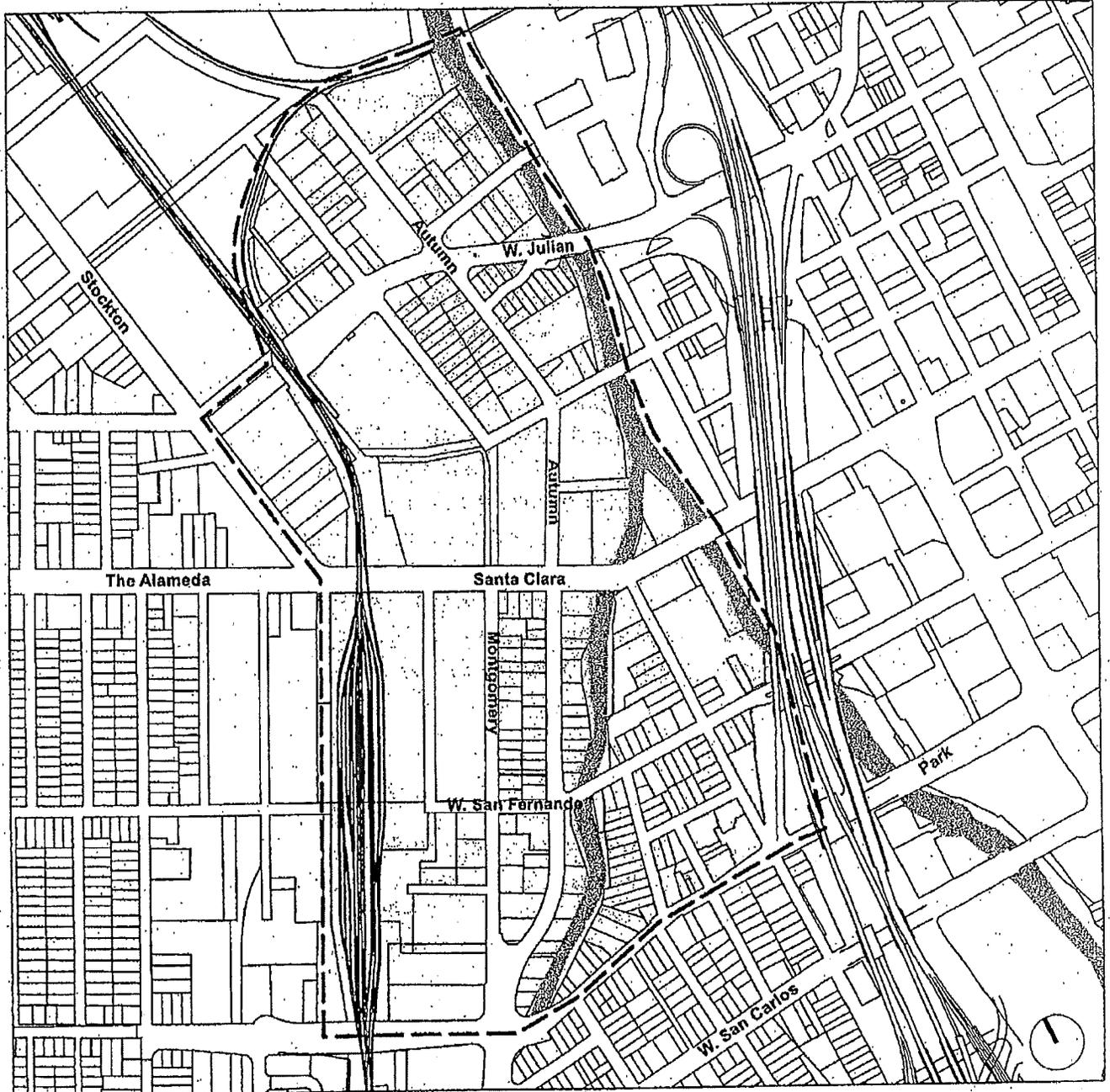
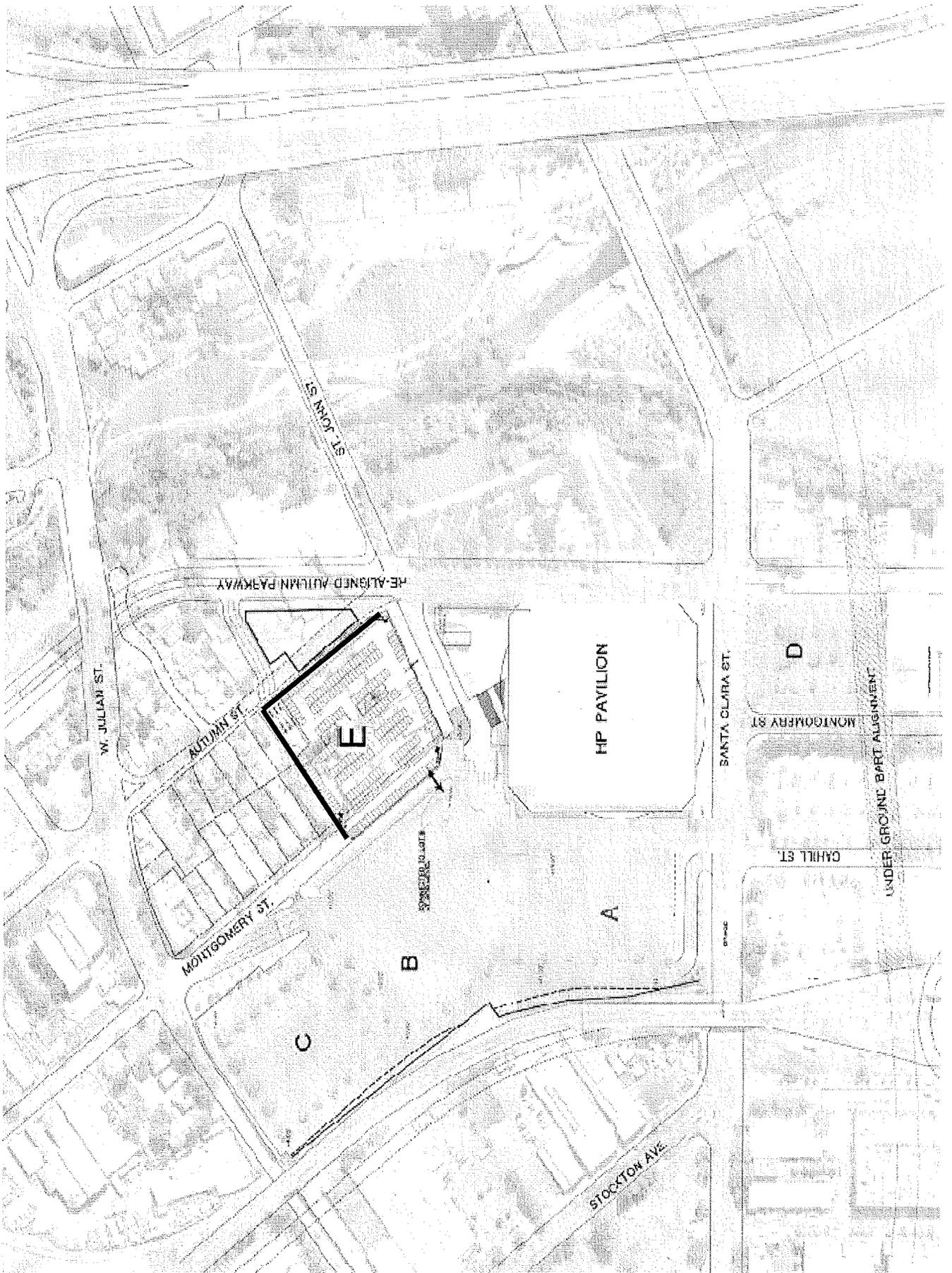


EXHIBIT 2



## EXHIBIT 3

### Framework for Project Transportation and Parking Management Plans

#### ARTICLE I - INTRODUCTION

##### **Section 1 - Background**

In the event the City or Agency transfers property for a Ballpark in the Diridon Area of San Jose, a Transportation and Parking Management Plan (TPMP) will be developed and implemented to ensure effective and efficient ingress and egress to the venue. The TPMP will include plans and provisions to manage overlapping events that occur with events at the Arena. The Ballpark TPMP will be developed in advance of the opening of the Ballpark and in sufficient time to implement strategies and plans effectively on opening day.

In the event the City cooperatively transfers property for a High Speed Rail Project or Station or a BART Project or Station in the Diridon Area of San Jose, a Transportation and Parking Management Plan (TPMP) will be developed and implemented prior to the opening of such project to ensure effective and efficient ingress and egress to these projects. The scope of a Transit TPMP for these projects will recognize that the transportation and parking demands are significantly different for these projects than for a typical event type venue (e.g. arena or ballpark). The scope of these Transit TPMP's will include provisions to effectively manage demands that may occur as a result of overlapping events at the Arena. Article III of this document provides a more detailed framework of the elements that would be included for the Transit TPMP's.

##### **Section 2 - Background and Purpose**

It will be the responsibility of the project owner to develop the Project TPMP's. To ensure proper coordination, the City will engage appropriate stakeholders in the Diridon Area to provide input on the development of any TPMP.

The purpose of a TPMP is to establish the operational strategies and plans to:

- A. Advance the goal that customers traveling to and from the Projects, and to and from the Arena have a positive transportation experience, including travel during overlapping events.
- B. Promote effective, efficient and safe use of the entire transportation system, including the highway and local street network, the parking system in the Diridon Area and the core of Downtown, the extensive transit network, and bicycle and pedestrian facilities.
- C. Minimize traffic and parking intrusion into surrounding neighborhoods so as to minimize negative impacts on these neighborhoods.

- D. Ensure consistency between the goals and policies/programs of the various TPMP's within the Diridon Area including the Arena TPMP and promote effective advance planning and communication among the responsible entities to minimize conflicts among venues in the Diridon Area and maximize the best use of the transportation and parking system through effective advanced communication strategies (e.g. using electronic and print media to post notices, maps, alerts) and directional signage. Coordinate TPMP's for all Projects with existing TPMP's in the Diridon Area to create a consistent and integrated approach to transportation and parking management and operations.

## **ARTICLE II. BALLPARK TPMP**

### **Section 1 – Project Facility Description and Funding Plan for TPMP**

- A. The Ballpark will be located in the Diridon Area of Downtown San Jose at the northwest corner of Autumn Street and Park Avenue. Other relevant facility information will be included in this section during the development of the TPMP.
- B. The TPMP will include a description of the funding plan for capital projects, if any and operating expenses for the Ballpark TPMP.

### **Section 2 – Diridon Area Events Operations Committee**

The purpose of the Operations Committee is to ensure that events at the venues in the Diridon Area (e.g. Ballpark and Arena) are planned and managed from a transportation and parking perspective, in accordance with this TPMP and all other TPMP's that are or would be in effect (e.g. Arena TPMP). The Operations Committee would consider, as necessary, more detailed operating procedures as events are prepared for and managed on a monthly basis, including the monitoring of the performance of the transportation and parking system and the necessary operational adjustments. The Operations Committee would be comprised of representatives from both public and private entities, would be led by the City's Department of Transportation, and would include representatives from the City's Police Department, Ballpark Management, HP Pavilion Management, the Arena Authority and potentially other community or interested parties including other project owners. Communication tasks will be executed for all overlapping events that occur between the Ballpark and Arena and will include advance customer communications and information plans for overlapping events between Ballpark and Arena.

### **Section 3 – Traffic, Transit, Bicycle and Pedestrian Management and Operations**

The TPMP will include strategies and plans intended to promote a positive transportation experience for event patrons, effectively manage and reasonably minimize congestion on local streets to the extent possible, maximizing utilization of the extensive parking network in the Diridon Area and the core of Downtown, encouraging

broad use of the extensive transit, bicycle and pedestrian system serving the Ballpark, and protecting adjacent neighborhoods from intrusion. The following elements will be included in the TPMP:

- A. Descriptions of the improvements and refinements to the transportation and parking system designed to support Ballpark and overlapping event venue operations.
- B. Descriptions of the role and function of the City's Traffic Management Center, including the coordination and operation of the Traffic Signal System, the Dynamic Motorist Information System, and the Downtown Parking Guidance System. This Sub-Section would include detailed maps of all the Traffic Signal Systems serving the Ballpark area and Arena for overlapping events and descriptions of the primary traffic circulation routes similar to Attachment B in the Arena TPMP, including maps of the primary ingress and egress routes that will be encouraged and used. If certain intersections are not already included, documentation would be provided to confirm that the Project TPMP would include expansion of the City's existing TSMP Program to encompass all the identified signalized intersections. This Sub-Section would also include locations of the all the changeable message signs serving the Ballpark area and Arena for overlapping events similar to Attachment C in the Arena TPMP and address the need for and the means to provide new changeable message signs, if any, to assist traffic circulation on days with overlapping events .
- C. Descriptions of the basic categories of events, based upon the expected characteristics for various event types, including overlapping events. Descriptions of the corresponding operations plans for events based upon expected transportation mode choice characteristics, and start and end times of major Ballpark events. All scenarios will assume major events at both venues and additional plans will adjust for smaller events or lower ticket sales/attendance. In the event of overlapping events, this Sub-Section will include operational plans that address each of the following event characteristics and implement the transportation management plans for each of the following categories:
  1. Ballpark and Arena event starting and ending at the same time.
  2. Ballpark event starting in advance of but not ending before start of an Arena event. Ballpark event starting in advance and ending close to the start of an HP Pavilion event.
  3. Ballpark event starting after Arena event, including where Arena events ends close to start of ballpark event.
  4. Ballpark event ends shortly before an event begins at Arena.
- D. Description of required temporary street closures and access restrictions.
- E. Description of off-site traffic control plans to direct vehicular and pedestrian traffic at locations with significant vehicle and pedestrian volumes.
- F. Description of guide sign plan to direct guests to Ballpark on major access routes.

- G. Description of ground transportation (e.g. taxi, shuttle) and passenger loading zones.
- H. Description of significant pedestrian corridors, including routes from the parking facilities in the greater downtown area.
- I. Description of transit services to the Ballpark, including potential shuttle connections to downtown parking facilities.
- J. Description of the Bicycle Master Plan and bicycle network that accesses the Ballpark, including available bicycle parking.
- K. Description of the Public Information and Advance Customer Communication Plan for overlapping events at the Ballpark and Arena to promote carpooling, transit use, bicycling, walking and more use of remote, low cost and potential free parking.

#### **Section 4 – Parking Management and Operations**

The TPMP will include strategies and plans intended to manage and meet the parking demand and facilitate convenient access to and from parking facilities located in the Diridon Area and core of Downtown San Jose to serve the Ballpark, and the Arena during overlapping events. The parking components of this section will be developed with a specific aim to protect neighborhoods adjacent to the Ballpark from intrusion. The following elements will be included in the TPMP:

- A. Description of parking characteristics for different types of Ballpark events similar to those set forth in ARTICLE II, Section 3B above.
- B. Description of total projected parking demand and supply/inventory to be used for Ballpark events, including all of the overlapping event scenarios described under Section III, Sub-Section 3B.
- C. Description of the parking plan for employees of the Ballpark on event days.
- D. Description of designated limousine and charter bus parking for Ballpark events.
- E. Description of Dynamic Message Signs and Static Parking Guide signs that will be used to direct motorists to parking facilities serving the Ballpark.
- F. Description of the Residential Permit Parking Program and parking patrols designed to protect adjacent neighborhoods from parking intrusion.
- G. Description of the Public Information and Advance Customer Communication Plan for overlapping events at the Ballpark and Arena to promote carpooling, transit use, bicycling, walking and more use of remote low cost and potential free parking.
- H. Description of methods and plan to accommodate the need for both Arena and ballpark parking during overlapping events.

**ARTICLE III. Framework for Diridon Area Transit Project TPMP's (High Speed Rail and BART) ("Transit TPMP")**

This Transit TPMP framework will also recognize that these transit projects will function in a significantly different manner than a typical event based venue (e.g. Arena or Ballpark). Transit TPMP's will include strategies and plans intended to provide:

- A. efficient access for users of the transit projects that effectively manage and reasonably minimize congestion on local streets to the extent possible;
- B. utilize the parking network established as part of the final project development and consistent with the certified Environmental Impact Report;
- C. encourage broad use of the extensive transit, bicycle and pedestrian system serving the Diridon Area; and
- D. protect adjacent neighborhoods from intrusion.

Any Transit TPMP will be developed with the presumption that the Project description will include the findings and mitigation measures adopted regarding parking and traffic impacts of the Project as set forth in the certified environmental documents for the Transit Project.

**Section 1. - BART**

The BART project would be expected to operate with predictable and relatively consistent levels of transportation and parking demand and the constructed transportation system at project opening would be expected to handle the demands. For example, the established and developed transportation and parking system would be intended to function without the need for additional traffic control beyond the City's traffic and signage systems, given the predictable and relatively consistent demand patterns.

**Section 2. - High Speed Rail**

The High Speed Rail project would also be expected to operate with predictable and relatively consistent levels of transportation and parking demand and the constructed transportation system at project opening would be expected to handle the demands. The exception in comparison to the BART project is that the High Speed Rail project would have higher peak demands around holiday periods (e.g. Thanksgiving, Christmas, New Years) and appropriate strategies and plans will be included in the TPMP to manage those demands accordingly.

### **Section 3. – Elements in Transit TPMP**

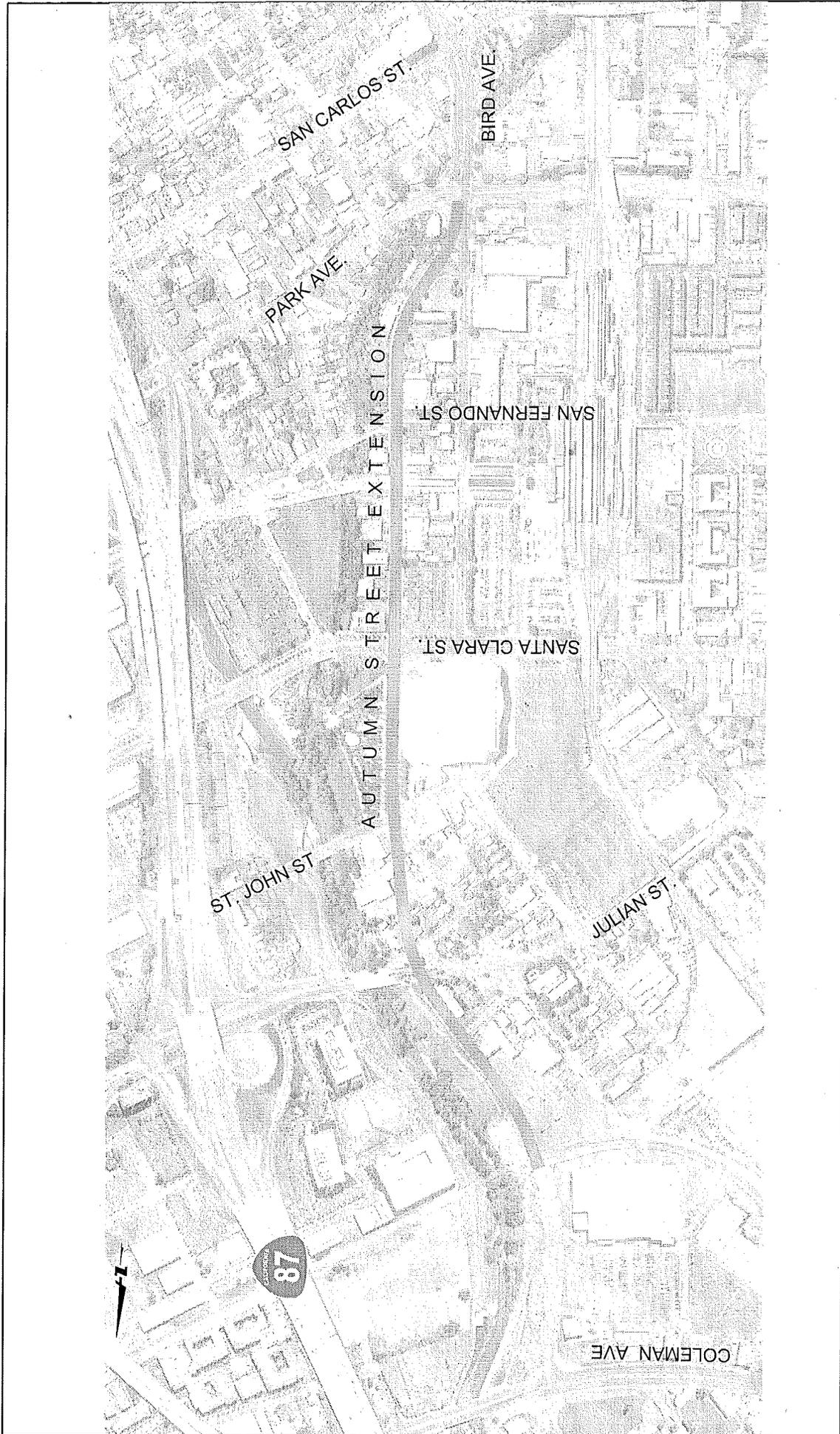
The following elements will be included in any Transit TPMP:

- A. Descriptions of the improvements and refinements to the transportation and parking system designed to support the projects and any overlapping demands with event venue operations (e.g. Arena and Ballpark).
- B. Descriptions of the role and function of the City's Traffic Management Center, including the coordination and operation of the Traffic Signal System, the Dynamic Motorist Information System, and the Downtown Parking Guidance System. This Sub-Section would include detailed maps of the primary traffic circulations routes, including maps of the primary ingress and egress routes that will be encouraged.
- C. Descriptions of the expected characteristics in terms of peak demands, including during when events may be occurring at the Arena and/or Ballpark.
- D. Description of guide sign plan to direct transit users on major access routes.
- E. Description of ground transportation (e.g. taxi, shuttle) and passenger loading zones.
- F. Description of significant pedestrian corridors, including routes from the parking facilities that would be expected to be used by the transit projects.
- G. Description of connecting transit services to these new transit systems, including potential shuttle and automated people mover connections to remote parking facilities.
- H. Description of the Bicycle Master Plan and bicycle network that accesses the transit projects, including available bicycle parking.
- I. Description of the Public Information and Advance Customer Communication Plan for holiday periods for High Speed Rail users to promote carpooling, transit use, bicycling, walking and remote parking.
- J. Description of parking characteristics for the transit projects
- K. Description and analyses of parking demands and supply/inventory to be used for the transit projects.
- L. Description of Dynamic Message Signs and Static Parking Guide signs that will be used to direct motorists to parking facilities serving the transit projects.
- M. Describe Residential Permit Parking Program and parking patrols designed to protect adjacent neighborhoods from parking intrusion.

#### **Article IV. Performance Monitoring and Revisions to the TPMP's**

All TPMP's developed and implemented to manage transportation and parking for event based venues and transit projects are expected to be dynamic documents that evolve based upon the changing operation of the venues/events, Transit Projects and the Diridon Area. The TPMP's will be reviewed and updated every three years and as necessary. Significant policy and major programmatic changes (e.g. changing major route approaches, modifications to large parking supplies to meet event and transit project demands) would follow the revision process described in Section 7 of the Third Amendment to the Agreement. Minor operational changes would occur at an administrative level with reasonable coordination with the Diridon Area Events Operations Committee as referenced in Article II, Section 2 of this TPMP Framework.

The Project Owner, in consultation with the City, and the assistance of the Diridon Area Events Operations Committee, will on a periodic and as needed basis, review the performance of the TPMP's and the major operational scenarios contemplated in the TPMP's. The performance review will be based on current data to be collected and analyzed pursuant to this process and will include items such as traffic volumes for major corridors, transit ridership, parking occupancy and availability, and the effectiveness of traffic control operations through observation and evaluation.



DEPARTMENT OF TRANSPORTATION  
 SAN JOSE, CALIFORNIA

DESIGNED BY: ST. LEON ARCHITECTS  
 CHECKED BY: Z. KRATLAB  
 PROJ. NO.: 2007-2710  
 SCALE: 1" = 400'  
 SHEET NO. 1 OF 1



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**AUTUMN STREET EXTENSION CONCEPTUAL PLAN LINE**