



# Memorandum

**TO:** HONORABLE MAYOR  
AND CITY COUNCIL

**FROM:** Paul Krutko

**SUBJECT:** SEE BELOW

**DATE:** June 4, 2010

Approved

Date

6/9/10

**COUNCIL DISTRICT:** City-Wide  
**SNI AREA:** N/A

**SUBJECT: RESOLUTION TO EXTEND AGREEMENT WITH TEAM SAN JOSÉ FOR CONVENTION AND VISITOR BUREAU (CVB) SERVICES FOR 90 DAYS.**

## **RECOMMENDATION**

Adoption of a resolution authorizing the City Manager to negotiate and execute an amendment to the existing Second Amended and Restated Agreement between the City of San Jose and the San Jose Convention & Visitors Bureau until September 30, 2010, with a compensation for the extension period not to exceed \$500,000.

## **OUTCOME**

Approval by City Council of the recommendation will result in extension of the existing agreement with Team San José ("TSJ") for Convention and Visitor Bureau ("CVB") services until September 30, 2010.

## **BACKGROUND**

Launched in 2004, Team San Jose is a non-profit management corporation that operates the San Jose Convention Center and cultural venues such as South Hall, Parkside Hall, San Jose Civic, California Theatre, Center for the Performing Arts and Montgomery Theater, and serves as the convention and visitors bureau for San Jose.

At the January 27, 2009 meeting City Council approved the agreement for the management of the Convention Center and Cultural Facilities with TSJ for an additional five-year term.

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The City Council memorandum for that action explained that TSJ and CVB were working to would merge into one corporation but that there would still need to be two separate agreements; one for management of facilities and one for CVB/marketing and sales services. TSJ and the CVB merged on February 1, 2009.

The January 2009 Council action also explained the value of aligning the two agreements for the same time period. The Management Agreement with TSJ has a term beginning on July 1, 2009 and ending June 30, 2014. The current amended and restated agreement with the CVB was executed June 21, 2005 and includes two five-year periods from July 1, 2000 to June 30, 2010.

### **ANALYSIS**

The City and TSJ have been negotiating the terms of the new agreement for CVB-related activities since the Management Agreement was executed. While nearly complete, there are some outstanding issues that need to be resolved. Therefore, staff is recommending that we extend the old agreement for an additional three months, under the same terms and conditions, with three months compensation under their approved budget. This will allow the City and Team San Jose to finalize an agreement for City Council consideration by September 30, 2010. It is recommended that \$500,000 be allocated for this extension to ensure that funds are available to pay expenses during the first quarter of the fiscal year. This will ensure no interruption in services provided by the CVB.

### **EVALUATION AND FOLLOW-UP**

City staff will return to the City Council before September 30, 2010 with an agreement between the City and Team San Jose for Convention and Visitors Bureau Services.

### **POLICY ALTERNATIVES**

Policy alternatives were provided as part of the related December 2, 2008 City Council report and were not considered viable to pursue. These basically included not entering into an agreement with the CVB for the convention and visitors service work program.

### **PUBLIC OUTREACH/INTEREST**

- Criterion 1:** Requires Council action on the use of public funds equal to \$1 million or greater.  
**(Required: Website Posting)**
- 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. **(Required: E-mail and Website Posting)**

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- Criterion 3:** Consideration of proposed changes to service delivery, programs, staffing that may have impacts to community services and have been identified by staff, Council or a Community group that requires special outreach. **(Required: E-mail, Website Posting, Community Meetings, Notice in appropriate newspapers)**

### COORDINATION

The content of this staff report has been prepared by the City Manager's Office in coordination with the City Attorney's Office, Budget Office, Finance Department, Human Resources Risk Management section and Airport. In addition coordination included staff from the merged TSJ and CVB organization and TSJ/CVB legal counsel.

### CEQA

Not a Project, File No.PP10-066 (e), Agreements/Contracts.

  
PAUL KRUTKO  
Chief Development Officer

For questions please contact Lee Wilcox, Downtown Coordinator, at 408-531-8172.