

RESOLUTION NO. 73754

**A RESOLUTION OF THE COUNCIL OF THE CITY OF SAN JOSE AUTHORIZING THE CITY MANAGER TO NEGOTIATE AND EXECUTE AN AGREEMENT WITH HP PAVILION MANAGEMENT FOR ADDITIONAL CAPITAL IMPROVEMENTS AT THE HP PAVILION, WITH CITY'S COST NOT TO EXCEED \$8.25 MILLION**

**WHEREAS**, the HP Pavilion at San José opened in September 1993, and since that time, significant capital items have been replaced in order to continue the first-class operation of the facility; and

**WHEREAS**, HP Pavilion Management, also known as San José Arena Management ("HPPM"), operates the HP Pavilion under the Amended and Restated San Jose Arena Management Agreement dated December 19, 2000 ("AMA"); and

**WHEREAS**, under the AMA, HPPM may request the City of San José ("City") to add or replace capital improvements in the HP Pavilion with City's share of costs for the improvements in an amount equal to fifty percent of the total cost for the items; and

**WHEREAS**, HPPM has requested additional capital improvements including a new center ice scoreboard, HD video equipment upgrade, LED fascia display, rigging capacity upgrade, seating arena sound system, acoustic improvements, and costs for consultants/contingency, with a total cost of \$16.5 million; and

**WHEREAS**, the City desires to negotiate and execute an agreement with HPPM for the additional capital improvements, with City's share of the cost for the improvements not to exceed \$8.25 million;

**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 HPPM for additional capital improvements at the HP Pavilion, with City's cost not to exceed \$8.25 million consistent with the attached memorandum dated April 18, 2007. In addition, the City Manager is authorized to negotiate and execute provisions within the agreement that allow earlier repayment of debt service of each party from the Reserve Fund subject to the mutual agreement of the Parties.

ADOPTED this 8<sup>th</sup> day of May, 2007, by the following vote:

AYES:	CAMPOS, CHIRCO, CONSTANT, CORTESE, LICCARDO, NGUYEN, OLIVERIO, PYLE, WILLIAMS; REED
NOES:	NONE
ABSENT:	NONE
DISQUALIFIED:	NONE
VACANT:	DISTRICT 4

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CHUCK REED  
Mayor

ATTEST:

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LEE PRICE, MMC  
City Clerk

