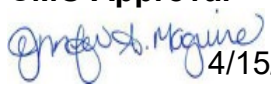


CITY COUNCIL ACTION REQUEST

DEPARTMENT(S) City Manager's Office of Economic Development and Cultural Affairs and Public Works	CEQA Categorically Exempt, File No. ER25-063, Existing Facilities (SAP Center); Categorically Exempt, File No. ER25-064, Existing Facilities (Sharks Ice).	COORDINATION City Attorney's Office and City Manager's Budget Office	Director Approval /s/ Lee Wilcox /s/ Matt Loesch
COUNCIL DISTRICT(S) 6			CMO Approval  4/15/25

SUBJECT: Agreement with San Jose Arena Management, LLC and Sharks Ice, LLC for Security Improvements at the SAP Center and Sharks Ice at San José

RECOMMENDATION

Approve a Memorandum of Understanding Agreement between the City of San José and both San Jose Arena Management, LLC, a Delaware limited liability company, and Sharks Ice, LLC, a Delaware limited liability company, to allow for facility alterations to enhance the security of the SAP Center and Sharks Ice at San José through security-related improvements.

BASIS FOR RECOMMENDATION

The City of San José (City) and San José Arena Management, LLC entered into a Second Amended and Restated Arena Management Agreement dated August 15, 2018 (AMA), regarding the management and operation of the SAP Center, located at 525 West Santa Clara Street (Arena Facilities). The City and Sharks Ice, LLC, entered into a Second Amended and Restated Ice Centre Lease and Management Agreement dated October 1, 2020, for Sharks Ice at San José, located at 1500 South Tenth Street (Sharks Ice). San José Arena Management, LLC, and Sharks Ice, LLC (collectively "Sharks") and the City have a mutual interest in enhancing security and safety at the Arena Facilities and Sharks Ice for the benefit of its patrons and visitors. The City and Sharks have identified mutually desirable security-related improvements including, but not limited to, vehicle barriers and access controls, improved and upgraded key card access, and improved detection systems (magnetometers) that will help enhance security and safety at the Arena Facilities and Sharks Ice.

The City will fund the security improvements outlined in the Memorandum of Understanding, which constitute mutually acceptable Alterations as defined in the AMA. The funding for such improvements will not come from the San Jose Arena Capital Reserve Fund or the Ice Centre Reserve Account. Funding for the security improvements shall come from the City Facilities Security Enhancements appropriation in the General Fund. The City's funding shall total \$1,000,000, including an allowance of \$65,000 for City fees for permitting and inspection, allocating \$485,000 to the San José Arena Management, LLC for security improvements at the Arena Facilities, and \$515,000 to Sharks Ice, LLC for security improvements at Sharks Ice. The City shall pay in installments. The first 80% of the City's funds shall be paid within 30 days of the execution of the Memorandum of Understanding, with the remaining balance paid within 30 days upon receiving written notice from Sharks that the work is complete. Should any portion of the City's funds remain upon completion of the work, the City and Sharks shall mutually agree upon one or more additional security-related improvements to the Arena Facilities or Sharks Ice, the cost of which shall be approximately equal to the remaining funds. Sharks shall bare any costs

exceeding the City's \$1,000,000 in funding as well as the costs of any supplemental security measures.

Sharks will be solely responsible for constructing and installing all security-related improvements completed in the Memorandum of Understanding Agreement.

COMMISSION RECOMMENDATION AND INPUT

No commission recommendation or input is associated with this action.

COST AND FUNDING SOURCE

The recommendation to enter into this Memorandum of Understanding Agreement will result in a cost of \$1,000,000 to the City and is funded by the City Facilities Security Enhancements appropriation in the General Fund.

FOR QUESTIONS CONTACT: Kevin Ice, Assistant to the City Manager, Director of Real Estate, at kevin.ice@sanjoseca.gov.