



San Jose Arena Authority

Annual Meeting of the Board of Directors Zoom Virtual Meeting

Link: <https://zoom.us/j/97120769768>

December 2, 2020

4:00 pm

Meeting Agenda

Expected Board Attendees

Matthew Bright	Carl Honaker
Scott Bruner	John Kennett
David Buchholz	Steve O'Brien
Jonathan Clough	Colleen Reilly
Eileen Consiglio	Henry Smith
Dev Davis	Kathy Sutherland
Bill Ekern	Vinni Walia
Maya Esparza	Rusty Weekes
Leslee Hamilton	

Staff

Chris Morrissey (Executive Director)
Shelly Wang (Administrative Assistant)
Ed Moran (City Attorney's Office)

Guests

Jon Gustafson (Sharks Sports & Entertainment)
James Hamnett (Sharks Sports & Entertainment)
Lori Severino (City Manager's Office)
Ben Taylor (San Jose Giants)

1. Call to Order/Roll Call/Introductions

2. General Business

- Update on Activities at SAP Center at San Jose and Solar4America Ice at San Jose
- Update on Activities for the San Jose Diridon Station Area Plan
- Review and Approve October 28, 2020 Regular Board Meeting Minutes

3. Executive Director and Staff Reports

3.1. Executive Director (Morrissey)

- Accept Reports on Arena Authority Oversight
 - SAP Center at San Jose
 - Solar4America Ice at San Jose (Verbal)
 - Excite Ballpark Home of the San Jose Giants (Verbal)
- Accept Verbal Reports on Arena Authority Administrative Items
 - VTA/BART Downtown/Diridon Community Working Group
 - Emergency Resources Network
 - South Campus Operations Team
 - City of San Jose Emergency Resources Council

3.2. Administrative Assistant (Wang)

- Accept Verbal Report on Status of Activities at SAP Center at San Jose
- Accept Verbal Report on Status of Activities at Solar4America Ice at San Jose

4. Committee Reports

- 4.1. *Standing Executive Committee (Chair: Buchholz)*
 - a. Accept Report on Board Committee Assignments
 - b. Update on Staff Salary Discussions
- 4.2. *Standing Finance Committee (Chair: Bright)*
 - a. Review and Approve Arena Authority Fiscal Year 2019-20 Financial Report
- 4.3. *Standing San Jose Sports Hall of Fame Committee (Chair: Weekes)*
 - a. Accept Verbal Report on the 2020 San Jose Sports Hall of Fame Program Activity
- 4.4. *Standing Facilities Committee (Co-Chairs: Buchholz, Clough)*
 - a. Accept Verbal Reports on Facility Activities:
 - SAP Center at San Jose
 - Solar4America Ice at San Jose (Expansion Project)
- 4.5. *Standing Stadium Committee (Co-Chairs: Honaker, Kennett)*
 - a. Review and Approve Capital Budget for Excite Ballpark Home of the San Jose Giants
- 4.6. *Ad Hoc Board Recruitment Committee (Chair: Sutherland)*
 - a. Accept Report on Board Member Reappointments:
Scott Bruner, John Kennett and Vinni Walia
 - b. Accept Memorandum on Current Board Member Vacancies
- 4.7. *Standing Community Programs Committee (Chair: Bright)*
 - a. Accept Verbal Report on City and Community Events Program Applicant:
 - San Jose Sports Hall of Fame

5. Open Forum/Public Comments

You may speak to the Board about any discussion item that is on the agenda. You may also speak during Public Comments on items that are not on the agenda and are within the subject matter jurisdiction of the Board. Please be advised that, by law, the Board is unable to discuss or take action on issues presented during Public Comments.

6. Adjournment

All public records relating to an open session on this agenda, which are not exempt from disclosure pursuant to the California Public Records Act, that are distributed to a majority of the legislative body will be available for public inspection at the office of the San Jose Arena Authority, SAP Center at San Jose, 525 W. Santa Clara Street, San Jose CA 95113 at the same time that the public records are distributed or made available to the legislative body. To request an accommodation or alternative format for City-sponsored meetings, events or printed materials, please contact the San Jose Arena Authority at 408-977-4780 or 408-977-4779 (TTY) or contact wang@sjaa.com as soon as possible but least three business days before the meeting/event.

*** COVID-19 NOTICE ***

Consistent with the California Governor's Executive Order No. N-29-20 the San Jose Arena Authority Board of Directors meeting will not be physically open to the public and the Board members will be teleconferencing from remote locations.

Members of the public may view, participate, and listen to the meeting by following the instructions listed below.

How to attend the Arena Authority Board of Directors Meeting:

ELECTRONIC DEVICE INSTRUCTIONS:

For participants who would like to join electronically from a PC, Mac, ipad, iPhone or Android device, please click this URL: <https://zoom.us/j/97120769768>. Please ensure your device has audio input and output capabilities. During the session, if you would like to comment, please use the 'raise hand' feature in Zoom conference call. (1) Use a current, up-to-date browser: Chrome 30+, Firefox 27+, Microsoft Edge 12+, Safari 7+. Certain functionality may be disabled in older browsers including Internet Explorer. Mute all other audio before speaking. Using multiple devices can cause an audio feedback. (2) Enter an email address and name. The name will be visible online and will be used to notify you that it is your turn to speak. (3) When the Chair calls for the item on which you wish to speak, click on "raise hand." Speakers will be notified shortly before they are called to speak.

TELEPHONE DEVICE INSTRUCTIONS:

For participants who would like to join by phone, please dial +1-669-900 6833. When prompted, enter meeting ID: 971 2076 9768. Click *9 to raise a hand to speak.

All public records relating to an open session on this agenda, which are not exempt from disclosure pursuant to the California Public Records Act, that are distributed to a majority of the legislative body will be available for public inspection at the office of the San Jose Arena Authority, SAP Center at San Jose, 525 W. Santa Clara Street, San Jose CA 95113 at the same time that the public records are distributed or made available to the legislative body. To request an accommodation or alternative format for City-sponsored meetings, events or printed materials, please contact the San Jose Arena Authority at 408-977-4780 or 408-977-4779 (TTY) or contact wang@sjaa.com as soon as possible but least three business days before the meeting/event.

November 23, 2020

San Jose Arena Authority

Regular Meeting of the Board of Directors Zoom Virtual Meeting

Link: <https://zoom.us/j/91548241284>

October 28, 2020

4:00 pm

Meeting Minutes

Board Members in Attendance

Matthew Bright	Leslee Hamilton
David Buchholz	Carl Honaker
Jonathan Clough	John Kennett
Eileen Consiglio	Steve O'Brien
Bill Ekern	Henry Smith
Maya Esparza	Vinni Walia

Board Members Not in Attendance

Scott Bruner	Kathy Sutherland
Dev Davis	Rusty Weekes
Colleen Reilly	

Staff in Attendance

Chris Morrissey (Executive Director)
Shelly Wang (Administrative Assistant)
Ed Moran (City Attorney's Office)

Guests in Attendance

Jon Gustafson (Sharks Sports & Entertainment)
James Hamnett (Sharks Sports & Entertainment)
Louansee Moua (Council District 6)
Lori Severino (City Manager's Office)
Ben Taylor (San Jose Giants)

1. **Call to Order/Roll Call/Introductions.** The Arena Authority convened the Regular Meeting of the Board of Directors at 4:01 pm.
2. **General Business**
 - a. Welcome New Mayor's Office Representative Henry Smith. The Arena Authority welcomed Henry Smith as the new liaison from the Mayor's office.
 - b. Review and Approve September 23, 2020 Regular Board Meeting Minutes. Approved with 8 approvals and 1 abstention (Hamilton). 1st: Bright, 2nd: Walia.
 - c. Accept Verbal Report on SAP Center at San Jose Vicinity Projects (Ekern, Severino) Bill Ekern and Lori Severino provided updates on the Diridon Station area projects.
3. **Executive Director and Staff Reports**
 - 3.1. Executive Director (Morrissey)
 - a. Accept Verbal Reports on Arena Authority Oversight
 - SAP Center at San Jose. The National Hockey League is currently planning games to begin in January 2021. Heavy work continues on the ice surface and the escalators at the south doors. The Center has been selected to hold an NCAA Men's Basketball Regional Tournament in 2026.
 - Solar4America Ice at San Jose. Heavy construction continues as the foundation for the two new rinks is being installed. The American Hockey League is anticipated to begin play in February 2021.
 - Excite Ballpark Home of the San Jose Giants. The Stadium Committee will be reviewing proposed capital projects for the 2021 season.

- b. Accept Verbal Reports on Arena Authority Administrative Items
 - VTB/BART Downtown/Diridon Community Working Group. The next meeting is scheduled on November 17, 2020.
 - Emergency Resources Network. The Network is planning on convening to address the major events from 2020, including COVID-19, wildfires and shelter for those without homes.
 - South Campus Operations Team. Discussions are being planned to address the function of the on-site parking lot used by Solar4America Ice at San Jose and Excite Ballpark Home of the San Jose Giants. The 1,500-space parking garage being built by San Jose State University is scheduled to open in late 2020 or early 2021. SJSU is also currently remodeling Spartan Stadium and is nearing completion of new volleyball and softball facilities.
 - City of San Jose Emergency Resources Council. No report.

3.2. Administrative Assistant (Wang)

- a. Accept Verbal Report on Status of Activities at SAP Center at San Jose. No report.
- b. Accept Verbal Report on Status of Activities at Solar4America Ice at San Jose. No report.

4. Committee Reports

4.1. Standing Executive Committee (Chair: Buchholz)

- a. Accept Verbal Report on the Remaining Board Meeting for 2020. The next Arena Authority Board meeting is on Wednesday, December 2, 2020 and will be held virtually.
- b. Accept Report on Board Committee Assignments. Board members are encouraged to let staff know their preferences for committee assignments.

4.2. Standing Finance Committee (Chair: Bright)

- a. Review and Approve July to September 2020 Financial Statements. Approved with 8 approvals (Walia no longer at meeting). 1st: Hamilton, 2nd: Buchholz
- b. Accept Verbal Report on the Arena Authority Fiscal Year 2019-20 Financial Report. Arena Authority staff and the Board Treasurer are working towards completing the fiscal year 2019-2020 financial report to present at the Annual Board Meeting in December.

4.3. Standing San Jose Sports Hall of Fame Committee

- a. Accept Verbal Report on the 2020 San Jose Sports Hall of Fame Program Activity. The San Jose Sports Authority is currently filming a segment on the history of the San Jose Sports Hall of Fame that will be aired on NBC Bay Area on November 22. The 2020 induction dinner and ceremony have been postponed to Spring 2021 due to the pandemic.

4.4. Standing Facilities Committee (Co-Chairs: Buchholz, Clough)


- a. Accept Verbal Reports on Facility Activities
 - SAP Center at San Jose. See item 3.1.a.
 - Solar4America Ice at San Jose (Expansion Project). See item 3.1.a.

4.5. Standing Stadium Committee (Co-Chairs: Honaker, Kennett)

- a. Accept Verbal Report on Recent Activities at Excite Ballpark Home of the San Jose Giants. See item 3.1.a.

- 4.6. Ad Hoc Board Recruitment Committee (Chair: Sutherland)
- a. Accept Report on Board Member Reappointments:
Scott Bruner, John Kennett and Vinni Walia. See agenda item 4.6.a.
 - b. Accept Memorandum on Current Board Member Vacancies. The Arena Authority is seeking three candidates to fill current Board vacancies with a preference for candidates with urban/transit experience or South Campus knowledge. Additional vacancies are expected in June 2021 with three Board members terming out.
- 4.7. Standing Community Programs Committee (Chair: Bright)
- a. Accept Verbal Report on City and Community Events Program Applicants:
 - San Jose Sports Hall of Fame. See item 4.3.a.
 - San Jose Police Foundation. No report.
5. **Open Forum/Public Comments.** Former Board Chairperson Leslee Hamilton requested to add an agenda item for the December Board meeting to consider taking Board action on addressing compensating Arena Authority staff with the additional funds being provided by the City.
6. **Adjournment.** The meeting adjourned at 4:59pm.

Submitted by:



Shelly Wang

November 20, 2020

David Keyon and Robert Manford
The City of San Jose
Department of Planning, Building & Code Enforcement
200 E. Santa Clara Street
San Jose, CA 95113

Attention: Diridon Station Area Plan
Environmental Impact Report; File Number PP09-163

To Robert Manford and David Keyon:

This letter is in response to the issuing of the Diridon Station Area Plan (DSAP) Environmental Impact Report (EIR); File Number PP09-163. Please note that the points contained in this letter specifically relate to the Diridon Station Area Plan and the operations of SAP Center at San Jose.

Recognizing the significance of this transformative project planned for the area of the San Jose Diridon Station and SAP Center at San Jose, please consider the following points:

Collaborative Partnerships/Community Oversight

Establishing collaborative partnerships are critical to the success of the design, construction and function of the San Jose Diridon Station area. These cooperative efforts will eventually transfigure the station from a regional transit center into a world-renowned, multimodal transit destination. By engaging a dedicated, experienced team of essential stakeholders and expert urban multimodal designers involved in the planning, design, construction and activation of the new San Jose Diridon Station area, the results could truly be transformative. Partnerships should include, among others, SAP Center Management (the operator of SAP Center at San Jose), the Arena Authority, the San Jose Downtown Association, the Santa Clara Valley Transportation Authority (VTA), Caltrain, Bay Area Rapid Transit (BART), Google, The Alameda Business Association, Amtrak and the California High Speed Rail Authority (CHSRA). By fostering these partnerships towards a successful outcome, San Jose could be widely lauded for a 21st century transit centerpiece that beautifully complements Downtown San Jose, and the adjacent residential and commercial neighborhoods.

With an established set of partners adding their expertise to the project, the Department of Planning, Building & Code Enforcement should endeavor to form a broader-based San Jose Diridon Station Area Community Oversight Committee. This committee would not only include representatives from the agencies listed above but should strive to expand its efforts for additional organizations and participants from nearby businesses, property owners and residential neighborhoods.

It's worth noting that the success of a new transit center will thrive as SAP Center at San Jose thrives, and as such, a model for the long-term success for both is critical. SAP Center at San Jose is an active, regional sports and entertainment venue, conducting approximately 150-175 events each year (under normal conditions). A cooperative approach to jointly establish agreed-upon measures are essential to the successful, uninterrupted functioning of the Center as well as the anticipated opening and operation of a landmark transportation center.

Parking and Operational Elements

That thoughtful and practical exchanges - made in good faith - continue with the City and SAP Center Management regarding the on-site and off-site parking space inventories in and around SAP Center at San Jose. It is imperative that these discussions conclude that SAP Center Management is not negatively impacted by the preparation, construction or the operation of the new, expansive San Jose Diridon Station area. Timely discussions among all parties will need to occur to ensure that parking inventories for SAP Center at San Jose fully support the uninterrupted operations of the arena. Just as important, there needs to be an agreement on unobstructed access for those who drive, walk or take public transportation to and from the arena. As you know, per the terms of the San Jose Arena Management Agreement, the City is obligated to make available agreed-upon on-site and off-site parking levels and locations to ensure the successful operation of and access to the Center.


In the anticipation of expanded rail services arriving at Diridon, thorough, collaborative planning efforts will be required to address the vehicular parking issues. Ideally, through these efforts a comprehensive plan will be put in place to simultaneously support parking operations at the Center and the anticipated increase of viable parking options for rail users.

Regular Community Outreach

That the Department of Planning, Building & Code Enforcement establish a regular community meeting schedule in an effort to keep City officials, residents, and businesses apprised of ongoing activity with the Diridon Station Area Plan. These community meetings should continue on a regular basis through the planning, construction and eventual activation of the San Jose Diridon Station area project.

In closing, the Arena Authority appreciates commenting on the Department of Planning, Building & Code Enforcement's Environmental Impact Report for the San Jose Diridon Station Area Plan. We look forward to proactive, regular civic engagement with this transformative urban project. Please feel free to contact me with any comments.

Sincerely,

A handwritten signature in black ink, appearing to read 'C. Morrissey', with a long, sweeping horizontal line extending to the right.

Chris Morrissey
Executive Director

c: Members of the San Jose Arena Authority Board of Directors
Members of the Arena Events Operations Committee
Bill Ekern, City of San Jose, Office of Economic Development
Jon Gustafson, SAP Center Management
Nanci Klein, City of San Jose, Office of Economic Development

November 23, 2020

Shannon Hill, Planner III
The City of San Jose
Department of Planning, Building & Code Enforcement
200 E. Santa Clara Street, T-3
San Jose, CA 95113

Attention: Downtown West Mixed-Use Plan (Google Project)
GP19-009, PDC19-039, AND PD19-029

To Shannon Hill:

This letter is in response to the Downtown West Mixed-Use Plan (Google Project) GP19-009, PDC19-039, AND PD19-029. Please note that the points contained in this letter specifically relate to the Google Project and the operations of SAP Center at San Jose.

Acknowledging the enormity of this project that will change the face of Downtown San Jose for decades to come, please consider these preliminary points listed below, and among others, for future consideration and discussion:

- Establish and maintain collaborative working relationships with the business, residential and civic stakeholders in and around the area of western Downtown
- Move forward and establish development discussions with the management team at SAP Center at San Jose. As you know, the Google Project will heavily impact the operations at the Center. In creating open dialogue about the Google Project and Center operations, a fuller understanding of the many facets of managing an arena will emerge. Ideally, in the exchange of organizational objectives, a clearer direction could develop that would in the end align the goals of the Center and the Google Project.
- Engage the San Jose Arena Authority, the City's liaison with the management team of SAP Center at San Jose
- Recognize and uphold the on-site and off-site parking agreements that are part of the Second Amended and Restated Arena Management Agreement. The City and SAP Center Management have established, long-term, contractual parking arrangements, which include specific on-site and off-site parking inventories that support the Center's operations. These contractual agreements have resulted in one of the most well-designed and efficient vehicular ingress and egress activity in the nation.
- Establish a community-based project oversight group with local civic leaders and professional staff, area businesses, residential neighborhood representatives and urban planning experts
- Establish working relationships with the San Jose Downtown Association and The Alameda Business Association

Shannon Hill, Planner III
The City of San Jose
Department of Planning, Building & Code Enforcement
Attention: Downtown West Mixed-Use Plan (Google Project)
GP19-009, PDC19-039, AND PD19-029
November 23, 2020
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- Fully engage the major stakeholders of the San Jose Diridon Station Area Plan
- Foster long-term associations with the public transit agencies that currently use the San Jose Diridon Station as well as the transit agencies planning to use the Diridon Station at a future time
- Engage the Guadalupe River Park Conservancy, which provides critical green space in the Downtown core
- Please take the time to provide regular project update meetings with the community. While providing project updates to the community, please take these opportunities to present the most current information, including project commencement and timetables, site plans, heavy equipment routes and staging areas, road closures, access for vehicle and pedestrian routes in the vicinity of the project, potential project delays and estimated times for project activations.

In closing, the San Jose Arena Authority appreciates providing comments on the Downtown West Mixed-Use Plan (Google Project). We look forward to the collective efforts in addressing this unequaled urban design opportunity.

Sincerely,

A handwritten signature in black ink, appearing to read 'Chris Morrissey', with a long, sweeping horizontal line extending to the right.

Chris Morrissey
Executive Director

- c: Members of the San Jose Arena Authority Board of Directors
Members of the Arena Events Operations Committee
Bill Ekern, City of San Jose, Office of Economic Development
Jon Gustafson, SAP Center at San Jose
Nanci Klein, City of San Jose, Office of Economic Development



San Jose Arena Authority

Standing and Ad Hoc Committees November 2020

EXECUTIVE & FINANCE (Standing)
Meeting Date: Fourth Wednesday, 3:30 pm
Chair: Davis Buchholz **Vice Chair:** Eileen Consiglio
Treasurer: Matthew Bright **Secretary:** Jonathan Clough

FACILITIES (Standing)

(SAP Center at San Jose and Solar4America Ice at San Jose)
David Buchholz, Co-Chair
Jonathan Clough, Co-Chair
Scott Bruner
Carl Honaker
Vinni Walia

STADIUM (Standing)

Carl Honaker, Co-Chair
John Kennett, Co-Chair
Scott Bruner
David Buchholz
Vinni Walia

BOARD RECRUITMENT (Ad Hoc)

Kathy Sutherland, Chair
Jonathan Clough
Eileen Consiglio
Steve O'Brien
Rusty Weekes

COMMUNITY PROGRAMS (Standing)

Matthew Bright, Chair
Leslee Hamilton
John Kennett
Colleen Reilly
Kathy Sutherland

ORGANIZATIONAL OVERSIGHT (Ad Hoc)

Leslee Hamilton, Chair
Matthew Bright
Eileen Consiglio

SPORTS HALL OF FAME (Standing)

Meeting Date: Generally first Wednesday, 12:00 noon
Rusty Weekes, Chair
Steve O'Brien

**San Jose Arena Authority
(A California Non-profit Corporation)**

Financial Statements
For the year ended June 30, 2020
(Unaudited)

VIVIAN XU, CPA

CERTIFIED
PUBLIC
ACCOUNTANTS

1625 The Alameda

San Jose, CA 95126

Tel: (408)-634-8598

To the Board of Directors of the
San Jose Arena Authority

Management is responsible for the accompanying financial statements of San Jose Arena Authority (a nonprofit corporation), which comprise the statement of financial position as of June 30, 2020, and the related statements of activity and cash flows for the year ended, and the related notes to the financial statements in accordance U.S. generally accepted accounting principles. We have performed a compilation engagement in accordance with Statements on Standards for Accounting and Review Services promulgated by the Accounting and Review Services Committee of the AICPA. We did not audit or review the financial statements nor were we required to perform any procedures to verify the accuracy or completeness of the information provided by management. Accordingly, we do not express an opinion, a conclusion, nor provide any form of assurance on these financial statements.

Xiaoping Xu

Vivian Xu, CPA
San Jose, CA

November 23, 2020

San Jose Arena Authority
(A California Non-profit Corporation)
Statement of Financial Position
June 30, 2020
(Unaudited)

ASSETS

Current Assets:	
Cash	\$ 57,844
Prepays & Other Receivable	4,524
Total Current Assets	<u>62,368</u>
Property and Equipment (See Note 4)	
Office Equipment & Furniture	63,794
Less Accumulated Depreciation	<u>(63,153)</u>
Net Property and Equipment	<u>641</u>
TOTAL ASSETS	<u>\$ 63,009</u>

LIABILITIES & NET ASSETS

Current Liabilities	
Accounts Payable & Misc. Accruals	\$ 3,516
Accrued Wage & Retirement Benefit (See Note 5)	17,759
Accrued Vacation (See Note 6)	<u>15,076</u>
Total Current Liabilities	<u>36,351</u>
Net Assets	
Unrestricted	26,658
Temporarily Restricted	-
Total Net Assets	<u>26,658</u>
TOTAL LIABILITIES & NET ASSETS	<u>\$ 63,009</u>

See Accompanying Notes and Accountants' Compilation Report

San Jose Arena Authority
(A California Non-profit Corporation)
Statement of Activities
For the year ended June 30, 2020
(Unaudited)

	Unrestricted	Temporarily Restricted	Total
Support and Revenues:			
City of San Jose	\$ -	\$ 277,585	\$ 277,585
Arena seat revenue	234	-	234
Interest income	-	50	50
Donated services (See Note 7)	8,564	-	8,564
Satisfaction of purpose restrictions (See Note 8)	277,635	(277,635)	-
Total income	286,433	-	286,433
Expenses:			
Program expenses:			
Oversight of Arena	54,639	-	54,639
Community and Ticket Programs	41,731	-	41,731
Oversight of Ice Facility	43,711	-	43,711
Oversight of Excite Ballpark	43,712	-	43,712
Emergency Resources Network	46,225	-	46,225
South Campus Program	32,782	-	32,782
Administrative	23,650	-	23,650
Total Expenses	286,450	-	286,450
Decrease in Net Assets	(17)	-	(17)
Net Assets			
Beginning of year	26,675	-	26,675
End of year	\$ 26,658	\$ -	\$ 26,658

See Accompanying Notes and Accountants' Compilation Report

San Jose Arena Authority
(A California Non-profit Corporation)
Statement of Functional Expenses
For the year ended June 30, 2020
(Unaudited)

	Oversight of Arena	Community & Ticket Programs	Oversight of Ice Facility	Oversight of Excite Ballpark	Emergency Resources Network	South Campus Program	Administrative	Total
	\$ 44,674	\$ 30,848	\$ 35,739	\$ 35,740	\$ 37,795	\$ 26,804	\$ 8,225	\$ 219,825
Wages	7,369	5,088	5,895	5,895	6,234	4,422	1,356	36,259
Payroll taxes and employee benefits	269	187	215	215	227	160	50	1,323
Subscriptions	-	-	-	-	-	-	2,589	2,589
Accounting	-	-	-	-	-	-	2,441	2,441
Board support expenses	-	-	-	-	-	-	-	-
Meetings	149	103	119	119	126	89	26	731
Advocacy support	-	4,000	-	-	-	-	-	4,000
Depreciation	234	162	187	187	198	141	43	1,152
Insurance	1,203	832	963	963	1,019	723	223	5,926
Repair and Maintenance	216	149	173	173	183	128	40	1,062
Office supplies	171	118	137	137	145	102	31	841
Telephone and internet	188	129	150	150	158	112	34	921
Outside services	90	62	72	72	76	54	16	442
Miscellaneous	76	53	61	61	64	47	12	374
Donated services	-	-	-	-	-	-	8,564	8,564
Total Expenses	\$ 54,639	\$ 41,731	\$ 43,711	\$ 43,712	\$ 46,225	\$ 32,782	\$ 23,650	\$ 286,450

See Accompanying Notes and Accountants' Compilation Report

San Jose Arena Authority
(A California Non-profit Corporation)
Statement of Cash Flows
For the year ended June 30, 2020
(Unaudited)

Cash flows from operating activities:

Decrease in Net Assets	\$ (895)
Adjustments to reconcile change in net assets to net cash used by operating activities:	
Depreciation	1,152
Prepaid Insurance	(8)
Accounts payable	-
Accrued liabilities	17,269
Net cash provided by operating activities	<u>17,518</u>

Cash flows from financing activities:

	<u>-</u>
Net increase (decrease) in cash and cash equivalents	17,518
Cash and cash equivalents, beginning of period	<u>40,326</u>
Cash and cash equivalents, end of period	<u><u>\$ 57,844</u></u>

SAN JOSE ARENA AUTHORITY
(A California Non-profit Corporation)
Notes to Financial Statements
For the Year Ended
June 30, 2020

NOTE 1: ORGANIZATION

The San Jose Arena Authority (the SJAA) was incorporated on October 23, 1990 as a non-profit organization under the laws of the State of California. The SJAA was formed by resolution of the San Jose City Council to represent the City's interest in the oversight and operation of SAP Center at San Jose (Arena). The SJAA also serves as the City's community liaison concerning the day-to-day management and operation of SAP Center at San Jose (Arena). The SJAA was also designated by the San Jose City Council to oversee the management and operations of Solar 4 America Ice at San Jose (Ice Facility) and Excite Ballpark Home of the San Jose Giants (Ballpark). Additionally, the SJAA has created and now facilitates the Emergency Resources Network and the South Campus Operations Team.

The City of San Jose is the primary funding source for the operation of the San Jose Arena Authority.

NOTE 2: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND PRICIPLES

Basis of Accounting

The financial statements of the SJAA have been prepared on the accrual method of accounting which reflects revenues and expenses in the accounts in the period in which they are considered to have been earned and incurred respectively.

Accounting Presentation

The SJAA reports information regarding their financial position and activities according to three classes of net assets: unrestricted net assets, temporarily restricted net assets, and permanently restricted net assets as following:

- Unrestricted Net Assets-Net assets that are not subject to donor-imposed stipulations.
- Temporarily Restricted Net Assets-Net assets subject to donor-imposed stipulations that may or will be met either by actions of SJAA and/or the passage of time.
- Permanently Restricted Net Assets-Net assets to be held in perpetuity as directed by donors. The income from the contributions is available to support activities as designated by the donors.

Revenues are reported as increases in unrestricted net assets unless use of the related assets is limited by donor-imposed restrictions. Expenses are reported as decreases in unrestricted net assets. Gains and losses on assets and liabilities are reported as increases or decreases in unrestricted net assets unless their use is restricted by explicit donor restriction or by law.

SAN JOSE ARENA AUTHORITY
(A California Non-profit Corporation)
Notes to Financial Statements
For the Year Ended
June 30, 2020

Support that is restricted by the donor is reported as an increase in unrestricted net assets if the restriction expires in the reporting period in which the support is recognized. All other donor-restricted support is reported as an increase in temporarily or permanently restricted net assets depending on the nature of the restriction. When a restriction expires, temporarily restricted net assets are reclassified to unrestricted net assets.

Cash and Cash Equivalents

For purpose of the statement of cash flows, the SJAA considers all unrestricted highly liquid investments with an initial maturity of three months or less to be cash equivalents.

Property and Equipment

Property and equipment are stated at cost. Depreciation expense is computed using the straight-line method over estimated useful lives of 5-20 years.

Use of Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosures of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

Functional Allocation of Expenses

The costs of providing the various programs and other activities have been summarized on a functional basis in the statement of activities. Accordingly, certain costs have been allocated among the programs and supporting services benefited.

Income Taxes

The SJAA is exempt from income taxes under Section 501 (c) (3) of the Internal Revenue Code and Section 23701 (d) of the Revenue and Taxation Code of the State of California. Accordingly, no provision for Federal Income or California Franchise tax has been recognized in the financial statements.

NOTE 3: FAIR VALUE MEASUREMENTS

The SJAA measure fair value in accordance ASC Topic 820, Fair Value Measurement. ASC 820 applies to all financial instruments that are being measured and reported on a fair value basis.

ASC 820 defines fair value as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the

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measurement date. ASC 820 establishes a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (Level 1 measurements) and the lowest priority to measurements involving significant unobservable inputs (Level 3 measurements). The three levels of the fair value hierarchy are as follows:

Level 1: Inputs are quoted market prices (unadjusted) in active markets for identical assets or liabilities that the entity has the ability to access at the measurement date.

Level 2: Inputs other than quoted prices within Level 1 that are observable, either directly or indirectly such as quoted prices for similar assets or liabilities in active markets or inactive markets, or inputs other than quoted prices that are observable for the asset or liability.

Level 3: Inputs are unobservable. Valuations for assets and liabilities that are derived from other valuation methodologies, including option pricing models, discounted cash flow models and similar techniques, and not based on market exchange, dealer, or broker traded transactions. Level 3 valuations incorporate certain assumptions and projections in determining the fair value assigned to such assets or liabilities.

NOTE 4: PROPERTY AND EQUIPMENT

Property and equipment consist of the following at June 30, 2020:

Office Equipment and Furniture	\$63,794
Less: Accumulated Depreciation	<u>(63,153)</u>
	<u>\$ 641</u>

Depreciation expense for the year ended June 30, 2020 is \$ 1,152.

NOTE 5: ACCRUED WAGE AND RETIREMENT BENEFIT

A SIMPLE IRA (Savings Incentive Match Plan for Employees) was implemented for Arena Authority full time and part time staff beginning January 1, 2020 where the employer makes a non-elective contribution equal to 2% of the employee's compensation based on a maximum salary amount set by the IRS. Employees are not required to sign up for salary deferrals but may do so if they choose. The accrued SIMPLE IRA retirement benefit as of June 30, 2020 was \$2,800 which reflects a semi-annual accrual of both employer and employee contributions. Moving forward, the employer will accrue these non-elective expenses following each pay period and make contributions to participating employee accounts on a quarterly basis.

NOTE 6: ACCRUED VACATION

Vacation pay is accrued for full-time and part-time, salaried employees based upon their length of service at the following:

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<u>Service</u>	<u>Vacation Days</u>
1-3 years	10 days
3-5 years	15 days
5-10 years	20 days
After 10 years and there after	25 days

There is no maximum amount of accrued vacation. Accrued vacation represents vacation carried, but not taken as of June 30, 2020. The accrued vacation balance as of June 30, 2020 was \$15,076.

NOTE 7: DONATED SERVICES

For the year ended June 30, 2020, the SJAA recognized \$8,564 of donated services for tax preparation and financial statement preparation.

NOTE 8: TEMPORARILY RESTRICTED NET ASSETS

Net assets were released from donor restrictions by incurring expenses satisfying the purpose restrictions specified by donors as follows:

Purpose restriction accomplished:

Oversight of Arena, Ice Facility and Ballpark \$277,635

NOTE 9: SUBSEQUENT EVENTS

The management of the SJAA have reviewed the results of operations and evaluated subsequent events for the period of time from its year end June 30, 2020 through November 23, 2020, the date the compiled financial statements were available to be issued, and have determined that no adjustments are necessary to the amounts reported in the accompanying compiled financial statements nor have any subsequent events occurred, the nature of which would require disclosure.

San Jose Arena Authority

Memorandum

To: Members of the Arena Authority Board of Directors
From: John Kennett, Co-Chair, Stadium Committee *CM/FOR*
Subject: Recommendations for Capital Projects at Excite Ballpark Home of the San Jose Giants
Date: November 20, 2020

Since 2008, the San Jose Arena Authority has served as custodian to the management agreement between the City of San Jose and the Baseball Acquisition Company (BAC/San Jose Giants) for Excite Ballpark Home of the San Jose Giants. One of the oldest professional baseball parks in the United States, the 78-year old stadium is the home of the San Jose Giants.

On November 13, representatives from the Stadium Committee, the City and the San Jose Giants met to discuss and review a stadium capital plan for Fiscal Year 2020-21. Below is a list of proposed capital stadium improvements for the Arena Authority Board's review and approval:

<u>Item</u>	<u>Cost</u>
• Replace Right Field Bleachers With Safe Outdoor Space for Patrons	\$95,000
• Build Player Training Space Along the Right Field Area	\$25,000
• New Patron Safety Netting From the Grand Stands to Each Foul Pole	\$20,000
• Grand Total	*\$140,000

**Any proposed costs that exceed the San Jose Giants total payment to the City will be absorbed by the Giants. Please see the stadium funding details below.)*

Beginning in 2019, the San Jose Giants signed a three-year stadium naming-rights agreement with Excite Credit Union. The original annual naming-rights payments are listed below:

Term Year I (2019): \$65,000
Term Year II (2020): \$105,000
Term Year III (2021): \$105,000

With the cancellation of the 2020 California League baseball season due to the Coronavirus pandemic, the adjusted Excite Credit Union payment for 2020 is listed below. Also listed is the Giants' minimum annual payment made to the City (as determined in the management agreement with no games played) and will be directed to stadium capital improvements:

<u>Item</u>	<u>Payment</u>
• 2019 Excite Credit Union Naming Rights Payment	\$65,000
• 2020 Excite Credit Naming Rights Payment (50% of annual payment)	\$52,500
• 2020 Anticipated San Jose Giants Payment to the City of San Jose	\$12,000
• Grand Total	\$129,500

Recommendations for Capital Projects at Excite Ballpark
Home of the San Jose Giants
November 20, 2020
Page 2

Additionally, there was considerable discussion among the meeting attendees about the rapid deterioration of the stadium on-site parking lot. This lot, shared by Solar4America Ice at San Jose needs to be repaired, repaved and striped. Besides the poor condition of the parking lot, there is an issue of removing a chain-linked fence behind the stadium. Removing the fence would result in adding 35-40 new parking spaces. But these potential new spaces would also need new paving and striping. With the construction of the two-rink expansion project at Solar4America Ice at San Jose, a collaborative discussion should be held about the current state of the adjoined stadium and ice facility on-site parking lots. The general agreement by those in attendance was that a solution for the stadium parking lot should be considered sooner rather than later.

Following any action taken by the Arena Authority Board of Directors, Authority staff will forward the capital budget recommendations to the City. If you have any comments or questions about the stadium or the capital program, please feel free to contact Chris Morrissey.

- c. Claudia Chang, City Manager's Budget Office
Walter Lin, Department of Public Works
Ryan Rucker, Department of Public Works
Daniel Orum, San Jose Giants
Ben Taylor, San Jose Giants
Chris Morrissey, San Jose Arena Authority

San Jose Arena Authority

Memorandum

To: Henry Smith, Office of Mayor Sam Liccardo

From: Chris Morrissey, Executive Director

Subject: Recommendation for the Reappointment of Current Arena Authority Board Members

Date: October 21, 2020

On September 23, the Arena Authority Board of Directors approved a recommendation to forward the names of three current Board members for reappointment. Please note that per Arena Authority Bylaws, the Mayor appoints and reappoints Arena Authority Board members. Listed below for your reference are the Board members' names with the appropriate Board designations and terms. Each candidate appointed to the Arena Authority Board is eligible to serve two full four-year terms. As these are all reappointments, the terms of these Board members expire on June 30, 2024.

Board Members Recommended for Reappointment

- Scott Bruner (At Large; July 1, 2020 – June 30, 2024)
- John Kennett (At Large; July 1, 2020 – June 30, 2024)
- Vinni Walia (At Large; July 1, 2020 – June 30, 2024)

For your reference, I have attached the Arena Authority's staggered term document that illustrates the terms for each voting Board member. Please feel free to contact me with any comments or questions.

Also, the Arena Authority welcomes you to the Board of Directors. We look forward to working with you.

Approved: Henry Smith Date: 10/26/20

Office of the Mayor

San Jose Arena Authority

Board of Directors Vacancies Notice

From: Chris Morrissey, Executive Director
Subject: San Jose Arena Authority Board of Directors Vacancies
Date: November 24, 2020

The San Jose Arena Authority is seeking volunteer candidates to submit their resumes for **three current vacancies** on the Arena Authority Board of Directors. The 19-member San Jose Arena Authority Board of Directors convenes monthly at SAP Center at San Jose to identify and address issues relating to the management and operation of SAP Center at San Jose (home of the San Jose Sharks and San Jose Barracuda); Solar4America Ice at San Jose (San Jose Sharks and Barracuda training facilities and public ice rinks); and Excite Ballpark Home of the San Jose Giants. The Arena Authority is particularly interested in candidates with experience in transit/urban planning or familiar with the south campus area that includes Solar4America Ice at San Jose and Excite Ballpark Home of the San Jose Giants. The Authority is currently participating in transit and development discussions relating to the areas around SAP Center at San Jose and the City's south campus facilities adjacent to San Jose State University.

The Arena Authority invites candidates who are willing to attend and actively participate at the Authority's monthly Board meeting (typically the fourth Wednesday of the month at 4:00 pm) and a select number of committee meetings. This is an engaged, hands-on organization that is seeking to enhance its current makeup of Board diversity. The three vacancies are At-Large representative positions appointed by the Mayor. The Board positions have voting powers and are eligible to serve two full four-year terms. Please be advised that all individuals appointed to the Arena Authority Board of Directors are required to complete a Statement of Economic Interests (Form 700) www.fppc.ca.gov/form700.html.

If you know of any individuals who are interested in serving on the Arena Authority Board of Directors, please have them submit a resume along with two professional references (contact information only) to the following:

board@sjaa.com

The submittal deadline is February 1, 2021. If you have any questions, please feel free to contact me directly at 408-977-4783 or at morrissey@sjaa.com.