

COUNCIL AGENDA: 12/18/18

FILE: 18-1694

ITEM: 2.20

Memorandum

TO: HONORABLE MAYOR
AND CITY COUNCIL

FROM: Jon Cicirelli
Margaret McCahan

SUBJECT: SEE BELOW

DATE: December 5, 2018

Approved

Date

12-5-18

**SUBJECT: SHARKS FOUNDATION AND SAN JOSE PARKS FOUNDATION
AGREEMENT FOR THE ROOSEVELT ROLLER HOCKEY RINK
LEGACY PROJECT**

RECOMMENDATION

- (a) Adopt a resolution authorizing the City Manager to negotiate and execute an agreement with the Sharks Foundation and the San Jose Parks Foundation, as a fiscal agent, to sponsor the Roosevelt Roller Hockey Rink improvements, hockey-related recreation programming, and hockey equipment. The sponsorship is part of the National Hockey League San Jose Sharks Foundation Legacy Project.
- (b) Adopt the following Appropriation Ordinance and Funding Sources Resolution amendment in the Gift Trust Fund:
 - (1) Increase the estimate for Other Revenue by \$500,000; and
 - (2) Establish an appropriation to the Parks, Recreation and Neighborhood Services Department for the Roosevelt Roller Hockey Rink Legacy Project 2018-2019 in the amount of \$500,000.

OUTCOME

A successful agreement between the City of San José Parks, Recreation, and Neighborhood Services Department (PRNS), the Sharks Foundation, and the Parks Foundation will result in \$500,000 of sponsorship funding from the Sharks Foundation for rink resurfacing and other ancillary improvements, temporary staffing to support expanded programming, and hockey equipment for the Roosevelt Roller Rink (the Rink). The Sharks Foundation will also coordinate a National Hockey League (NHL) San Jose Sharks Foundation Legacy Project ("Legacy Project") opening event at the Rink on January 24, 2019.

BACKGROUND

The National Hockey League selects an annual "Legacy Project" in the city where its All-Star Game is located. In 2019, the San Jose Sharks will host the NHL All-Star Game and, as such, San José is the recipient of the Legacy Project for 2019. Through the Legacy Program, the NHL selects projects that will benefit underserved youth and promote the sport of hockey. As the philanthropic arm of the San Jose Sharks, the Sharks Foundation plays a key role in bringing the Legacy Project to fruition.

The Sharks Foundation has selected the Roosevelt Roller Hockey Rink for its Legacy Project as it works to support the advancement of youth hockey, especially with organizations that enrich the lives of those in need. The potential funding from the Sharks Foundation (with support from SAP and the NHL), in partnership with the San Jose Parks Foundation, will enable the City to revitalize the Rink for the San José community. The Rink serves the downtown community and all of San José as a low-cost and accessible outdoor rink to practice hockey and other sports like lacrosse and roller skating. The Rink also hosts roller derbies, hockey camps, and other recreational programming. The Rink is used by community members of all ages and skill levels. It is the only City programmed outdoor roller rink.

ANALYSIS

The Legacy Project aims to provide youth with an opportunity to connect with hockey programming at the Roosevelt Roller Hockey Rink. The Sharks Foundation awarded the City of San José with a \$500,000 sponsorship for improvements at the Rink, as well as hockey-related recreational programming, and hockey equipment. The purpose of this sponsorship is to promote physical activities that strengthen the community, foster safety, and improve the quality of life for youth.

The sponsorship of the Rink will include funding for the following:

- \$200,000 for temporary staffing for hockey camps and expanded programming at Roosevelt Roller Hockey Rink for one year;
- \$12,000 for City hockey camp related scholarships for one year;
- \$60,000 for hockey equipment (helmets, elbow pads, gloves, shin guards, skates, sticks, goalie pads, pucks, and nets) for programmed activities and for rent during open skate events;
- \$100,000 for new rink bleachers;
- \$65,000 for new, modern tile surfacing for hockey related play;
- \$30,000 for installation of an acrylic overlay of the existing concrete rink surface;
- \$22,000 for new chain link fencing above the existing dasher boards; and
- Additional funding for the production and installation of Sharks Foundation designated partnership branding materials including the NHL, San Jose Sharks, Sharks Foundation, and SAP.

- Any remaining funds may be used as mutually agreed upon between the City and Sharks Foundation in support of the Rink's programming, operations and maintenance.

The agreement with the Sharks Foundation and the Parks Foundation will require the City to:

- Provide Sharks, Sharks Foundation, NHL, and SAP logo placement alongside the City's logo and PRNS wordmark on acrylic and tile flooring for the life of the material, which is estimated between 10 and 15 years;
- Feature the following non-permanent branding material to be provided and installed by Sharks Foundation:
 - Two promotional banners (8'x3'), one outside the fence surrounding the rink for three years, and one facing East Santa Clara Street in Roosevelt Park for six months; the banners will include the City logo and PRNS wordmark;
 - Dasher board decals to be evenly divided amongst logos for San Jose Sharks, Sharks Foundation, NHL, SAP, the City, and PRNS across all dasher boards for one year after the Rink re-opening event scheduled for January 2019; and
 - Four dasher board decals in the center of the Rink for Sharks, Sharks Foundation, NHL, and SAP logos for the life of the material.
- Provide Sharks Foundation one quarter page advertisement in four issues of PRNS Community Activity Guides; the ad must include the City logo and PRNS wordmark;
- Acknowledge Sharks Foundation and NHL in all news media and social media surrounding the project, including a minimum of three posts on the PRNS Facebook and Twitter accounts in anticipation of the Rink re-opening;
- Inform Sharks Foundation of Rink special events such as tournaments in a timely manner, and allow event activations as proposed by the Sharks Foundation; all costs associated with activations shall be the responsibility of Sharks Foundation;
- Use Legacy Project funding to temporarily staff additional recreational programming at the Rink;
- Work with the Sharks Foundation and Parks Foundation to assist in procuring materials and equipment related to the improvements and enhanced programming; and
- Supplement Sharks Foundation opening event and sponsored programming with promotional efforts in the PRNS Community Activity Guides and on social media.

In addition to the funding for Rink improvements, the Sharks Foundation will coordinate a grand re-opening event for the Rink to be held on January 24, 2019 at the Roosevelt Roller Hockey Rink. Coordination will include press releases, social media, publicity, outreach, and event day programming.

The Legacy Project requires non-profit status for Legacy Project recipients, thus the Parks Foundation will act as the fiscal agent and receive the funding on behalf of the City. The Parks Foundation will receive a nominal amount of the sponsorship, as compensation for its role in the Project. As the project's fiscal agent, the Parks Foundation will transfer the funding to the City, which will place the funds into the Gift Trust Fund (Fund) for the uses described above.

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This Legacy Project is a unique opportunity for PRNS to partner with the NHL and the Sharks Foundation, providing much needed improvements and activation at the Roosevelt Roller Hockey Rink. In addition, this sponsorship investment may foster future improvements and programs at the Rink. For example, PRNS and the Sharks Foundation are negotiating to include scheduled visits from the San Jose Sharks mascot, "Sharkie," and other San Jose Sharks talent to help support Rink programming. In addition, the project opening event will coincide with the activities related to the 2019 NHL All-Star Game in January, giving the Rink added publicity and exposure to the community.

The Sharks Foundation's investment in the rink is expected to serve as a spring board to future improvements. Eventually, PRNS would like to develop a capital campaign to install a roof over the Rink. While some funding may be available for this through the PRNS capital program, it is not clear that full funding of this \$3 million improvement will be available through City resources.

EVALUATION AND FOLLOW-UP

City Staff is in negotiations with the Sharks Foundation and the Parks Foundation to finalize wording of the partnership agreement, and is asking City Council to authorize the City Manager to negotiate and execute the final agreement.

PUBLIC OUTREACH

This memorandum will be posted on the City Council Agenda website prior to the December 18, 2018 City Council meeting.

COORDINATION

This memorandum has been coordinated with the City Attorney's Office.

COMMISSION RECOMMENDATION/INPUT

This item is not subject to the review of City commissions at this time.

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FISCAL/POLICY ALIGNMENT

The proposed action is consistent with the Council-approved Budget Strategy Economic Recovery section in that it will spur construction spending in our local economy with the additional project program elements.

COST SUMMARY/IMPLICATIONS

PRNS staff estimates no additional City costs for operating and maintaining the Roosevelt Roller Hockey Rink with the new improvements and additional programming. The sponsorship funds will alleviate the City's immediate and future capital cost of replacing tiles and other Rink improvements. Staff estimates that it will not need to replace the rink tiles or resurface the rink for another 10 to 15 years. The proposed sponsorship will also cover additional programming costs at the Rink for one year.

BUDGET REFERENCE

The table below identifies the fund and appropriations recommended to be amended as part of this memorandum.

Fund #	Appn #	Appn. Name	Current Appn.	Rec'd. Budget Action	2018-2019 Adopted Operating Budget Page	Last Budget Action (Date, Ord. No.)
139	R130	Other Revenue	\$28,373	\$500,000	X-45	10/16/18, Ord. No. 78825
139	NEW	Roosevelt Roller Hockey Rink Legacy Project 2018-2019	N/A	\$500,000	N/A	N/A

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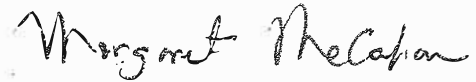
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CEQA

Categorically Exempt from Environmental Review, File No. PP18-022, CEQA Guidelines
Section 15301, Existing Facilities.

/s/

JON CICIRELLI
Acting Director of Parks,
Recreation and Neighborhood Services



MARGARET MCCAHAH
Budget Director

I hereby certify that there will be available for appropriation in the Gift Trust Fund in the Fiscal Year 2018-2019 monies in excess of those heretofore appropriated therefrom, said excess being at least \$500,000.



MARGARET MCCAHAH
Budget Director

For questions, please contact Nicolle Burnham, Deputy Director, at (408) 793-5514.