

From: [Phan, Johnny](#)
To: [Downtown West Project](#)
Subject: FW: AMA Amendment Memo
Date: Wednesday, June 9, 2021 3:24:09 PM
Attachments: [AMA Amendment CC Memo \(edits\).docx](#)

From: MWChan@perkinscoie.com <MWChan@perkinscoie.com>
Sent: Friday, May 28, 2021 3:56 PM
To: Phan, Johnny <Johnny.Phan@sanjoseca.gov>
Cc: Gray, Matthew S. (SFO) <mgray@perkinscoie.com>
Subject: AMA Amendment Memo

[External Email]

Hi Johnny,

Thank you for sharing the memo. Please see attached for a few suggested edits to the document (you'll see we clarified the action that we believe the Council is taking on 6/8). We are finalizing the remaining clean-up edits to the ordinances and proposed updates to the agenda and will send these to you on Tuesday for incorporation before Friday, 6/4.

Thank you and enjoy the long weekend.

Michelle

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Memorandum

TO: HONORABLE MAYOR
AND CITY COUNCIL

FROM: Nanci Klein

SUBJECT: SEE BELOW

DATE: June 8, 2021

Approved

Date

District 3

SUBJECT: Amendment to the Second Amended and Restated Arena Management Agreement (AMA)

RECOMMENDATION

Adopt a resolution authorizing the City Manager or his designee to ~~negotiate and~~ execute an amendment to the Second Amended and Restated Arena Management Agreement by and between the City of San Jose and the San Jose Arena Management LLC (AMA)

BACKGROUND

On Tuesday, May 25th the City Council unanimously approved the Downtown West Project. The project includes up to 7.3 million square feet of office, over 4,000 ~~dwelling units~~ ~~homes~~ including 1,000 affordable ~~units~~ ~~homes~~. The project will bring intended density immediately adjacent to Caltrain Station and the future home of Bay Area Rapid Transit and High Speed Rail.

The Diridon Station Area is home to the SAP Arena, the Sharks' and the many events and activities brought to the City through the efforts of the San Jose Arena Management team (SJAM). SJAM representatives have expressed concerns about the SAP Arena's ability to function in an efficient manner as a result of new dense development. Many discussions have been taking place between the Sharks, the City and Google about the implementation of the future street network and updated plans for parking and circulation in and around the Diridon Station Area Plan area.

On May 25, in addition to the approval of the Downtown West Project and ~~related project~~^{other} documents, the City, SJAM, and Google reached a Settlement Agreement that results in certain changes in the project documents ~~if and in the~~ City and SJAM reach agreement on certain changes to the Area Management Agreement (AMA). The modifications requested by SJAM are intended to ensure that communications, construction activities, and the functionality of the SAP arena remain effective and efficient. Council voted unanimously to approve t~~The required~~ changes to the project documents such as the project zoning ordinance and the Development Agreement ~~were already approved by the City Council~~ on May 25, 2021. Some changes are also required to the Second Amended and Restated Arena Management Agreement (AMA). A recitation of the changes to all related documents was detailed in the Settlement Agreement approved by the City Council.

ANALYSIS

The Settlement Agreement is conditioned upon Council approval of the revisions generally contained in Exhibits A and B to the Supplemental Memo approved on May 25th and attached to this memorandum as well as Council's discretionary approval of the proposed limited-scope amendment to the AMA. Each of the revisions contained in Exhibits A and B shall automatically become effective at such time as the City Council has approved the AMA amendments referenced in the Settlement Agreement.

In addition to the changes to the Downtown West plans and agreements, the City further commits to the following:

- Today, SSE pays for the cost of event-related Transportation and Parking Management Program (TPMP), including Off-Site Traffic Control Services; the City will identify funding sources to cover the incremental growth of the cost of TPMP, beyond the baseline (pre-COVID costs as of 2019, adjusted for inflation based on the Consumer Price Index (CPI)). The identification and selection of these potential funding sources will include consultation with Diridon Area partners like SSE and area property owners. This is proposed to be codified in a limited-scope amendment to the AMA.
- The City will create a trigger system within its new development and project review system to notify City staff when a proposed project or permit request requires a review of the AMA and/or coordination with SSE.
- Additionally, as a City process improvement, the City will ensure that Construction Impact Mitigation Plans (CIMPs) for vertical and open space development are shared with SSE for feedback prior to building permit submission to allow time for meaningful review and input.
- In order to maintain Arena operations, including but not limited to safety and security, changes to public sidewalks along the West Santa Clara Street and Barack Obama

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Boulevard Arena frontages will be reviewed and approved by SSE, whose approval must not be unreasonably withheld.

CONCLUSION

As summarized in this memo, the City, Google, and SSE have continued to coordinate to resolve outstanding concerns. A Settlement Agreement approved on May 25th, 2021 stipulates that an Amendment to the Second Amended and Restated Arena Management Agreement must be approved to effectuate the AMA changes and the other changes sought in Downtown West Project documents. City Council's approval of the Second Amendment will allow the Downtown West Project and related documents to be effective and allow the project to proceed.

/s/

Nanci Klein

Director of Economic Development

For questions, please contact Nanci Klein at (408) 507- 0430.