

1 [Agreement for naming rights.]

2

3 **Resolution approving and authorizing an agreement with the San Francisco Forty**
4 **Niners, Ltd., for naming rights at the stadium.**

5

6 WHEREAS, The City and County of San Francisco (the "City") owns, operates and
7 maintains through its Recreation and Park Commission (the "Commission") that certain multi-
8 purpose stadium located at Candlestick Point in the City (the "Stadium"); and

9 WHEREAS, The City entered into a lease dated December 3, 1969, as subsequently
10 amended (the "Stadium Lease"), for use of the Stadium with the San Francisco Forty Niners,
11 Ltd. (the "49ers") for the exhibition of professional football games. The term of the Stadium
12 Lease expires on May 31, 2008; and,

13 WHEREAS, The City and the 49ers entered into an agreement dated January 31,
14 1996, as subsequently amended, assigning the right to name the Stadium (the "Naming
15 Rights") to the 49ers in exchange for a fee. The term of such Naming Rights agreement
16 expired on January 31, 2002; and,

17 WHEREAS, At its June 20, 2002, meeting, the Commission adopted
18 Resolution 0206-018, approving the terms set forth in the agreement between the City and the
19 49ers (the "Agreement"); a copy of the Agreement is on file with the Clerk of the Board of
20 Supervisors in File No. _____, which is hereby declared to be a part of this
21 resolution as if set forth fully herein; and,

22 WHEREAS, On March 20, 2003, the Commission reiterated its support for the Naming
23 Rights deal with the 49ers as part of the Recreation and Park Department's FY 2003-04
24 budget package in Resolution 0303-021; and,

25

1 WHEREAS, Under the Agreement, the 49ers, for the duration of the Stadium Lease
2 term, including any extensions thereof, will have the right to sell the Naming Rights to the
3 Stadium, subject to the Commission's prior approval of the proposed Stadium name, in
4 exchange for paying the City a naming rights use fee; and,

5 WHEREAS, The Agreement provides for an early termination fee in the event the 49ers
6 terminate their tenancy at the Stadium for any reason other than to move to another location
7 within the City prior to the expiration of the term of the Stadium Lease, without the prior written
8 consent of the City; and,

9 WHEREAS, It is in the City's best interests to enter into the Agreement directly with the
10 49ers for the following reasons: (1) in order to derive the maximize the value to the City of
11 any naming rights deal, the Naming Rights must be bundled with luxury box rights, product
12 sales opportunities and/or player appearances that only the 49ers can provide, and, thus, it
13 would be impractical or impossible to competitively solicit bids for Naming Rights and still
14 obtain the highest value for Naming Rights; (2) the 49ers have unique expertise and existing
15 relationships with potential naming sponsors; (3) an attempt in 1996, when the Stadium still
16 had another regular, high profile tenant, the San Francisco Giants, to solicit bids from other
17 companies that might be interested in purchasing the Naming Rights resulted in only the
18 49ers submitting a proposal; (4) the principal value to potential advertisers and naming
19 sponsors of advertising in the Stadium derives from the 49ers' tenancy at the Stadium and the
20 49ers' winning record, attendance record and television appearances, all of which provide
21 exposure for any Naming Rights sponsor; and (5) the public interest or necessity demands, or
22 will not be inconvenienced by, the entry of this Agreement directly with the 49ers; now,
23 therefore, be it

24 RESOLVED, That the Board of Supervisors hereby approves the Agreement and the
25 transactions contemplated thereby and authorizes the Commission, through the General

1 Manager of the Recreation and Park Department (the "General Manager"), to execute the
2 Agreement, in the name and on behalf of the City, in substantially the form of such Agreement
3 presented to this Board; and, be it

4 FURTHER RESOLVED, That the Board of Supervisors authorizes the General
5 Manager to enter into any additions, amendments or other modifications to the Agreement
6 (including, without limitation, the attached exhibits) that the General Manager determines are
7 in the best interests of the City, do not materially decrease the revenue to the City
8 contemplated in the Agreement or otherwise materially increase the obligations or liabilities of
9 the City, and are necessary or advisable to complete the transactions contemplated in the
10 Agreement and to effectuate the purpose and intent of this resolution; and, be it

11 FURTHER RESOLVED, That any prior actions taken by City employees or officials
12 with respect to the Agreement are hereby ratified and affirmed.

13
14
15
16
17
18
19
20
21
22
23
24
25