

1 [Agreement for stadium advertising]

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3 **Ordinance approving and authorizing an agreement with the San Francisco Forty**  
4 **Niners, Ltd., for the sale of stadium advertising and for the performance of certain**  
5 **capital repairs at the stadium located at Candlestick Point.**

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7 Be it ordained by the People of the City and County of San Francisco:

8 Section 1: Findings. The Board of Supervisors of the City and County of  
9 San Francisco (the "Board") hereby finds and declares as follows:

10 A. The City and County of San Francisco (the "City") owns, operates and maintains  
11 through its Recreation and Park Commission (the "Commission") that certain multi-purpose  
12 stadium located at Candlestick Point in the City (the "Stadium").

13 B. The City entered into a lease dated December 3, 1969, as subsequently  
14 amended (the "Stadium Lease"), for use of the Stadium with the San Francisco Forty Niners,  
15 Ltd. (the "49ers") for the exhibition of professional football games. The term of the Stadium  
16 Lease expires on May 31, 2008. Since the end of the 1999 baseball season when the  
17 tenancy of the San Francisco Giants Baseball Club (the "Giants") at the Stadium ended, the  
18 49ers have been the sole tenant of the Stadium.

19 C. Following the expiration of agreements between, respectively, the City and Sony  
20 Corporation and the City, on the one hand, and the Giants and the 49ers, on the other, for the  
21 use and operation of the Stadium scoreboards and permanent advertising signs (together, the  
22 "Scoreboards and Signage"), the City and the 49ers entered into an agreement dated May 1,  
23 2001, for the use and operation of the Scoreboards and Signage, which granted the 49ers the  
24 exclusive rights for one year to sell advertising on the Scoreboards and Signage in exchange

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1 for payment of a use fee to the City and performance by the 49ers of certain capital repairs to  
2 the Stadium with a portion of the proceeds from the advertising sales.

3 D. The City is responsible for certain repairs to the Stadium as set forth in the  
4 Stadium Lease, and the City and the 49ers have agreed that revenues generated from the  
5 Scoreboards and Signage can be used to pay for the costs of some of those repairs.

6 E. At its June 20, 2002, meeting, the Commission approved an agreement between  
7 the City and the 49ers (the "Agreement"), a copy of which is on file with the Clerk of the Board  
8 of Supervisors in File No. \_\_\_\_\_, which is hereby declared to be a part of this  
9 ordinance as if set forth fully herein.

10 F. Under the Agreement, the 49ers, for the duration of the Stadium Lease term,  
11 including any extensions thereof, will operate and maintain the Stadium Scoreboards and  
12 Signage and will have the exclusive right to sell advertising on or related to the Scoreboards  
13 and Signage, in exchange for paying the City an advertising use fee and performing certain  
14 agreed upon capital repairs to the Stadium.

15 G. Entering into the Agreement directly with the 49ers is appropriate and in the best  
16 interests of the City under the circumstances described herein. Such circumstances include,  
17 without limitation, all of the following: 1) the services to be performed under the Agreement  
18 are ancillary to the Stadium Lease; 2) the 49ers have unique expertise and existing  
19 relationships with potential advertisers and naming sponsors; 3) the principal value to  
20 potential advertisers and naming sponsors of advertising in the Stadium derives from the  
21 49ers' tenancy at the Stadium; and 4) the 49ers are best able to efficiently oversee the work  
22 required under the Agreement.

23 Section 2. Approval of Agreement. Notwithstanding Chapters 6 and 21 of the  
24 Administrative Code, 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.

4 Section 3. Additional Authority. 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 decrease the revenue to the City contemplated in the  
8 Agreement or otherwise increase the obligations or liabilities of the City, and are necessary or  
9 advisable to complete the transactions contemplated in the Agreement and to effectuate the  
10 purpose and intent of this ordinance.

11 Section 4. Ratification. Any prior actions taken by City employees or officials with  
12 respect to the Agreement are hereby ratified and affirmed

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14 APPROVED AS TO FORM:  
15 DENNIS J. HERRERA, City Attorney

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17 By: \_\_\_\_\_  
18 Michael Cohen  
19 Deputy City Attorney

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