

1 [Agreement for stadium advertising and naming rights.]

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3 **Ordinance approving and authorizing an agreement with the San Francisco Forty**
4 **Niners, Ltd., for stadium advertising and naming rights and for the performance of**
5 **certain 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 San
9 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 and the 49ers entered into an agreement dated January 31, 1996, as
4 subsequently amended, assigning the right to name the Stadium (the "Naming Rights") to the
5 49ers in exchange for a fee. The term of such Naming Rights agreement expired on January
6 31, 2002.

7 E. The City is responsible for certain repairs to the Stadium as set forth in the
8 Stadium Lease, and the City and the 49ers have agreed that revenues generated from the
9 Scoreboards and Signage and from the sale of the Naming Rights can be used to pay for the
10 costs of some of those repairs.

11 F. At its June 20, 2002, meeting, the Commission approved an agreement between
12 the City and the 49ers (the "Agreement"), a copy of which is on file with the Clerk of the Board
13 of Supervisors in File No. _____, which is hereby declared to be a part of this
14 ordinance as if set forth fully herein.

15 G. Under the Agreement, the 49ers, for the duration of the Stadium Lease term,
16 including any extensions thereof, will operate and maintain the Stadium Scoreboards and
17 Signage, have the exclusive right to sell advertising on or related to the Scoreboards and
18 Signage, and have the right to sell the Naming Rights to the Stadium, subject to the
19 Commission's prior approval of the proposed Stadium name, in exchange for paying the City
20 an advertising use fee and a naming rights use fee and performing certain agreed upon
21 capital repairs to the Stadium.

22 H. The Agreement provides for an early termination fee in the event the 49ers
23 terminate their tenancy at the Stadium for any reason other than to move to another location
24 within the City prior to the expiration of the term of the Stadium Lease, without the prior written
25 consent of the City.

1 I. Entering into the Agreement directly with the 49ers is appropriate and in the best
2 interests of the City under the circumstances described herein. Such circumstances include,
3 without limitation, all of the following: 1) the services to be performed under the Agreement
4 are ancillary to the Stadium Lease; 2) the 49ers have unique expertise and existing
5 relationships with potential advertisers and naming sponsors; 3) the principal value to
6 potential advertisers and naming sponsors of advertising in the Stadium derives from the
7 49ers' tenancy at the Stadium; and 4) the 49ers are best able to efficiently oversee the work
8 required under the Agreement.

9 Section 2. Approval of Agreement. Notwithstanding Chapters 6 and 21 of the
10 Administrative Code, the Board of Supervisors hereby approves the Agreement and the
11 transactions contemplated thereby and authorizes the Commission, through the General
12 Manager of the Recreation and Park Department (the "General Manager"), to execute the
13 Agreement, in the name and on behalf of the City, in substantially the form of such Agreement
14 presented to this Board.

15 Section 3. Additional Authority. The Board of Supervisors authorizes the General
16 Manager to enter into any additions, amendments or other modifications to the Agreement
17 (including, without limitation, the attached exhibits) that the General Manager determines are
18 in the best interests of the City, do not materially decrease the revenue to the City
19 contemplated in the Agreement or otherwise materially increase the obligations or liabilities of
20 the City, and are necessary or advisable to complete the transactions contemplated in the
21 Agreement and to effectuate the purpose and intent of this ordinance.

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

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4 APPROVED AS TO FORM:
5 DENNIS J. HERRERA, City Attorney

6 By: _____
7 AMY L. BROWN
8 Deputy City Attorney