

THE REDEVELOPMENT AGENCY OF THE CITY OF SAN JOSE

MEMORANDUM

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| TO: REDEVELOPMENT AGENCY BOARD | FROM: HARRY S. MAVROGENES EXECUTIVE DIRECTOR |
| SUBJECT: SEE BELOW | DATE: AUGUST 10, 2007 |

INFORMATION

SUBJECT: ACTIONS TO LOCATE CIRQUE DU SOLEIL DOWNTOWN

The 2006 performances of Cirque du Soleil were moved out of the Downtown to the City's parking lot on Taylor Street. Cirque had previously held performances on the parking lot site south of the San Jose McEnery Convention Center and the San Jose Water Company parking lot. In 2005/06 the Convention Center site was not available because the South Hall temporary structure had been constructed. The Water Company site was still not available because of ongoing Guadalupe River and VTA Light Rail construction. Construction surrounding the Water Company site is complete and the site is potentially available to host Cirque du Soleil again.

Cirque du Soleil and the City's Office of Cultural Affairs have been renegotiating the lease terms for use of the E-lot on Taylor Street. On a parallel track, the Planning Department has begun processing the required Conditional Use Permit.

Because singular events such as Cirque du Soleil are opportunities to introduce residents and visitors to the Downtown and also serve as part of the broader economic strategies to make Downtown a cultural center, Redevelopment Agency staff has begun exploring the possibility of returning Cirque du Soleil to the Water Company site. Since the last time Cirque du Soleil was at this site, Adobe Systems has purchased it and is planning the steps to begin expansion onto the property. Consequently, it is not likely that this site will be available in the future for events such as Cirque du Soleil.

City and Redevelopment Agency staff proposed to Cirque du Soleil that they consider moving back downtown to the Water Company site, rather than return to the E-lot for the 2008 performance series. Cirque du Soleil has agreed to consider the move and have committed to undertake technical evaluations of the site to

confirm its acceptability for their 2008 performances. At this same time, Redevelopment Agency staff and City staff have initiated their own technical studies and engaged the utility companies to begin their engineering analyses.

Cirque du Soleil field staff will visit the property on Monday, August 13, to begin a site survey. Their site development staff is scheduled to review the field data and visit San Jose the week of August 20. They have advised staff that they must make a decision to move to the Water Company site by August 24, in order to complete their site designs and remain on their tour schedule.

To begin their performances in January 2008, Cirque du Soleil must occupy the site by December 24, 2007. The date Redevelopment Agency and City staff are working toward to have all City and Agency responsibilities complete is December 1, 2007. This is the date provided to the utility companies as well, since their systems are the critical path to delivering the site.

The size of the planned Cirque du Soleil program is larger than what had previously been on the Water Company site. The earlier programs could be accommodated on the eastern parking lot, with minimal impact to Delmas Street. The proposed program likely requires location of the main tent near the center of Delmas Street. Along the western edge of the street are overhead utility lines, including electricity, telephone, and cable. The lines are apparently the main power feed to the H.P. Pavilion. The overhead utilities must be relocated to accommodate the Cirque du Soleil program. Staff and PG&E representatives met at the site to evaluate options of relocating the lines to the west and keeping them overhead as well as the option of undergrounding them in Delmas Street. PG&E staff believes the fastest solution is underground, for a variety of technical reasons in addition to which easements would have to be negotiated between Adobe and PG&E to allow for the temporary relocation.

PG&E staff is now evaluating their ability to design and construct the systems necessary to underground the overhead utilities. This project would require the immediate cooperation of the three utility providers (electric, telephone, and cable companies). Project delivery options will be evaluated as soon as the utilities' staffs are able to confirm that they can assure the connection of the utilities within the requisite time frame. We expect to have this information before the August 24 deadline for Cirque du Soleil's decision.

We have provided Cirque du Soleil with drawings of all existing underground utilities in Delmas Street, as well as those on the Water Company site. There are myriad underground obstacles ranging from water wells, to gas lines, to storm and

sewer lines, around which the Cirque du Soleil engineers must design the staking plan for their tents. They drive approximately 600 six-foot long steel tent pegs to support their multiple tent structures.

If the utility companies are able to commit to delivery of the underground project on the schedule, the other critical issues are generally those under the control of the City and Redevelopment Agency. These issues include:

- Conditional Use Permit
- Approval of a lease agreement for the use of Adobe's Water Company parking lots.
- Approval of a sub-lease agreement between the Redevelopment Agency and Cirque du Soleil for the use of the Adobe parking lots.
- Replacement Parking for Adobe's monthly parkers using the Water Company site (there are approximately 750 parking spaces on the Water Company lots).
- Replacement Parking for H.P. Pavilion events (specifically continuing to meet the needs for 3,175 parking spaces within one-third mile of the facility).
- Identification of parking spaces for 100 VIP Cirque du Soleil guests.
- Identification of parking spaces for 600 Cirque du Soleil patrons.
- Preparation of plans and specifications, bidding, and award of contract(s) to complete any site improvements. These likely include removal and replacement of parking lot lights and foundations, fire hydrant removal and replacement, parking lot fencing removal and replacement, and removal of parking lot curbs.
- Demolition of Stephen's Meat Company building and construction of a parking lot.
- Demolition of the City's Stockton Street Warehouse and construction of a parking lot.

As important as projects like Cirque du Soleil are to the long-term development and enlivenment of the downtown, the time is rapidly coming where there are no large paved vacant lots that can accommodate these events. Consequently, there is a need to develop a longer term strategy for handling large festivals and events in the Downtown on sites specifically built for the wear and tear these activities cause. We will begin evaluating sites such as Discovery Meadow and Arena Green for their capacity to be improved for festivals and events such as Cirque du Soleil.

To accomplish the steps necessary to bring Cirque du Soleil to the downtown, there will be costs to the Redevelopment Agency. These cost estimates are being developed at this time, as the scope of work for each of the above steps is just now being created. Staff will bring forward a memo to the City Council and Agency Board on August 28 that outlines the anticipated costs of this effort.



HARRY S. MAVROGENES
Executive Director