



THE CITY OF SAN DIEGO

M E M O R A N D U M

DATE: November 16, 2018

TO: Honorable Council President Myrtle Cole

FROM: Cybele L. Thompson, RPA, FMA, CCIM, LEED AP, Director, Real Estate Assets
via Ronald H. Villa, Deputy Chief Operating Officer, Internal Operations

SUBJECT: Direct Docketing and Supplemental Docketing Request for "Consent to the sale of the naming rights for the San Diego Sports Arena to Pechanga Development Corporation d/b/a Pechanga Resort and Casino and consenting to the identification signage of the San Diego Sports Arena as the "Pechanga Arena San Diego".

This memorandum shall serve as the formal request for both direct docket and supplemental docketing for the item "Consent to the sale of the naming rights for the San Diego Sports Arena to Pechanga Development Corporation d/b/a Pechanga Resort and Casino and consenting to the identification signage of the San Diego Sports Arena as the "Pechanga Arena San Diego" at City Council on December 3/4, 2018.

This item requires immediate action by the City Council because AEG Management SD, LLC (AMSD) and Valley View Casino & Hotel (VVCH) terminated their agreement on October 31, 2018. VVCH has allowed AEG to continue to use their name on the building for up to thirty days. This leaves the arena without a name after November 30, 2018, until a new agreement with Pechanga is approved by the city of San Diego.

AEG has stated that there are fourteen events in December, two of which are televised (San Diego Gulls and WWE Raw), so it is very important to have a name for the building. In addition, waiting to docket until January means that they will not collect the naming rights sponsor fee, of which 10% is shared with the city.

The San Diego Sports Arena opened in 1966. The current operator of the San Diego Sports Arena, AEG Management SD, LLC (AMSD) acquired its interest in the Sports Arena in September 2008. AMSD is controlled by Arena Group 2000 and Anschutz Entertainment Group, Inc. (AEG). AEG controls major sport franchises including the Los Angeles Lakers and the Los Angeles Galaxy, and owns the Staples Center in Los Angeles.

The current Operating Sublease expires May 31, 2020. The Operating Sublease gave AMSD the right to sell the naming rights to the San Diego Sports Arena, subject only to the City's

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consent to: (a) the person or entity acquiring the naming rights; and (b) the identification signage.

In October 2010, AMSD entered into a Naming Rights Agreement with San Pasqual Casino Development Group, Inc., a wholly-owned entity of the San Pasqual Band of Mission Indians, doing business as "Valley View Casino and Hotel," to change the name of the San Diego Sports Arena to "Valley View Casino Center." On October 18, 2010, pursuant to Resolution R-306203, the San Diego City Council renamed the Sports Arena Premises the Valley View Casino Center.

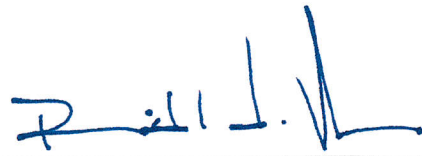
AMSD is now in the process of entering into an agreement with a new Naming Rights Entity, specifically Pechanga Development Corporation d/b/a Pechanga Resort and Casino a tribally chartered corporation and has requested that the City now consent to the identity of the new Naming Rights Entity and signage. Pechanga Resort and Casino's proposal includes changing the name of the San Diego Sports Arena from Valley View Casino Center to Pechanga Arena San Diego.

The Naming Rights and Sponsorship Agreement with Pechanga Resort and Casino will expire on May 31, 2020, but may be automatically extended to the earlier of May 31, 2023 or the termination of an extended term of the Operating Sublease. Pursuant to the Operating Sublease, the City will receive approximately \$40,000 per year (i.e., 10% of AMSD's gross receipts for the naming rights).

Thank you for your assistance with docketing this matter.



Cybele L. Thompson, RPA, FMA, CCIM, LEED AP
Director, Real Estate Assets



Ronald H. Villa
Deputy Chief Operating Officer,
Internal Operations Branch

CT/clt

cc: Aimee Faucett, Chief of Staff, Office of the Mayor
Kris Michell, Chief Operating Officer
Andrea Tevlin, Independent Budget Analyst
Stacey LoMedico, Assistant Chief Operating Officer
Almis Udrys, Deputy Chief of Staff, Office of the Mayor
Jessica Lawrence, Director of Finance Policy & Council Affairs, Office of the Mayor
Erin Demorest, Director of Legislative Affairs, Office of the Council President
Katie Keach, Director, Communications Department
Libby Borg, Docket Liaison, Docket Office