

The San Jose Arena

An Essay

**Presented to
The California Pioneers
of Santa Clara County**

by

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Introduction

When the San Jose Arena was finally completed in September of 1993, it marked the rebirth of the downtown area. Events at the arena bring hundreds of people to the downtown restaurants and bars. In addition, the sporting teams of the arena help put San Jose on the map of other great sport cities all over North America.

The completion of the arena along with other redevelopment efforts all over the downtown area has revitalized downtown San Jose with a feeling of the old becoming new once again.

The efforts of former mayor Tom McEnery, who pushed for his redevelopment projects and for the building of a downtown arena, have paid off in a big way. The fight to build the arena was at sometimes productive and at other times painful. Much battling between arena advocates and opponents took place during the election and while the arena was being built. Fortunately for most people, the arena won support from the voters and the community. The arena was finally built and adopted the name of its city as its title.

The First Step

In November of 1987 the political battle started over whether or not to build a downtown arena. The initial decision would be made by the San Jose City Council. The arena promoters were led by Mayor Tom McEnery who tried to sway the council into voting to build an arena in the heart of downtown. Opponents argued that traffic would congest the downtown area and that it would have a bad effect on downtown neighborhoods.

After an angry public testimony, the San Jose City Council voted to build an arena in the downtown area by a margin of 8-3. McEnery, along with council members Susan Hammer, Jim Beall, Shirley Lewis, Judy Stabile, Bob Putnam, Lola Williams and Blanca Alvarado, voted in favor of the facility. Council members Nancy Ianni, Pat Sausedo, and Lu Ryden voted against the arena, siding with the neighbors of the arena.¹

Now that the first step had been made, the council then had to decide on a site for the proposed arena. Eventually, the council narrowed its focus to three sites. Two of them were downtown and included seventeen acres at the foot of the Julian Street off-ramp from I-280 and a second site at Santa Clara and Montgomery streets. The third site, not in the downtown area, was sixty acres at the corner of Zanker Road in north San Jose.

In early November of 1987, the city council chose the downtown site on Santa Clara and Montgomery streets because of its proximity to the central downtown area. This choice by the city council enraged neighbors and some businessmen in that area, so they started a petition to the city council. The opposition and the petition persuaded the San Jose City Council to place the arena on the ballot for the June election of 1988.

Prior Attempts

The attempt in 1988 was not the first effort to build an arena in San Jose. In 1961, a 10,000 seat arena was proposed at Market and San Carlos streets. The first proposal failed because promoters and politicians could not find a formula to finance and build an arena.²

The closest the city ever got to building an arena was in 1972, when county voters approved an advisory measure for a \$26 million arena. The measure was rejected, however, when a property tax hike was proposed to finance the arena. The voters turned the arena down because of the tax.³

More unsuccessful efforts were made by the city throughout the 1970's and 1980's. The attempt in 1988 was the closest the city had ever come, but the supporters were in for a bitter battle against their opponents who refused to give up in campaigning for their cause in the election in June of 1988.

The Campaign Battle

Before the election in June of 1988, opponents of the proposed arena formed the No-Blank-Check-On-Arena Committee. This group was mostly funded by former mayor, Janet Gray Hayes. It was made up of neighbors, nearby business owners and others who thought the arena would be a major burden on the city's economy. Camelia Cochran, treasurer of No-Blank-Check was quoted as saying:

"If San Jose wants an arena, let private concerns fund it, and keep public money out of the sports business and back where it belongs--meeting the basic needs of our citizens."⁴

The group believed the arena would exceed its estimated cost of \$100 million. It also believed that traffic caused by events at the arena would be detrimental to the peace of the surrounding neighborhoods. In trying to persuade voters to turn down the arena, the group spent most of its small budget right before the June election. The group was outspent in the campaign by a margin of 22-1.⁵

Meanwhile, Mayor Tom McEnery was busy trying to persuade voters to make the correct decision in approving the building of a downtown arena. His cause received support from the former Mercury News publisher Tony Ridder. Ridder had fought for an arena in San Jose back in 1973. Ridder donated \$1000 to McEnery's campaign fund two weeks prior to the election.⁶ Arena supporters then enlisted Richard Ross, a Sacramento consultant to get the pro-arena

ideas into the minds of the public. Along with other arena supporters he turned out color posters depicting downtown life with an arena. In this campaign to build an arena the promoters spent nearly a quarter-million dollars.⁷

The final campaign attempts were made by opponent Janet Gray Hayes and advocate Tom McEnery on local television fillers. They both pleaded with the public to make the right decision on election day, June 7, 1988.

The Election

Before election day an early campaign poll showed that voters were starting to side with the opponents of the arena. On election day, early returns from the ballot boxes showed that support to build an arena was down.⁵ It was looking bleak for the mayor and the supporters of the arena until late in the day when all of the votes were finally counted.

The final outcome showed that the proposed 20,000 seat arena was approved by a margin of 53.4% for, and 46.6% against the arena. The final count was 73,409 votes for and 64,140 votes against the arena.⁹

Mayor Tom McEnery was modest in victory saying, "I never considered it a referendum on me. It's a real statement of confidence in the city, not an individual."¹⁰

The mayor showed a lot of strength in view of what he stood to lose if voting had gone the other way. If the election had failed, he would have lost considerable political clout with the city council and the public. The vote to build the arena also showed that the public had faith in McEnery's downtown redevelopment projects which had been losing favor from some city officials.

McEnery also had hopes for a professional sports team to make their home in a new complex. His first thought was

to get the Golden State Warriors of the National Basketball Association, out of Oakland and into San Jose.

More Proposals

After the election, the city estimated that the cost of the arena would amount to about \$100 million. That price included the cost to pay for the land, the building of the complex, the moving of two households and twenty-five businesses, new traffic signs and signals, the widening of roads and new parking spaces. They expected millions of dollars to help pay for the arena from private investments to help and boost the project.¹¹

The city proposed to build the seventeen acre arena on the corner of Santa Clara and Autumn streets in downtown San Jose. The city also said that it expected the building to be finished in 1992. The city then hired the architectural firm of Sink Combs Dethlefs from Denver to design the arena.

The Sharks

In December of 1990, the Sharks became the newest expansion team of the National Hockey League. Owners Gordon and George Gund went through negotiations with Councilwoman Shirley Lewis and other city officials to bring the Sharks to San Jose.

Now that San Jose had its first professional sports team, the city and the Sharks decided that the first arena design had to be redone to make the arena suitable for ice hockey. The arena plan was redesigned to include up to 18,000 seats for hockey, 19,400 for basketball, and up to 20,000 seats available for floor shows. They also proposed 5,500 parking spaces within three to four blocks of the arena. This included 1,700 spaces on site, as well as 5,000 parking spaces within a half mile of public transportation.¹²

The new proposal, along with the housing of the Sharks, increased cost estimations from \$100 million to \$125 million.¹³ This time, however, city officials were desperate to stay within their new increased budget. Many people who were still not sold on the idea of having a city-run complex objected to these price increases. Back before the arena was even voted on the estimated cost was \$75 million; then after the election the price jumped from that estimate to \$100 million. Now, with the arrival of the Sharks, the cost had been raised by \$25 million.¹⁴ Many

people thought that the city was just digging itself into a tremendous hole of debt, and they knew the city would exceed its new budget of \$125 million.

The Construction and Leasing

While the city and the Sharks were negotiating the lease deal of the new arena, construction started to get underway. After interfering homes and businesses were moved to make room for the arena site, the ground had to be surveyed. Unfortunately, they found toxic waste on the site which had to be cleaned up before any building could be done. The cleaning of the toxins took up valuable time and also ended up raising the final cost of the arena.

Once the toxins were cleaned up, the foundation was laid by the Perini Western Building Company. Before all of the foundation was laid, however, a crane fell on the construction site, slowing work down for a time. The surrounding community was then notified that the arena crew would have to start working longer hours because of the delay. No one was hurt in the collapsing of the crane, but to meet time deadlines work had to be sped up to ten and a half hours of working a day.¹⁵

While negotiations between the Sharks and the city were going on and the sides had not completely agreed on a lease agreement, Susan Hammer assured the city that the plans could not be changed: "We have a big hole in the ground, we've spent millions of dollars, the piles (part of the foundation) have been driven, we're not going to walk away."¹⁶

Finally the Sharks agreed to a lease of the arena with the city. The Sharks agreed to lease the building and they also assumed responsibility for all liabilities and operating costs. In return, they agreed to invest at least \$22 million in the building.¹⁷

San Jose's general fund is to receive \$500,000 rent a year for six years, increasing by \$100,000 a year for the next four years. Beginning in the eleventh year, the rent is set at \$1 million, or 5% of hockey ticket sales, whichever is greater."¹⁸

The city will profit starting in the fourth year of the arena's existence. San Jose is guaranteed at least \$100,000 annually from parking revenues. The city will also receive \$450,000 a year from luxury box revenue.¹⁹ As a part of the agreement, the Sharks are paying for interior improvements for hockey, such as luxury suites, scoreboards locker rooms, offices, and the huge arena club.

The Naming of the Arena

As the construction of the arena was getting close to completion, a name had to be decided for the arena. Before construction had even begun, the city had thought of selling the name of the arena to a corporate sponsor. In that type of deal a large corporation would pay the city to put its name in the title of the arena. The city decided against doing this because they wanted the world to know that this great new arena was in San Jose. Some other people suggested their names for the arena such as "The Epicenter", or "the Sharktank", but the city decided to stay with the name of *The San Jose Arena*. The San Jose Sharks played their first two seasons in the Cow Palace of Daly City, until their 1993 season when they came to their real home in downtown San Jose.

The Final Product

The construction of the San Jose Arena was finally completed in September of 1993. The San Jose Arena stands on seventeen acres of land. It is 425 feet long by 425 feet wide by 117 feet tall. Forty-five thousand square feet inside the arena is spread over four levels. The final cost of the arena was estimated to be at least \$157 million. The Sharks are paying for \$22 million of that with the San Jose Redevelopment Agency paying for the other \$135 million.²⁰

The grand opening of the San Jose Arena occurred on September 18, 1993. The Ringling Brothers and Barnum and Bailey Circus was the first event ever to take place at the arena. Other events that followed the circus were the Ice Capades, the National Figure Skating Championships, and performances by Barbara Streisand and Pavarotti.

The San Jose Sharks played their first ever home game on October 14, 1993, which began their third season in existence, and their first ever play-off season.

The San Jose Arena and the events that have taken place in it have added more excitement to the city of San Jose and have marked a new beginning for the downtown area.

Endnotes

1. Bert Robinson, The San Jose Mercury News, November 13, 1987, p. 1A.

2. Philip Trounstone, The San Jose Mercury News, September 5, 1993, Arena Guide, p. 72.

3. Ibid

4. Trounstone, Op. Cit.

5. Thomas Farragher, The San Jose Mercury News, June 7, 1988, p. 1A.

6. Trounstone, Op. Cit.

7. Thomas Farragher, The San Jose Mercury News, June 8, 1988, p. 1A.

8. Ibid

9. Christopher Schmitt, The San Jose Mercury News, June 8, 1988, p. 1A.

10. Ibid

11. "Arena," The San Jose Mercury News, June 9, 1988, p. 24A.

12. Trounstone, Op. Cit.

13. Trounstone, Op. Cit.

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15. "Arena Crew to Speed It Up," The San Jose Mercury News, April 20, 1991, p. 1B.

16. Maline Hazle, The San Jose Mercury News, October 18, 1991, p. 1B.

17. Trounstone, Op. Cit.

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19. Gary Richards, The San Jose Mercury News, September 5, 1993, Arena Guide, p. 73.

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