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REPORT TO THE HONORABLE
MAYOR AND CITY COUNCIL

CITY COUNCIL DOCKET OF FEBRUARY 10, 2003: PETCO PARK

INTRODUCTION

Before the City Council on February 10, 2003, is consideration of the “name” for the new downtown ballpark [Ballpark]. The San Diego Padres has entered into a sponsorship and “naming rights” agreement with PETCO Animal Supplies, Inc. [PETCO], a local pet supply company, by which the Ballpark would be named “PETCO Park” for a period of 22 years. The City has, pursuant to the Memorandum of Understanding regarding the Ballpark Project, consent rights regarding the name proposed for the Ballpark. This Report provides the background for your consideration of that consent.

BACKGROUND

On November 3, 1998, the electorate of the City approved Ordinance No. O-18613 [Ordinance] which authorized and directed the City to enter into a Memorandum of Understanding [MOU] Concerning a Ballpark District, Construction of a Baseball Park, and a Redevelopment Project within the Centre City East (East Village) Redevelopment District of the Expansion Sub Area of the Centre City Redevelopment Project. The Ordinance provided that it was the intent of the electorate that the Ordinance and the MOU constitute the legislative acts establishing policy for the City on those matters, and provided for the ways and means for the implementation of that policy by such administrative and non-legislative acts as may be necessary and appropriate to carry out the purpose and intent of the Ordinance.

Section XXV of the MOU provides that the Padres hold the “naming rights” to the Ballpark; the Padres have the exclusive right to solicit for and contract with a naming rights partner for the Ballpark, select the name that would be attached to the Ballpark, and retain all revenue from such an agreement. The MOU provides, however, that any name to be associated with the Ballpark be tasteful and not be a cause for embarrassment to the City, and provides that

the City will have the right to consent to the proposed name. The City's consent cannot be unreasonably withheld or delayed. The City has no approval or consent rights regarding the terms of the agreement providing for the naming rights between the Padres and the naming rights partner.

The Padres recently announced a sponsorship agreement with PETCO which includes the naming of the Ballpark "PETCO Park." We are informed that the agreement with PETCO is specifically contingent upon City consent. PETCO was founded, and remains headquartered, in San Diego. The agreement provides that the Ballpark will be named "PETCO Park" for a period of 22 years. Enclosed for your review are some materials made available by the Padres in relation to the agreement with PETCO.

RECOMMENDATION

The MOU provides that, while the City retains consent rights to the name for the Ballpark, consent cannot be unreasonably withheld or delayed. This matter is being brought to you at this time so that the name PETCO Park may be implemented, if approved, in a timely fashion. Consent to the name is within the discretion of the City Council, but cannot be unreasonably withheld. The City Council should accordingly make its decision in light of the standing of PETCO in the local and national business community, as well as the name proposed for the Ballpark.

Respectfully submitted,

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By

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Attachments
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