

Sacramento Public Library

828 I Street
Sacramento, CA 95814-2589
916-440-5926
FAX: 916-440-9638

June 9, 1992

CITY COUNCIL
SACRAMENTO, CALIFORNIA

HONORABLE MEMBERS IN SESSION:

SUBJECT: APPROVE OPERATION OF LIBRARY GALLERIA COMPLEX

LOCATION: 828 I STREET

COUNCIL DISTRICT: ONE

SUMMARY:

Report contains the operations plan that outlines programmed use of the Library Galleria Complex, the proposed fee schedule for rental of Library Galleria Complex spaces and the Request for Proposal for cafe and catering services for the Library Galleria.

STAFF RECOMMENDATION:

Staff recommends the following actions:

1. Approve the Operations Plan for the operation of the Library Galleria Complex.
2. Approve the proposed Fee Schedule for rental of specific areas in the Library Galleria Complex and the Central Library.
3. Approve the selection criteria for a cafe operator and /or catering service(s) for the Library Galleria; and authorize staff to issue a Request for Proposal for the cafe operation and/or catering operator for the Library Galleria Complex.

BACKGROUND:

GENERAL INFORMATION

The Galleria Complex is an integral part of the new Central Library. The Galleria Complex offers a variety of spaces that will support public education, provide an opportunity for collaborative programming with community groups and offer rental space that will enhance the marketability of the Downtown District for business and recreational use. As noted in the attached Project for Public Spaces report for the Sacramento Public Library, "If used creatively and effectively, the Library Galleria provides a unique opportunity for the City to make a significant impact on the downtown revitalization effort."

DESCRIPTION OF THE SPACE

The Library Galleria Main Space is a 5,700 square foot atrium and is accessed from the 9th St. entrance to the Central Library. The Library Galleria Balcony is a 3,000 square foot balcony that surrounds the Galleria and is accessed from the second floor of the Galleria and the Library. The Library Meeting Rooms are two 1,500 square foot rooms located adjacent to the Galleria in the old Central Library. The Library Galleria Cafe is a 2,059 square foot unimproved

APPROVED
BY THE CITY COUNCIL

JUN 09 1992

CLERK OF THE CITY

As amended

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Approve Operation of Library Galleria Complex

restaurant space which is accessible from 9th St. The Library Conference Rooms are on the 4th floor and Mini-Business Offices are on the 3rd and 4th floors of the Central Library.

MANAGEMENT OF THE SPACE

Staff recommends that all these spaces be available for library cultural and educational programming and fee-for-use activities. Galleria Complex spaces will be available for use daily from 7AM until 12AM. Conference rooms and the mini-business offices will be available for use during the hours of operation of the Central Library, which have been set for Tuesday through Saturday, 11AM to 6PM.

Galleria management, which includes 2.0 FTE positions that are currently funded within the Library budget, will manage the activities in all these spaces. Responsibilities of Galleria management include promoting the active use of the space, planning programs, booking events, assisting users in organizing events and working with the cafe operator and catering services.

FOOD SERVICES

Food services will be available in both the cafe and in the Galleria Complex. The Request for Proposal for Cafe/Catering Services is structured so that proposers may present proposals for operation of the cafe, operation of the catering service or operation of both activities.

A sole cafe operator will be designated as a result of the Request for Proposal process. It is projected that breakfast and lunch will be served. Dinner may be offered, depending on contract negotiations with the designated operator. Catering services will be available for events that are held in the Galleria Complex. It is projected that there will be a maximum of three catering operators authorized by the City as a result of the Request for Proposal process to provide services in the Galleria Complex.

Selection criteria for the proposers include proposer's experience, method of operation, organization and management approach, proposed contract fee to City and financial responsibility. A selection panel, comprised of representatives of Library, Finance, Parks, Convention Center, Downtown District and a local food service operator, will review the proposals and recommend the most competitive, if any, to City Council for consideration.

FINANCIAL CONSIDERATIONS:

The primary financial consideration in the operation of the Library Galleria Complex is the impact of this operation on the current Library budget. Positions for Galleria management are authorized in the 1992/93 Library budget. Other expenses including utilities and maintenance and repair are also included in the 1992/93 operating budget. The operation of the Galleria Complex will not have an impact on the 1992/93 Library budget and may serve as an avenue to bring in revenue to cover some of the costs of the operation of the space. It is projected that, after the first year of operation, revenue generated by use of the spaces will cover all staffing costs as well as other operating expenses.

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Considerations regarding the determination of the fee schedule and the goal for cost recovery from the operation of the Galleria Complex are intertwined. In developing the proposed fee schedule, fee analysis was done to determine the full costs related to each rental space. Also, a survey of similar spaces in the Downtown area was conducted. Fees are proposed that will be comparable to similar operations in the area.

A detailed analysis of the projected revenues and operating expenditures is included in the Operations Plan, Attachment 2. Operating expenditures include direct expenses of staff to support Galleria functions, costs for Galleria management staff, utilities, maintenance and repair, depreciation, debt service and Library and City indirect charges associated with the Galleria. These expenditures are estimated at \$527,406.

In the first year of operation, the goal of the Library is to offset the direct operating costs related to the use of the space. These direct operating costs, including direct expenses of staff to support events, Galleria management staff, utilities, maintenance and repair and Library indirect charges, are estimated at \$307,538. Depreciation, debt service and City indirect charges are not included in the direct operating costs.

Projected revenues are based on a full year of operation with the proposed fee schedule and include rental revenue from the cafe space as well as percentages of gross food and beverage receipts from both the cafe and catering activities. These revenue projections are estimates and may be impacted by the contract negotiations with the cafe operator and catering services. These projected revenues are estimated at \$268,392 and cover 87% of the direct operating costs and 50% of the total operating costs of the Galleria Complex during the first year of operation. It is projected that 100% of the direct operating costs will be recovered in future years of operation.

The acceptable level of cost recovery for the operation of these spaces is a critical determination. Staff recommends that the proposed fee schedule be adopted with the goal of 100% direct operating cost recovery and 50% recovery of total costs. A portion of the expenses associated with the spaces will be incurred by the City in order to maintain the space even if there are no enhanced uses. In order to defray all expenses associated with the operation of the Galleria, the fee schedule would become prohibitively high and impact the marketability of the Complex. Adoption of the proposed fee schedule will allow the City to recover a portion of the costs associated with the spaces and actively promote the use of the space.

After the initial year of operation, a detailed analysis of costs and revenues associated with active use of the spaces will be completed. If revenue has exceeded projections and all direct operating costs have been recovered, staff will come back to Council with recommendations for use of the funds including allocation for enhanced cultural and educational programming for the Library.

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POLICY CONSIDERATIONS:

One key policy consideration in regard to the operation of the Library Galleria Complex is the priority of the use of the space. Staff recommends that the highest priority be placed on library educational and cultural programming, which is projected to initially occur during 10% of the available hours and is supported by resources in the existing library budget. It is projected that, as funding becomes available, library programming will increase. The Library Galleria will be available for fee-for-use activities when it is not being used for library programming. Fee-for-use activities are projected to utilize 27% of the available hours of the Library Galleria Complex. During non-programmed hours when the Central Library is open to the public, the Galleria will serve as a passive public space and alternate entrance to the Central Library.

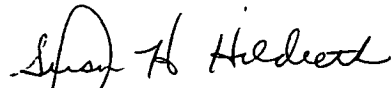
Staff recommends an active program of mixed uses in this space. Council should be aware that the active use of this space may preclude the utilization of the Galleria as an alternate entrance to the Central Library. Activities held in the Galleria could range from a children's puppet show sponsored by the Library to a product exhibit for a computer trade show. In any case, public access to the Central Library via the Galleria would be limited during these or similar activities. It is projected that entrance to the Central Library via the Library Galleria will be available during at least 50% of the operating hours of Central Library. If access to Central Library through the Galleria is limited, patrons will be directed to use the main I St. entrance and the Library Lane entrance. Staff recommends that the best use of the space will be made with an active program of mixed uses.

An additional policy consideration is the determination of fee-exempt activities. Staff recommends that only library programs or activities co-sponsored by the Library be fee-exempt at this time. Library meeting rooms will be available at no charge for City staff use on a limited basis.

MBE/WBE:

The Request for Proposal for Cafe and Catering Services will be advertised so that minority and women-owned business enterprises are aware of its availability.

Respectfully Submitted By



Susan H. Hildreth

Deputy Director, Management Services




Richard M. Killian

Library Director

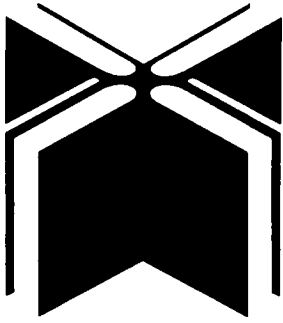
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RECOMMENDATION APPROVED BY


Walter J. Slipe
City Manager

Contact for More Information
Susan Hildreth
Deputy Director, Management Services
440-5926

For the Agenda of
June 9, 1992



Sacramento Public Library

828 I Street
Sacramento, CA 95814-2589
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LIBRARY GALLERIA OPERATIONS PLAN

JUNE 1992

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LIBRARY GALLERIA OPERATIONS PLAN

EXECUTIVE SUMMARY

The new Central Library is key to the revitalization of the Downtown District. The library offers a variety of public spaces that will support public education, provide an opportunity for collaborative programming with community groups and offer rental space that will enhance the marketability of the Downtown District for business and recreational use.

The Library Galleria Complex includes the Library Galleria Main Space, the Library Galleria Balcony and Library Galleria Cafe. These spaces are accessed from the 9th St. entrance to Central Library. Other spaces available for use in the Central Library include two large Meeting Rooms adjacent to the Galleria, the Library Conference Rooms on the 4th floor and the Mini-Business Offices on the 3rd and 4th floors.

The diversity of space creates a flexible environment for a variety of uses. All types of cultural and educational programming, including library orientations, seminars, lectures, demonstrations and exhibits can be offered. Fee-for-use activities include conferences, meetings, weddings, receptions, banquets and performances. The Library Galleria Cafe will be leased to a restaurant operator and catering services will be available for the Galleria and Meeting Rooms.

The highest priority for the use of these areas is Library-sponsored cultural and educational programming which may be offered with modest attendance fees. The spaces would be available for fee-for-use activities when they were not reserved for Library cultural or educational programs. The Library Galleria will also provide public access to the Central Library during operating hours of the Library when not reserved for cultural or educational programming or fee-for-use activities. Most spaces will be available on a flexible schedule. The Library Conference Room and the Mini-Business Offices will be available during the operating hours of Central Library.

The Library Galleria Operations Plan includes proposed fee schedules and projections for revenues and expenditures for all the spaces. The goal of the Library is to offset some of the expenditures required for use of the space. These expenditures include direct salary expenses for fee-for-use activities, costs for Galleria management, utilities, maintenance and repair and Library indirect charges. If these expenditures are recovered, staff will come back to City Council with recommendations for funds including allocation for enhanced cultural and educational programming for the Library.

LIBRARY GALLERIA OPERATIONS PLAN

LIBRARY GALLERIA COMPLEX

I. DESCRIPTION OF SPACE

The Library Galleria Main Space is a 5,700 square foot atrium and is accessed from the 9th St. entrance to the Central Library. The Library Galleria has been envisioned as an integral part of the Urban Design Plan and the Downtown District Plan. The Library Galleria Exterior Forecourt provides a formal entry way into the Galleria and can be used as programmable space.

The Library Galleria Balcony is a 3,000 square foot balcony that surrounds the Galleria and is accessed from the second floor of the Galleria and the Central Library.

The Library meeting rooms are two 1,500 square foot meeting rooms, each with a capacity for 150 persons, located in the old Central Library facility adjacent to the Library Galleria.

The Library Galleria Cafe is a 2,059 square foot unimproved restaurant space. The cafe space faces Plaza Park and is accessible from both 9th St. and from the Library Galleria Main Space.

II. PROGRAMS

The Library Galleria Main Space provides an excellent environment for varied cultural and educational programming. Programs that may be offered in the Library Galleria include all types of library programming, seminars, lectures, demonstrations and performing arts and visual arts activities. Admission fees may be charged for selected events.

The Library Galleria Main Space provides a sophisticated and flexible environment for the fee-for-use activities, which include conferences, meetings, weddings, receptions, banquets, performances and lectures.

The Library Galleria Main Space can also be utilized as a passive space that serves as an alternate entrance to the Central Library and provides minimal casual seating.

The Library Galleria Balcony will be primarily used in conjunction with the Galleria Main Space to accommodate small receptions or overflow from the Main Space. Art displays and exhibits can be attractively housed in the Balcony.

The Library Meeting Rooms will be used for library programming and cultural and educational activities. The meeting rooms also offer an excellent environment for fee-for-use activities, including business meetings, training seminars or small conferences. The Meeting Rooms may be used in conjunction with use of the Library Galleria Main Space.

The Library Galleria Cafe will be leased to a private operator who will make improvements

to the existing shell. Catering services for the Library Galleria may be provided by the cafe operator or through separate catering contracts. The Library has prepared a request for proposal for cafe operator services and catering services that is being submitted to City Council for approval.

III. USE OF SPACE

The highest priority for the use of the Galleria Main Space is cultural and educational programming. These activities will occur on a flexible schedule at various times during the day and evening. It is projected that initially about 10% of available hours will be utilized for library programming. This programming will be supported by existing resources within the Library Budget. As funding becomes available, this percentage will increase. Please note that available hours are defined as 7 am - 12 pm daily. Programming may limit public access at times to the Central Library through the Library Galleria. Signs will direct the public to the I St. entrance to Central Library, if access from 9th St. is limited.

The Library Galleria will be available for fee-for-use activities when it is not reserved for cultural or educational programming. Fee-for-use activities will occur at various times depending on the availability of the facility. It is projected that about 27% of available hours will be utilized for fee-for-use activities. Access to the Central Library from the Library Galleria may be limited, if the activity is scheduled during the operating hours of the Library.

The Library Galleria also provides public access to the Central Library during the operating hours of the Library. This passive use will occur whenever the Library Galleria is not being used for cultural or educational programming or fee-for-use activities and during the operating hours of the Central Library.

The Library Galleria Balcony will primarily be used in conjunction with events that take place in the Galleria. The Balcony may be scheduled separately from the Galleria Main Space.

The highest priority for the use of the Library Meeting Rooms is cultural and educational programming, including library children's programs and orientations. The activities will occur on a flexible schedule at various times during the day and evening.

The Library Meeting Rooms will be available for fee-for-use activities when not reserved for cultural or educational programming. They will also be available for City staff use on a limited basis, because the Meeting Rooms will often be used in conjunction with the Library Galleria Main Space. City staff may also use the Library staff conference rooms located on the lower level or the 5th floor of the Central Library.

The Library Galleria Cafe will serve breakfast and lunch. Dinner may also be served, depending on the contract that is negotiated with the cafe operator as a result of the request for proposal process. It is projected that the cafe operator may cater events in the Library Galleria Main Space and the meeting rooms, with additional catering services available as well.

IV. FEES

Proposed fees for the Library Galleria Complex and the Library Meeting Rooms are as follows:

Library Galleria Main Space - \$215/Hour, Minimum three hours

Library Galleria Exterior Forecourt - \$150 when used in conjunction with rental of Galleria Main Space

Library Galleria Balcony - \$75/Hour, Minimum three hours

Meeting Rooms (two) - \$50/Hour, Minimum three hours
\$325 for eight hours, \$50 each additional hour

V. FINANCIAL CONSIDERATIONS

Currently, there is minimal funding for Library cultural or educational programs. Programs offered will not have significant financial impact to the City. Admission fees may be charged for selected events.

Fee-for-use activities and revenues and expenditures associated with those activities projected for the first twelve months of operation are as follows:

	<u>ACTIVITIES</u>	<u>REVENUE</u>	<u>EXPENDITURES</u>
LIBRARY GALLERIA	86	\$ 149,350	\$ 223,074
LIBRARY FORECOURT	12	\$ 1,800	\$ 39,329
LIBRARY BALCONY	8	\$ 3,600	\$ 73,291
MEETING ROOMS	120	\$ 69,024	\$ 122,838
GALLERIA CAFE		\$ 33,518	\$ 42,894

Projected activities for the Library Galleria include 15 breakfasts, 35 lunches, 15 dinners and 21 receptions. Expenditures include the following: the cost of custodians and cultural attendants to make these spaces available for use, Galleria management, utilities, maintenance, debt service, depreciation and Library and City indirect costs. Please see Attachment 2, Projected Galleria Complex Revenue and Expenditures.

CONFERENCE ROOMS AND MINI-BUSINESS OFFICES

I. DESCRIPTION OF SPACE

The Library Conference Rooms are located on the 4th floor of the new Central Library facility. Each has a capacity of 20 persons.

The Mini-Business Offices are located on the 3rd and 4th floors of the new Central Library. There are two offices located on each floor. These offices are lockable cubicles that can be used by one person as a private work space.

II. PROGRAMS

The Library Conference Rooms will be used for library programming, cultural and educational activities and fee-for-use activities for small groups.

The Mini-Business Offices will serve as small, private offices and will be available on a fee-for-use basis by the hour or by the day. The offices may be equipped with basic office equipment, including telephones and personal computers.

III. USE OF SPACE

The Library Conference Rooms will be available for cultural and educational programs and fee-for-use activities during the operating hours of Central Library.

The Mini-Business Offices will be available on a fee-for-use basis during the operating hours of the Central Library.

IV. FEES

Conference Rooms (two) - \$25/Hour, Minimum two hours
\$150 for seven hours

Mini-Business Offices (four)

Equipped (telephone, personal computer) - \$10/Hour, Minimum two hours
- \$50 for seven hours

Unequipped - \$5/Hour, Minimum two hours
\$25 for seven hours

V. FINANCIAL CONSIDERATIONS

Currently, there is minimal funding for Library cultural or educational programs. Programs offered will not have significant financial impact to the City.

Fee-for-use activities and revenues and expenditures associated with those activities projected for the first 12 months of operation are as follows:

	<u>ACTIVITIES</u>	<u>REVENUE</u>	<u>DIRECT EXPENDITURES</u>
CONFERENCE ROOMS	48	\$11,100	\$16,101
MINI-OFFICES	104		

Estimated expenditures include Galleria management staff, utilities, maintenance and repair, Library and City indirect charges, debt service and depreciation. Direct expenses for additional staff to support activities in the spaces is not included, because that function will be handled by Library staff on duty at the time.

POLICY CONSIDERATIONS

- A. Library cultural and educational programming and fee-for-use activities in the Library Galleria may limit the passive public use of the space. Should the utilization of the space for passive public use hold a higher priority than programming or fee-for-use activities?

Staff recommends that the highest priority for use be placed on Library educational and cultural programming. Fee-for-use activities will occur when library programs are not scheduled. During nonscheduled hours when the library is open to the public, the space will be available for passive public use and serve as an alternate entrance to the Central Library.

It is projected that during 10% of available hours, library programming will occur in the Galleria Main Space. This programming will be supported by existing resources within the Library Budget. As funding becomes available, this percentage will increase. It is projected that during 27% of the available hours, fee-for-use activities will occur in the Galleria Main Space. Thus, passive public use of the space would occur during 63% of the available hours. Please note that available hours of the Galleria Main Space are defined as 7 am - 12 am daily or 6,188 hours per year.

If serving as passive public space only, the Galleria would be accessible during the operating hours of the Central Library. This operating schedule is set for Tuesday through Saturday, 11am - 6pm, or 1,820 hours per year. Although hours of programming and fee-for-use events have not been set, it is projected that the Galleria will be available at least 50% of the operating hours of Central Library. It is projected that 25% of the library users will access the Central Library from the Galleria. Access to Central Library is also available at the main I St. entrance and from Library Lane adjacent to the parking garage. Lighted exterior signage on 9th St. will direct library patrons to other entrances as necessary.

If fee-for-use events are precluded during the noon hour, the loss of revenue is projected to be \$41,340 during twelve months of operation. If fee-for-use events are precluded during the operating hours of the Central Library, the loss of revenue is projected as \$99,606 during twelve months of operations. These limitations on uses may have an impact on the marketability of the Library Galleria catering

agreement(s). There would also be increased costs for security personnel to monitor the Galleria Main Space during the Central Library open hours, if other uses were precluded.

(NOTE: Noon hour revenue loss equals estimated income for Galleria for lunches. Central Library operating hours revenue loss equals estimated income for 65% of dinners and receptions in Galleria and Balcony plus estimated income for lunches. See Attachment 3 - Estimated Income for Twelve Months.)

- B. Is a 50% expenditure recovery rate acceptable for the operation of the Galleria Complex? Staff recommends that a goal of 50% expenditure recovery be set for the first year of operation. Projected revenue and expenditures for the Galleria Complex for the first twelve months of operation are outlined in Attachment 2. As noted in the chart, the total projected expenditures are \$527,406. These expenditures include direct expenses for custodians and security for programs and events, Galleria management, Library indirect charges, utilities, maintenance and repair, depreciation, debt service and City indirect charges. Many of the expenditures would be incurred by the City, even if the space was not actively used. Based on the proposed fee schedule, the total projected revenue is \$268,392, which is supported by over 225 fee-for-use activities. This revenue represents approximately 50% of the total costs associated with the space.

The goal of the Library is to offset the direct operating costs associated with the space by revenue that is generated from use of the space. Direct operating costs include direct expenses for custodians and security, Galleria management, Library indirect charges, utilities and maintenance and repair. Debt service, depreciation and City indirect charges are not included in the direct operating costs. These direct operating costs total \$307,538 for twelve months of operation.

Thus, projected revenue will offset approximately 87% of the direct operating costs and 50% of the total operating costs. If, after the first year of operation, revenues have exceeded projections and all direct operating costs have been recovered, staff will come back to City Council with recommendations for funds, including allocation for enhanced cultural and educational programming for the Library. The priority use of any funds available for Library programming would be as follows:

1. Orientation to the Library
2. Family Programming
3. Lectures and Demonstrations
4. Performing Arts Events
5. Educational Seminars
6. Visual Art Exhibits/Displays

- C. At what level would the use fees have to be set to generate full cost recovery?

As noted above, it is projected that full cost for the Library Galleria Main Space, based on the estimated number of events for twelve months of operation, is \$527,406.

To fully recover these costs, the Library would have to charge \$314/Hour, based

on 1,680 hours of use per year, versus the proposed \$215/Hour, which reflects the current market rate of comparable spaces. Setting the use fees at the rate necessary for full cost recovery would limit the marketability of the space.

D. Will the City incur liability with the operation of the Galleria Complex?

The Library will require liability insurance whenever the facility is used for a fee-for-use event or for any activity that is not library or city-sponsored. Proof of such insurance must be submitted before any confirmation of space booking is made.

The Library will not purchase a large inventory of specialized equipment to support large functions. Galleria staff may assist users in locating sources for specialized equipment. The user of the facility will arrange for the rental of the equipment and will assume all liability for the use of the equipment.

Attachment 1

PROPOSED LIBRARY GALLERIA FEE SCHEDULE

LIBRARY GALLERIA MAIN SPACE	\$215/Hour	Minimum Three Hours
LIBRARY GALLERIA EXTERIOR FORECOURT	\$150/Event	To Be Used With Galleria Main Space
LIBRARY GALLERIA BALCONY	\$75/Hour	Minimum Three Hours
REFUNDABLE SECURITY DEPOSIT	\$500	Required for use of Galleria Main Space or Balcony
MEETING ROOMS (2)	\$50/Hour \$325	Minimum Three Hours Eight Hours, \$50/Hour each additional hour.
CONFERENCE ROOM	\$25/Hour \$150	Minimum Two Hours Seven Hours
MINI-BUSINESS OFFICES (4) Equipped (Telephone, Personal Computer)	\$10/Hour \$50	Minimum Two Hours Seven Hours
Unequipped	\$5/Hour \$25	Minimum Two Hours Seven Hours

Use fees will be charged for all activities or uses that are not Library Programs or activities or uses that are co-sponsored by the Library. Any exceptions to the fee schedule must be approved by the City Manager.

Admission fees may be charged for some Library programs. Fees will be set by Library Director and approved by City Manager.

Galleria and meeting rooms are available for use 7am - 12am daily.
Conference rooms and mini-business offices are available for use during operating hours of Central Library, Tuesday - Saturday, 11am - 6pm.

Users will be required to provide liability insurance coverage for use of the facilities and to provide all specialized equipment required for events.

29-May-92

PROJECTED GALLERIA COMPLEX REVENUE/EXPENDITURES
 22,132 SQUARE FEET
 COMMON AREA 5,369 SQUARE FEET

SPACE	SQ. FT.	COMMON AREA	TOTAL AREA	INCOME	CUST/ATTD EXPENSE	GALLERIA MANAGE.	UTILITIES	M&R	LIBRARY INDIRECT	CITY INDIRECT	DEBT SERVICE	DEPREC.	TOTAL EXPENSE	REVENUE VS. EXPENSE
GALLERIA	5,700	1,931	7,631	149,350	67,637	31,865	16,549	9,777	17,542	12,935	47,692	19,077	223,074	(73,724)
FORECOURT	1,664	564	2,228	1,800	0	9,302	4,831	2,854	1,640	1,209	13,923	5,569	39,329	(37,529)
BALCONY	3,000	1,016	4,016	3,600	1,827	16,771	8,710	5,146	3,279	2,418	25,101	10,040	73,291	(69,691)
MEETING RM.	1,500	508	2,008	34,512	19,878	8,386	4,355	2,573	4,983	3,674	12,550	5,020	61,419	(26,907)
MEETING RM.	1,500	508	2,008	34,512	19,878	8,386	4,355	2,573	4,983	3,674	12,550	5,020	61,419	(26,907)
GAL. CAFE	2,069	701	2,770	33,518	0	11,566	0	3,549	2,039	1,504	17,311	6,925	42,894	(9,376)
CONF/MEET RMS.	912	0	912	11,100	0	3,808	1,978	1,169	671	495	5,700	2,280	16,101	(5,001)
GAL. OFFICE	418	142	560	0	0	2,337	1,214	717	412	304	3,497	1,399	9,879	(9,879)
TOTALS	16,763	5,369	22,132	268,392	109,219	92,421	41,992	28,357	35,549	26,213	138,325	55,330	527,406	(259,014)

ASSUMPTIONS

- \$1,000,000 DEBT SERVICE PER YEAR FOR CENTRAL LIBRARY EXPANSION
- DEPRECIATE \$20,000,000 OVER 50 YEARS
- \$347,000 UTILITIES BUDGET
- \$205,000 MAINTENANCE & REPAIR (M&R) BUDGET
- 160,000 SQUARE FEET IN CENTRAL LIBRARY EXPANSION
- CAFE INCOME IS PROJECTED AT \$1.35 PER SQUARE FOOT PER MONTH
- DIRECT EXPENSE IS COMPOSED OF CUSTODIAN AND CULTURAL ATTENDANT EXPENSE
- REVENUE IS BASED ON FULL YEAR ONGOING OPERATION. START-UP YEAR WILL BE LESS.
- LIBRARY AND CITY INDIRECTS ARE BASED ON GALLERIA MANAGEMENT AND DIRECT COSTS ONLY
- CITY INDIRECT = 13.00%; LIBRARY INDIRECT = 17.66%
- GALLERIA MANAGEMENT 2.0 FTE (1.0 GALLERIA MANAGER, .5 TYPIST CLERK 1, .5 PUBLIC INFORMATION OFFICER)

SUMMARY

SPACE	SQ. FT.	COMMON AREA	TOTAL AREA	INCOME	DIRECT EXPENSE	INDIRECT EXPENSE	TOTAL EXPENSE	REVENUE VS. EXPENSE
GALLERIA	5,700	1,931	7,631	149,350	156,306	66,769	223,074	(73,724)
FORECOURT	1,664	564	2,228	1,800	19,837	19,492	39,329	(37,529)
BALCONY	3,000	1,016	4,016	3,600	38,150	35,141	73,291	(69,691)
MEETING RM.	1,500	508	2,008	34,512	43,848	17,571	61,419	(26,907)
MEETING RM.	1,500	508	2,008	34,512	43,848	17,571	61,419	(26,907)
GAL. CAFE	2,069	701	2,770	33,518	18,658	24,236	42,894	(9,376)
CONF/MEET RMS.	912	0	912	11,100	8,121	7,980	16,101	(5,001)
GAL. OFFICE	418	142	560	0	4,983	4,896	9,879	(9,879)
TOTALS	16,763	5,369	22,132	268,392	307,538	219,868	527,406	(259,014)

NOTE: 1. DIRECT EXPENSE IS CUSTODIAN/ATTENDANT EXPENSE, GALLERIA MANAGEMENT, LIBRARY INDIRECT CHARGES, UTILITIES, AND MAINTENANCE & REPAIR
 2. INDIRECT EXPENSE IS DEBT SERVICE, DEPRECIATION, AND CITY INDIRECT CHARGES.

Attachment 2
 Projected Revenues/Expenditures

ESTIMATED INCOME FOR LIBRARY GALLERIA

	GALLERIA		MEETING ROOMS		BALCONY		FORECOURT		CAFE		TOTAL INCOME
	RENTAL	FOOD/BEV.	RENTAL	FOOD/BEV.	RENTAL	FOOD/BEV.	RENTAL	FOOD/BEV.	RENTAL	FOOD/BEV.	
DINNER	36,000	18,720	16,800	3,744			1,800				77,064
RECEPTIONS	23,220	8,100			2,700	900					34,920
LUNCHEON	33,540	7,800	9,600	2,160							53,100
BREAKFAST	16,770	5,200	7,200	1,440							30,610
SEMINARS			25,200	2,880							28,080
LEASE									33,518		33,518
TOTAL	109,530	39,820	58,800	10,224	2,700	900	1,800		33,518		257,292

Attachment 4

PROJECTED GALLERIA COMPLEX SAMPLE EVENT REVENUES/EXPENDITURES

Reception/Banquet: 5PM - 12 MIDNIGHT (7 hours), 300 in attendance

ESTIMATED REVENUE

Facility Charges	\$	
Library Galleria Main Space	\$	1,150
Library Galleria Exterior Forecourt	\$	150
Library Galleria Balcony	\$	525
Library Meeting Rooms (2) adjacent to Galleria	\$	650
Sub-Total Facility Charges	\$	2,825
Food/Drink Revenue (10% of Total):		
Percentage Revenue from Dinner Catering	\$	600
Percentage Revenue from Bar Service	\$	180
Sub-Total Revenue from Food/Drink Sales	\$	780
TOTAL ESTIMATED REVENUE FROM EVENT	\$	3,605

ESTIMATED EXPENDITURES

Direct Costs:		
40 hours custodial service, includes set-up, take-down and clean-up	\$	583
16 hours security service for 1st and 2nd floors	\$	269
Galleria Staff time to organize event	\$	880
Sub-Total Direct Costs	\$	1,732
Indirect Costs:		
Maintenance and Repair	\$	338
Utilities to heat/cool facility during use period	\$	573
Library overhead charges (17.66 % of direct costs)	\$	306
City overhead charges (13% of direct costs)	\$	225
Debt service	\$	1,651
Depreciation	\$	660
Sub-Total Indirect Costs	\$	3,753
TOTAL ESTIMATED EXPENDITURES FROM EVENT	\$	5,485

NOTE: Liability insurance for events will be required and paid for by facility users. Library will not maintain inventory of specialized equipment for events. Specialized equipment will be supplied and paid for by facility users.

POTENTIAL CUSTOMER LIST

CORPORATE AND COMMUNITY CONTACTS REQUESTING RENTAL OF LIBRARY GALLERIA FOR MAJOR EVENTS

- LOCAL BUSINESS AND CORPORATE ENTITIES
- NONPROFIT ORGANIZATION FUNDRAISERS
- STATE OF CALIFORNIA CONFERENCES, SEMINARS, FUNDRAISERS
- PROFESSIONAL MEETING PLANNERS' EVENTS
- UNIVERSITY AND PROFESSIONAL ASSOCIATIONS' EVENTS
- WEDDINGS
- COMMERCIAL CATERERS' EVENTS
- CALIFORNIA STATE LEGISLATIVE EVENTS
- SACRAMENTO PUBLIC LIBRARY FOUNDATION EVENTS
- FRIENDS OF THE LIBRARY EVENTS

REQUESTS FROM LOCAL HOTEL AND EVENT MARKETING MANAGERS REGARDING ONGOING BOOKING REFERRALS TO THE LIBRARY GALLERIA

- VISITORS AND CONVENTION BUREAU EVENT REFERRALS

SH:lm
A:92-033.sh

SACRAMENTO PUBLIC LIBRARY

PROJECT FOR PUBLIC SPACES

I. Introduction

Purpose of Report

As part of its work with the City of Sacramento in the revitalization of the downtown area, Project for Public Spaces, Inc. (PPS) was asked by the Director of the Sacramento Library to consider the relationship of the Central Library and the adjacent Library Galleria to this effort. The following issues were identified as critical in achieving this goal: the potential of the Library Galleria in helping to establish a positive image for both the Library and the downtown; the potential role of the Library in the current downtown revitalization effort, particularly as it relates to Plaza Park; and opportunities for generating revenues in the Library Galleria that could in turn, make it possible to have cultural activities there for the broader community.

Approach

The following aspects of the Library project were considered in looking at the potential role of the Library in the downtown revitalization effort:

- o The Library's current proposal for renting space for convention related as well as local events and potential revenues that could be generated as a result of this activity;
- o Activities that could occur jointly between the Library and other downtown organizations;
- o Opportunities for the Library to be involved in Plaza Park;
- o Relationship of the Library and Library Galleria to the downtown revitalization effort and goals of the Urban Design Plan.

.. II. About PPS

Project for Public Spaces, Inc. (PPS) is a not-for-profit organization that is specifically concerned with the revitalization of downtown areas through the

development of active, usable public spaces. PPS works with communities in both large cities and small towns throughout the United States to develop strategies for utilizing public spaces to bring activity to downtown areas. Since 1975, PPS has worked in 150 cities on over 300 public space related projects.

In addition to its project work, PPS also undertakes special projects in areas such as public markets, transportation issues, the development of community planning tools, etc. Currently PPS is involved in a project with the Public Library Association in which experts in the fields of arts and cultural programming and representatives of libraries from a different parts of the country have met in a workshop to begin to identify ways that libraries can have a greater impact on their communities. The participating libraries will then become demonstration projects in implementing many of the ideas that were developed during the workshop. The Sacramento Library, which participated in the initial workshop, is also appropriate as a demonstration project both because of its location within a mixed use development and because of the unique opportunities provided by the Library Galleria.

PPS is also currently involved with the City of Sacramento in developing a plan for the rehabilitation of Plaza Park and has reviewed and made recommendations for other downtown projects including the Convention Center and Hahn Company projects. The objective in this work is to recommend how the public spaces that are part of these projects can be designed so that they are well-used and function effectively in attracting people to use the downtown.

III. Issues

Within the above context the following issues are important for the City to consider in looking at how the Library can have an impact on increasing downtown activity.

Image

The Library Galleria provides a strong physical presence for the Library which, if used effectively, can contribute a great deal in creating a very positive image for the Library as an educational institution. The activities that can potentially occur in the Library Galleria during the day and particularly in the evening, the lighting of the space at night, and its exterior banners, signage and other amenities will all help to contribute to the idea that the Library is a place that welcomes people to visit and to learn.

Relationship of the Library to Downtown Revitalization

The location of the Library, connected to the office building and adjacent to Plaza Park and City Hall makes this area a major anchor of downtown activity along with

other centers such as the Hahn Company project, Old Sacramento and the Convention Center. In order to attract people back to the downtown area, the owners and managers of these projects need to program activities that both residents and tourists will be interested in attending. They also need to work together and to build off each other. For example, the revenue generating uses have been suggested for the Library Galleria can help in attracting convention business. Another example is the Library cafe which will benefit both area employees and the Library. In addition, the availability of a catering service offered by the cafe could serve as a valuable asset in marketing the space for large fee-based events.

Similar activities have been undertaken by institutions in other cities. In New York, the Public Library has been successful in generating activity with its gift shop, outdoor cafe and Christmas gift market. The Metropolitan Museum of Art in New York, in addition to its renowned gift shop, has initiated a Friday and Saturday evening event program with entertainment, a cafe, and special museum exhibits. In Houston, Texas, the NCNB Bank, which also has a Galleria uses the space for a variety of exhibits, events and receptions which have helped to attract people both to the Bank and to the downtown in general. Many other institutions across the country are following the lead of these examples by adding or considering activities of this kind.

The City of Sacramento's 1987/88 Urban Design Plan identified the need for public event space in the downtown core adjacent to Plaza Park which could function as the "City's Living Room". The Library Galleria along with Plaza Park provides a unique opportunity to be this living room for both the community and for visitors, particularly with the availability of adjacent parking and the planned retail services, events and performances. In conjunction with Plaza Park events, an indoor space would be especially useful during inclement weather and in the evenings. In order for this effort to be successful, the Library and other downtown interests need to work together in developing a consistent year-round program of activities in both spaces.

There are also programs that the Library has already initiated that can be incorporated into future Park activities. For example, the Friends of the Library could organize and/or participate in programs such as the sale of used books, children programs, special readings by authors new works, etc. These events could occur both in the Galleria and in the Park. Other programs could be developed jointly with the Downtown Partnership as part of the activities of the Cultural and Entertainment District.

Revenue Generating Opportunities

It is clear that an elegant and prominently located space such as is provided by the

Library Galleria is needed in the downtown, particularly for formal events and for activities which would occur in the evenings and on weekends.

The following represents some of the potential revenue generating opportunities, some of which have been proposed in the Library's plan for utilizing the space:

Fee based events

- o Concerts and other performances
- o Craft and art shows
- o Retail related fashion shows
- o Fundraisers for the Library and other cultural organizations

Sponsored events

- o Exhibits of specific products related to learning such as computers, publishing, and educational materials.

Private rentals

- o Corporate parties
- o Receptions

Convention related events

- o Receptions related to conventions such as the Public Library Association, Museum conferences, and others.
- o Exhibits related to conventions as a way to broaden the appeal of Sacramento as a place to have a conference.
- o Alternative-conference/event space for the Sacramento hotel industry, Visitors and Convention Bureau, etc.

Retail activities

- o Opportunity for the Library to rent carts to area retailers who want downtown exposure and to incubate new retail uses which can then be located in other areas of the downtown. (This would be especially attractive to retailers who could increase their visibility to potential new customers during special events)
- o Retail uses such as books, beverages, gifts, etc. would provide a complementary service to Library users and an option for employees at lunchtime. This would also provide an incentive for people to use the Library

Educational programs

- o Workshops for teachers can be held in Library spaces and related receptions held in the Galleria.
- o Corporate training programs
- o Business seminars

Community-based Cultural Activities

The revenues generated from the above can be used to supplement the use of the Library Galleria for other activities such as those outlined below:

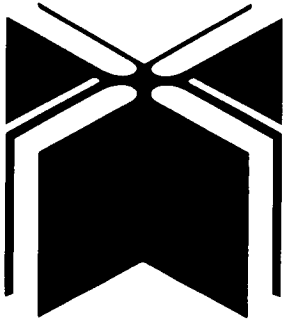
- o Cultural and educational programs presented by the Library to develop community awareness and use of the Library's services and collections
- o Cultural events by different ethnic groups
- o Community meetings and receptions

Library Galleria Impact on the Marketability of Downtown Development

The activation of the Library Galleria, in concert with the development of Plaza Park, can become a substantial bonus to downtown office development and marketability of the area.

IV. Conclusion

The City of Sacramento has already shown tremendous foresight in electing to expand the Library in its present location and has made a sizable economic investment in this commitment to the revitalization of the downtown. However, as has been emphasized in this report, to make this vision a reality, a major effort needs to be undertaken by the Library management to develop uses for the Library Galleria. If used effectively and creatively, the Library Galleria provides a unique opportunity for the City to make a significant impact on the downtown revitalization effort. And although the Library's proposed plan for utilizing the Library Galleria will help to defray its operating costs, it is not possible to use a direct cost/benefit ratio in measuring the potential effect that the use of the space could have on the improving the image of the City overall.



Sacramento Public Library

828 I Street
Sacramento, CA 95814-2589
916-440-5926
FAX: 916-440-9638

REQUEST FOR PROPOSALS
LIBRARY GALLERIA CAFE AND CATERING SERVICE
JUNE 1992

SACRAMENTO PUBLIC LIBRARY
828 I ST.
SACRAMENTO, CA 95814

June 15, 1992

Dear Prospective Proposer:

The City of Sacramento is inviting proposals for the following:

- Operation of a cafe
- Operation of a catering service

The Cafe and/or Catering activity will occur in the new "Central Library Expansion Project" located at 828 I Street. The food service activities will occur in the 2,069 square foot Library Galleria Cafe (facing 9th street between I street and J street). The lease for the Cafe will include approximately 400 square feet of outdoor seating area. The catering activities will occur in the adjacent 5,700 square foot Library Galleria and in two 1,500 square foot meeting rooms adjoining the Library Galleria.

The 160,000 square foot Central Library is scheduled to open to the public in July 1992.

It is the intent of the City to select one operator for the Cafe and to select a maximum of three operators who will be authorized to provide catering services for the Library Galleria and adjacent spaces.

In soliciting proposals, it is the intent of the City of Sacramento to provide the best possible food and drink service in the Library Galleria Cafe and for all catered events. The award will be made to the best possible proposer(s) who, as determined by the City Council, will operate the Cafe and/or catering service within the requirements of the lease/contract and in the best interests of the City of Sacramento, the Sacramento Public Library, and the public.

Questions regarding the Request for Proposal process should be addressed to Susan Hildreth, Deputy Library Director, Sacramento Public Library, (916) 440-5926. Proposal deadline is July 31, 1992.

We look forward to receiving your proposals.

Sincerely,

Richard M. Killian
Library Director

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SUMMARY

The City of Sacramento, Sacramento Public Library, seeks to award a lease for the operation of a cafe in the Library Galleria and to award a contract to a maximum of three operators to provide catering services in the Library Galleria and adjacent spaces.

The Library Galleria is an integral part of the new Central Library, that is a key to the revitalization of the Downtown District. The Galleria Complex, referred to as the "City's Living Room", offers a variety of spaces that will support public education, provide an opportunity for collaborative programming with community groups and offer rental space that will enhance the marketability of the Downtown District for business and recreational use.

REQUIREMENTS

The successful cafe operator proposer shall be required to:

1. Work closely with the Library staff and other appropriate City staff on the design of the Cafe interior.
2. Completely equip the leased premises at own expense, including required tenant improvements.
3. Pay rent and/or percentage of food and beverage gross sales from cafe activities to the City as proposed.
4. Develop and implement a sales and marketing program for the cafe.
5. Pay all applicable taxes including possessory interest tax as applied by the City and County of Sacramento.
6. Obtain applicable certificates, licenses, permits, and insurance.
7. Negotiate a lease to be executed with the City of Sacramento.

The successful catering services proposer(s) shall be required to:

1. Work closely with the Library staff on event coordination in catering spaces.
2. Pay percentage of food and beverage gross sales from catering activities to the City as proposed.
3. Develop and implement a sales and marketing program for the catering service.
4. Pay all applicable taxes as applied by the City and County of Sacramento.
5. Obtain applicable certificates, licenses, permits, and insurance.
6. Obtain an alcoholic beverage license for catered events.
7. Negotiate a contract for catering services to be executed with the City of Sacramento.

ABOUT THE CENTRAL LIBRARY AND LIBRARY GALLERIA

CENTRAL LIBRARY

The new Central Library is an architecturally stunning structure and is considered to be one of the City's premier buildings. The Central Library Expansion Project was designed to house the Central Library and Sacramento Public Library administration. The 160,000 square foot complex occupies an entire half block between 8th and 9th streets fronting on I street. The Library Galleria occupies the east end of the building and is situated facing the City Plaza, a square block park.

The Library and Library Galleria will draw patrons and customers from the government buildings to the north and from office and retail stores to the south. The Library is a major information resource center for Northern California and is expected to attract 800,000 to ONE MILLION users from throughout the County and surrounding region.

A new, twenty-six story office structure, Plaza Park Tower, is located next to (south) of the Cafe space portion of the Library Galleria. An adjoining seven-story parking structure provides ample parking for Central Library and Library Galleria visitors.

Within a one block radius of the Central Library is the County Government Center, downtown Post Office, City Hall, two additional office towers, and various retail shops.

LIBRARY ORGANIZATION

The Sacramento Public Library is composed of 2 bookmobiles, 21 branch libraries, 2 regional libraries, and the Central Library. The Central Library Expansion Project houses the Central Library, system administration, and the Library Galleria complex, with a resident staff of approximately 150.

Operation of the Library Galleria complex will be handled through the Community Relations Division of the Library Department. The Library Community Relations Division anticipates providing various client services, from booking events through contracting and coordinating physical setups and monitoring events whenever appropriate. Staff for the Galleria include a full-time Galleria Manager, a part-time Public Information Coordinator and a Part-time typist-clerk.

LIBRARY GALLERIA AND CAFE

The Library Galleria is a four story, 5,700 square foot atrium-like space with a 3,000 square foot balcony above. Two 1,500 square foot meeting rooms (with kitchenettes) capable of seating 150 people lecture style adjoin the Galleria space and are available to cater small events.

The purpose of the Sacramento Public Library Galleria space is to provide a quality facility for public cultural/educational events; rental use by community members, organizations and businesses, and visiting conventioners; and passive use by the general public.

The Library Galleria will be an attraction for catered events such as weddings, tradeshow, business meetings, gala community fund-raisers, and more. The Library Galleria will seat approximately 300 at a sit down meal. The balcony will serve an additional 60 and each meeting room 70-100. Stand-up receptions in the Galleria and balcony could accommodate 300-500.

The 2,069 square foot cafe space has an adjacent foyer and restrooms. The women's restroom has 3 stalls, the men's one stall and two urinals. A public telephone is installed in the foyer.

CAFE

Space available for lease as a cafe covers approximately 2,069 square feet. Space occupies the south side of the Library Galleria with separate entrances from 9th street and from the Library Galleria. Space is totally unimproved.

The cafe space is an unimproved shell WITHOUT the following:

- HVAC
- SUSPENDED CEILING
- ELECTRIC LIGHT FIXTURES
- GAS STUBBED TO SPACE
- ELECTRIC STUBBED TO SPACE
- GAS OR ELECTRIC METERS

A cold water line and waste water line are located immediately below the cafe space in the basement. The concrete and rebar floor must be cored to connect to the cold water line and waste water line.

A portion of the cafe space extends out from the building with a metal roof inset with a central skylight.

Prospective proposers are required to observe, firsthand, the parameter and operational capabilities of the cafe lease space as currently structured at the facility.

CATERING

The Library Galleria is a 5,700 square foot, rectangular, 4 story atrium with an arched glass and panel roof.

A balcony of approximately 3,000 square feet surrounds the main Galleria floor. Galleria has two public restrooms located on the south side of the main floor.

The women's restroom has three stalls and men's restroom has one stall and two urinals. Restrooms are accessible from a foyer connected to both the cafe space and main Galleria floor. Cafe space has a double door access to the Galleria.

Immediately adjacent to the Library Galleria on the north side of the main floor are two 1,500 square foot meeting rooms. Each meeting room has a kitchenette with sink and dishwasher. Meeting rooms are separated by a foyer which contains two, one stall restrooms with sink.

All restrooms are handicapped accessible. The meeting rooms are also accessible to the public through an entry at 8th and I Streets.

Prospective proposers are required to observe, firsthand, the parameter and operational capabilities of the catering spaces as currently structured at the facility.

MEASURED DRAWINGS

Measured drawings of the cafe space and catering areas are available for a fee from:

Brownie's Blueprint Company Inc.
1322 V Street
Sacramento, California 95818
(916) 443-2825

Refer to Sacramento Public Library Cafe and Catering Spaces when ordering drawings.

REQUIREMENTS FOR OPERATORS

REQUIRED TENANT IMPROVEMENTS TO CAFE SPACE

Cafe:

Operator shall provide leasehold improvement and install and maintain the equipment/furnishings indicated in their proposal.

The equipment/furnishings shall be new or in excellent condition and installation thereof will be made and it will be operational and/or in place no later than six months after final permits issued.

The Library Director shall have the authority to reject replacement equipment that will detract from the aesthetic appearance of the premises.

The operator shall be responsible for all modifications to the leased space and making all equipment connections in accordance with all building and health codes, statutes and ordinances.

No tenant improvements, equipment, or furnishings are provided by the Sacramento Public Library for the cafe space. Minimum tenant improvements, equipment, and furnishings required to be installed by operator is as follows:

1. Interior furnishings for cafe space (tables, chairs, counters, cabinets).
2. Wall & Window treatments for cafe space.
3. HVAC & ducting for cafe space.
4. Install gas and electric meters in appropriate Library utility room and run gas and electric service from meters to cafe space.
5. Install suspended ceiling and electric light fixtures for cafe space.
6. Connect to cold water line below concrete and rebar floor for cafe space.
7. Install hood, exhaust fan, and exhaust ducting to roof (if cooking of any kind is planned) in cafe space.
8. Install floor treatment in cafe space.
9. Connect to waste water line below concrete and rebar floor for cafe space.
10. Provide interior and exterior signage. Signage must be approved by the Director or his designated representative.

OPERATIONAL REQUIREMENTS

Cafe:

1. Alcohol License: The operator may apply for and purchase at his/her expense the required alcoholic beverage permits and licenses expressly for the Facility and the Operator shall use them subject to the provisions of the alcoholic beverage laws of the State of California.

A beer and wine license is desired but not mandatory for operation of the cafe space. Beer, wine, and distilled spirits will only be sold at the discretion of the Library Director.

2. Minimum hours for operation of the cafe will be 7 A.M. to 3 P.M. Operation past 3 P.M. will be at the option of the operator.
3. Cafe will be designed as an upscale cafe to match the architectural and interior design of the Library Galleria. Design must be approved by the Library Director or his designated representative.
4. As a requirement of the lease, food packaging for prepared goods shall be biodegradable. No styrofoam products shall be permitted.
5. Sale of tobacco products is prohibited.

Catering:

1. Alcohol License: The operator shall apply for and purchase at his/her expense the required alcoholic beverage permits and licenses expressly for the Facility and the Operator shall use them subject to the provisions of the alcoholic beverage laws of the State of California.

A beer and wine license is required. Violation of this provision affords the City the right to cancel the agreement without notice. Service of beer, wine, and distilled spirits shall be the exclusive right of the Operator, with specific exceptions.

Beer, wine, and distilled spirits will only be sold at the discretion of the Library Director at catered events deemed suitable.

2. If proposing a catering agreement provide all china, glassware, flatware, serving dishes, beverage dispensers, linen tablecloths, linen napkins, table top identification system, and portable wet bars. Quality of these items is to be approved by the Library Director or his designated representative.
3. Operator must be able to cater a sit down breakfast, lunch, and/or dinner for a minimum of 350 people.
4. Sale of tobacco products is prohibited.

FINANCIAL TERMS

A. Financial Structure of Agreement

The Agreement between the City of Sacramento and Operator will be financially constructed in the following manner:

1. Cafe lease agreement
2. Catering agreement

PROPOSERS ARE STRONGLY ENCOURAGED TO SUBMIT PROPOSALS COVERING BOTH FINANCIAL AGREEMENTS.

Examples of proposals may include:

1. Cafe proposal only
2. Catering proposal only
3. Cafe and Catering proposals from the same operator

Each of the financial structure alternatives are described in more detail below.

B. Cafe Lease Agreement

Operator may propose and pay a lease amount based on a per square foot per month payment or a percentage participation of gross sales or a combination of per square foot per month payment combined with a percentage participation of gross sales as described in "Proposal Submission Requirements".

C. Catering Agreement

Operator shall propose and pay to the City of Sacramento as outlined in "Proposal Submission Requirements" percentages of all Gross Receipts on a monthly basis from the following categories of Gross Receipts:

1. Catered food and nonalcoholic beverages
2. Catered alcoholic beverages

INSURANCE AND INDEMNIFICATION REQUIREMENTS

During the duration of the Agreement(s), Operator shall maintain the following noted insurance:

<u>Coverage</u>	<u>Amount Required</u>
Broad Form Comprehensive Liability	\$ 1,000,000
Business Auto Liability	1,000,000
Worker's Compensation	1,000,000
Professional Liability (Errors & Omissions)	1,000,000
Liquor Liability	1,000,000
Fire Insurance with extended coverage to include vandalism and malicious mischief	1,000,000

Lessee shall name the City of Sacramento as "Additional Insured" under these policies and shall indemnify and hold harmless the City, its officers, employees, agents, and volunteers. Insurance policy minimums may be subject to future adjustment during the term of the lease. Other forms of assurance may be required or negotiated as part of the final agreement.

PRICES

All catering prices and price increases must have prior approval of the Director.

TERM OF CONTRACT

Cafe:

The term of the agreement shall be part of the proposal. Initial term shall be for a minimum period of five (5) years beginning on or about September 1, 1992. Proposers may propose a renewal period for the cafe agreement not to exceed 5 years.

Catering:

The term of the agreement shall be part of the proposal. Initial term shall be for a maximum period of three (3) years beginning on or about September 1, 1992.

UTILITIES

Operator shall provide gas, electricity, and water services for use by operator in the cafe space.

City shall provide existing gas, electricity, and water services for use by Operator in the catering areas for Operators proposing a catering agreement.

SELECTION CRITERIA

The following criteria will be used to evaluate proposals and potential operations for the Library Galleria cafe and catering services. Selection of the successful proposal(s) will be based on the operator that most completely meets the following criteria and can fulfill the objectives of the City of Sacramento.

I. Proposer's Experience

- A. Proven experience as a food service operator as verified and supported by references, letters, and other supporting evidence.
- B. Minimum of four business or professional references.
- C. Experience working with groups and associations (if proposing a catering agreement).
- D. Demonstrated ability to operate a business for the safety, convenience, and enjoyment of the general public.

II. Method of Operations

- A. Ability to provide appropriate product and service to the public.
- B. Proposed operation and menu plan.
- C. Quality of proposed equipment and services.
- D. Quantity of proposed equipment and services.
- E. Plans for advertising and promoting food and beverage service.

III. Organization and Management Approach

- A. Clear lines of responsibility so that City can rely on proposer to be responsive.
- B. Adequacy of proposed staffing plan to provide quality services.
- C. Qualifications and experience of key personnel assigned.

IV. Proposed Contract Fee to City

- A. Percentage return to City.
- B. Dollar return to City.
- C. Reasonableness of proposed rent.

- D. Quality and adequacy of tenant improvements.
- V. Financial Responsibility
 - A. Demonstrated line of credit necessary to equip and operate the lease facilities.
 - B. Proposed method of financing.
 - C. Reasonableness of estimates of gross receipts.
- VI. Proposers proposing both cafe and catering agreements may be considered more favorably than proposers proposing only cafe operation or only catering services.
- VII. Proposals will be reviewed by a selection committee comprised of the following:
 - 1. Two representatives from the Library
 - 2. One representative from the Finance Department
 - 3. One representative from the Parks and Community Services Department
 - 4. One representative from the Community/Convention Center
 - 5. One representative from the Downtown District
 - 6. One representative from a local food service operation

This committee will make recommendations to the City Council regarding proposals, if any, that may be considered for the contracts for the cafe operation or catering services.

PROPOSAL SUBMISSION REQUIREMENTS

Sealed proposals (one original and four copies) must be submitted to Library Administration, Sacramento Public Library, 828 I St., Sacramento, CA 95814, by 5:00 p.m. on Friday, July 31, 1992. Please make sure that all required data is furnished and all items are completed in full.

An on-site inspection will be required for all proposers on Tuesday, June 30, 1992. Proposer must provide for their travel and related expenses in connection with on-site inspection of the facilities.

Proposals shall be submitted in the format outlined below:

REQUIRED INFORMATION ON PROPOSER

Proposals shall contain the following information relating to the experience and financial capabilities of the proposer:

- * The name, address and form of the proposer's entity as well as the name, address and telephone number of the proposer's representative.
 - Identification and description of the individuals/entities who will be involved; and, if applicable, indicate corporate relationships and affiliations (subsidiaries, parent company, etc.)
 - A description of the roles of each key individual/entity involved in the development and future operation of the cafe and/or catering service.
 - Identification of the individual who will execute the lease agreement.
 - Identification of on-site manager(s) and provide resume and qualifications.

- * Proposer's previous experience in conducting similar enterprises as well as resumes of company principals.
 - Identify similar existing or previous operations, indicating name, location, square footage, number of seats, and annual sales volume.

- * General financial information, including:
 - Source(s) of project funding with confirming documentation.
 - Credit references.
 - Financial summary of similar existing operations

- * References as outlined below:
 - Four persons or firms with whom you have conducted business transactions within the last three years. At least two of the references are to have knowledge of your debt history.

REQUIRED OPERATIONAL INFORMATION

The proposer shall provide the following information relating to the proposed tenant improvements for the cafe and operating plan for the cafe and/or catering service:

- * A description of your specific plan for operation of the Sacramento Public Library Galleria cafe and/or the Library Galleria catering service. Include in your proposal an illustration of your interior design concept, interior/exterior signage plan, proposed hours of operation for cafe, if applicable.
- * A tenant improvement production schedule or timeline, if applicable.
- * A description of proposed food and beverage service, including menu and pricing structure, for cafe and/or catering service.
- * An estimate of gross receipts for the five-year contract projected by category for cafe operation and/or catering service.
- * A description of your proposed staffing plan (including serving rates).
- * A description of any advertising/marketing plans.
- * Provide a copy of employee handbook.
- * Discuss any optional services and uses which you will seek permission to provide.

REQUIRED FINANCIAL PROPOSAL

This proposal form must be submitted as outlined below in addition to the "Required Information on Proposer" and the "Required Operational Information".

FINANCIAL PROPOSAL

A. The undersigned agrees to execute a contract with the City of Sacramento to operate the Facilities or Services as generally set forth in the specifications.

B. The undersigned further agrees to pay to the City of Sacramento on a monthly basis the following, based on each of the alternative financial structures:

1. Cafe Lease Agreement (proposer may propose "a" alone, "b" alone, or a combination of "a" and "b". Leave blank if you are NOT proposing cafe agreement.)

a. \$ _____ per square foot per month.

b. _____% of gross sales of food and nonalcoholic beverages and _____% of gross sales of alcoholic beverages over and above \$ _____ total gross sales of food, nonalcoholic beverages, and alcoholic beverages.

c. _____% Gifts, sundries and all other sales Gross Receipts not elsewhere classified

d. Term of Cafe Lease Agreement

(1) _____ years (5 years minimum)

(2) _____ years renewable option (5 year maximum)

2. Catering Agreement (leave blank if you are NOT proposing a catering agreement)

a. _____% of Catered Food and Non-Alcoholic Beverage Gross Receipts

b. _____% Alcoholic Beverages Gross Receipts

c. _____% Gifts, sundries and all other sales Gross Receipts not elsewhere classified.

d. Term of Catering Agreement

(1) _____ years (3 years maximum)

- C. The undersigned agrees to provide a minimum capital investment of \$ _____ for: (leave blank if you are NOT proposing a cafe agreement.
1. Furniture, Fixtures, and Equipment (tables, chairs, window and floor treatments, food and beverage related equipment) \$ _____
 2. Tenant improvements as previously noted (suspended ceiling, electric light fixtures, HVAC, cold and waste water connections, installation and connection to gas & electric meters, etc.) necessary and/or required to render the Library Galleria Cafe space operational \$ _____.
- D. The undersigned agrees to provide a minimum capital investment of \$ _____ during the renewable term.
- E. Operator shall provide Director or his/her designated representative with the following:
1. Copy of the Operator's Employee Handbook.
 2. A statement identifying the sources to be used for obtaining nonmanagement labor.
 3. The entry-level and orientation programs outline for all customer-contact personnel.
- F. If selected as Cafe Operator and/or Catering Operator for the Sacramento Public Library, I/we agree to abide by all the terms and conditions of the Proposal Specifications, any Addenda issued by the Sacramento Public Library and the Agreement.

Name Title

Firm or Company

Street Address

City, State, Zip Code

Telephone Number

Date

PROPOSAL REVIEW PROCESS

This section provides further information on the schedule and selection process for the Proposals. For further information, proposers are encouraged to contact Susan Hildreth, Deputy Director, Sacramento Public Library, 828 I St., Sacramento, CA 95814, at (916) 440-5926. The City reserves the right to modify the process and timeline as necessary.

REVIEW PROCESS

The selection process will include both an evaluation of the proposals by a selection committee and reference reviews. The process may also include a personal interview by the selection committee and menu sampling. The City reserves the right to seek supplementary information from any proposer at any time after the proposal deadline and before the final selection. Such information will be limited to clarification or amplification of material contained in the original proposal. The City reserves the right to reject any and all proposals.

Upon conclusion of the proposal evaluation process, the selection committee will make a recommendation to the City Council as to the competitiveness of the proposals and may seek authorization to negotiate contracts with a designated proposer or proposers. You will be notified of the recommendation prior to it being forwarded to City Council. Depending on Council direction, a negotiation period may begin with the preferred proposer(s).

TIMETABLE

June 15, 1992	Request for Proposal available from the Sacramento Public Library, 828 I St., Sacramento, CA 95814.
June 30, 1992	Mandatory walk-through for proposers will be held Tuesday, June 30, 1992, at 828 I St. Sacramento, CA. Contact Susan Hildreth, 916-440-5926, for further information.
July 31, 1992	Proposals must be received by 5:00 p.m. at Library Administration, Sacramento Public Library, 828 I St., Sacramento, CA 95814.
August 3, 1992	Proposal review process
August 10, 1992	Interviews tentatively scheduled
August 25, 1992	Recommendation to City Council regarding proposals
August 25 - September 8, 1992	Negotiate contract
September 22, 1992	City Council award of contract

SACRAMENTO CITY COUNCIL

Anne Rudin, Mayor
Heather Fargo, District 1
Lyla Ferris, District 2
Josh Pane, District 3
Thomas Chinn, District 4
Joe Serna, Jr., District 5
Kim Mueller, District 6
Terry Kastanis, District 7
Lynn Robie, District 8

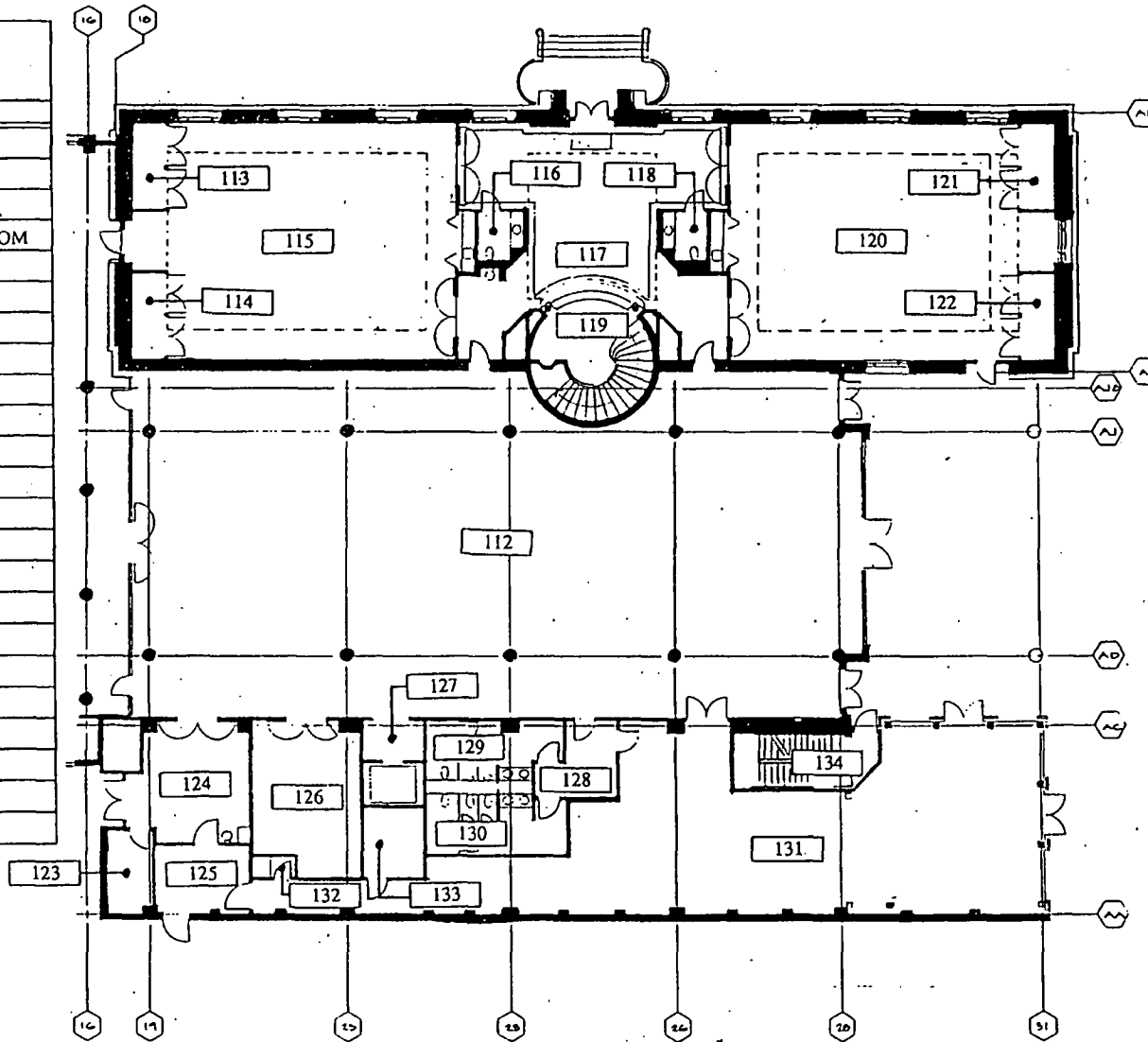
Walter J. Slipe, City Manager
William H. Edgar, Assistant City Manager
David Martinez, Deputy City Manager
Jack Crist, Deputy City Manager
Robert P. Thomas, Deputy City Manager

SACRAMENTO PUBLIC LIBRARY

Richard M. Killian, Director
Janet Larson, Assistant Director
Susan Hildreth, Deputy Director
Rick Hiseley, Fiscal Officer
Mary Mijares, Community Relations Coordinator

FIRST FLOOR - EAST

Room No.	Room Name
112	LIBRARY GALLERIA
113	STORAGE
114	STORAGE
115	FRIENDS OF THE LIBRARY ROOM
116	RESTROOM
117	LOBBY
118	RESTROOM
119	STAIRWAY
120	PETER McCUEN ROOM
121	STORAGE
122	STORAGE
123	JANITOR'S ROOM
124	FOYER
125	TRASH ROOM
126	GIFT SHOP
127	VESTIBULE
128	VESTIBULE
129	MEN'S
130	WOMEN'S
131	LEASE SPACE
132	JANITOR'S CLOSET
133	ELECTRICAL ROOM
134	STAIRWAY #3



FIRST FLOOR - EAST

CATERING SPACES: 112, 115, 120

CAFE LEASE SPACE: 131, 132



FACILITY DEVELOPMENT
 • Architecture
 5730 24th Street
 Building #1
 Sacramento, CA
 95822-3699
 (916) 449-5977

CC
DATE
PROJ. MGR.
PROJ. NO.

CITY OF SACRAMENTO

DEPARTMENT OF GENERAL SERVICES
 FACILITY MANAGEMENT DIVISION

EXHIBIT A

6

RESOLUTION NO. 92-410

ADOPTED BY THE SACRAMENTO CITY COUNCIL

ON DATE OF _____

RESOLUTION APPROVING THE OPERATIONS PLAN FOR THE OPERATION OF THE LIBRARY GALLERIA COMPLEX

BE IT RESOLVED BY THE COUNCIL OF THE CITY OF SACRAMENTO that the operations plan presented by the Library Department for operation of the Library Galleria Complex is approved for implementation.

MAYOR

ATTEST:

CITY CLERK

APPROVED
BY THE CITY COUNCIL

JUN 09 1992

OFFICE OF THE
CITY CLERK

FOR CITY CLERK USE ONLY

RESOLUTION NO.: _____

DATE ADOPTED: _____

AMENDED

RESOLUTION NO.

92-411

ADOPTED BY THE SACRAMENTO CITY COUNCIL

ON DATE OF _____

RESOLUTION APPROVING THE PROPOSED FEE SCHEDULE FOR RENTAL OF SPECIFIC AREAS IN THE LIBRARY GALLERIA COMPLEX

BE IT RESOLVED BY THE COUNCIL OF THE CITY OF SACRAMENTO that:

1. The proposed fee and charge report for specific areas in the Library Galleria Complex is approved.
2. The Library identify one or two rooms that would be available for use by the community free of charge during Central Library open hours.

MAYOR

ATTEST:

CITY CLERK

FOR CITY CLERK USE ONLY

RESOLUTION NO.: _____

DATE ADOPTED: _____

RESOLUTION NO. 92-411 as amended

ADOPTED BY THE SACRAMENTO CITY COUNCIL

ON DATE OF _____

**RESOLUTION APPROVING THE PROPOSED FEE SCHEDULE FOR RENTAL
OF SPECIFIC AREAS IN THE LIBRARY GALLERIA COMPLEX**

BE IT RESOLVED BY THE COUNCIL OF THE CITY OF SACRAMENTO that the proposed fee and charge report for specific areas in the Library Galleria Complex is approved.

MAYOR

ATTEST:

CITY CLERK

APPROVED
BY THE CITY COUNCIL

JUN 09 1992

OFFICE OF THE
CITY CLERK

FOR CITY CLERK USE ONLY

RESOLUTION NO.: _____

DATE ADOPTED: _____

AMENDED

RESOLUTION NO. *912-412*

ADOPTED BY THE SACRAMENTO CITY COUNCIL

ON DATE OF _____

RESOLUTION AUTHORIZING A REQUEST FOR PROPOSALS FOR A CAFE AND/OR CATERING OPERATOR FOR THE LIBRARY GALLERIA COMPLEX

BE IT RESOLVED BY THE COUNCIL OF THE CITY OF SACRAMENTO:

1. That the selection criteria for a cafe and/or catering operator for the Library Galleria Complex is hereby approved.
2. That the Library Department is hereby authorized to issue a request for proposals (RFP) for a cafe and/or catering operator for the Library Galleria Complex.
3. That language be included in the RFP which would give preference to local (City) proposers.
4. That language be included in the RFP allowing the proposer to replace the colored glass in the Cafe space with clear glass.

MAYOR

ATTEST:

CITY CLERK

FOR CITY CLERK USE ONLY

RESOLUTION NO.: _____

DATE ADOPTED: _____

RESOLUTION NO. 92-412 as amended

ADOPTED BY THE SACRAMENTO CITY COUNCIL

ON DATE OF _____

RESOLUTION AUTHORIZING A REQUEST FOR PROPOSALS FOR A CAFE AND/OR CATERING OPERATOR FOR THE LIBRARY GALLERIA COMPLEX

BE IT RESOLVED BY THE COUNCIL OF THE CITY OF SACRAMENTO:

1. That the selection criteria for a cafe and/or catering operator for the Library Galleria Complex is hereby approved.
2. That the Library Department is hereby authorized to issue a request for proposals for a cafe and/or catering operator for the Library Galleria Complex.

MAYOR

ATTEST:

CITY CLERK

APPROVED
BY THE CITY COUNCIL

JUN 09 1992

OFFICE OF THE
CITY CLERK

FOR CITY CLERK USE ONLY

RESOLUTION NO.: _____

DATE ADOPTED: _____