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APPROVED
BY THE CITY COUNCIL

JUL 3 1990

OFFICE OF THE
CITY TREASURER

THOMAS P. FRIERY
TREASURER

MICHAEL L. MEDEMA
ASSISTANT TREASURER

DONALD E. SPERLING
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CITY OF SACRAMENTO
CALIFORNIA

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FAX 916-448-3139

June 28, 1990
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Sacramento City Council
Sacramento, California

SUBJECT: Resolution Committing Up to \$200,000 to Make Improvements to
Competition Facilities in Connection with Hosting the 1992
United States Olympic Track and Field Trials

Honorable Members in Session:

SUMMARY

It is recommended that Council adopt the attached resolution which commits up to \$200,000 from the Community Center fund to make improvements to Hughes Stadium in connection with hosting the 1992 United States Olympic Track and Field Trials. The purpose of the guarantee is to provide assurance to the Athletics Congress/U.S.A. that funds will be available to make improvements to Hughes Stadium by the Sacramento Sports Commission. The Commission would like to present the resolution when making their oral presentation of their bid proposal on July 6-7, 1990.

Before money would be advanced to make improvements to Hughes Stadium, Sacramento would have first been selected as the host city and the execution of a repayment contract with the Sacramento Sports Commission would have taken place. If cash advances are made for improvements, the City will be repaid from the ticket sales and other revenues generated by the Sports Commission in hosting the Trials.

Sacramento City Council
June 28, 1990

BACKGROUND

On February 6, 1990, City Council adopted a resolution directing the Sacramento Sports Commission ("Commission") to submit a bid proposal for hosting the 1992 United States Olympic Track and Field Trials. Further, Council authorized the Commission to negotiate an agreement with the Athletics Congress/U.S.A. ("TAC/USA") to host the Trials should Sacramento be selected as the host city.

The Commission has submitted their proposal and will make an oral presentation of their proposal to TAC/USA in Chicago on July 6-7, 1990. In discussions with TAC/USA, the Commission has been questioned about assurance that certain improvements to Hughes Stadium would be made. The Commission would like to include in their oral presentation a guarantee from the City Council that the City is prepared to commit up to \$200,000 to make the necessary improvements to the stadium in the event that prior to the trials, revenue from advance ticket sales and other sources proves temporarily insufficient to cover all the cost of improvements.

The Commission has estimated that the cost to make those improvements will not exceed \$175,000. However, in order to provide assurance to TAC/USA, they have requested a \$200,000 guarantee from the City as evidence that sufficient funds will be available to complete the improvements.

FINANCIAL

Preliminary discussions with the City Treasurer centered around the possibility of obtaining a letter of credit or other commitment from a bank which would guarantee the improvements. However, insufficient time was available prior to July 6 to negotiate the terms of a bank-issued letter of credit. Further, a bank letter of credit would require the City to guarantee any payments advanced under the letter of credit. It was determined that it would be as effective and more expedient for the City to guarantee the improvements directly by committing up to \$200,000. The commitment will be honored only if Sacramento is selected as the host city for the Olympic trials and after a repayment contract is entered into with the Commission.

If Sacramento is selected, the City still retains the option to negotiate a letter of credit or other credit facility with a bank which would replace the City's direct commitment.

It is pointed out that the financial responsibility to pay for the improvements to Hughes Stadium is that of the Commission and not the City. It is stressed that the commitment of \$200,000 by the City provides assurance to TAC/USA that sufficient funds will be available to make the improvements prior to the Olympic Trials. However, the City is not assuming the responsibility to make those improvements.

Sacramento City Council
June 28, 1990

If it were necessary to draw upon the City's \$200,000 commitment, it is intended that the source of payment would come from transient occupancy tax in the Community Center fund. Payments advanced to make improvements would be repaid by the Commission from ticket sales and other revenue sources. At the present time Sacramento International Track and Field Association ("SITFA"), a non profit corporation, holds approximately \$50,000 from advance ticket sales on behalf of the Commission. Total ticket revenues have been estimated to exceed \$1.5 million.

POLICY CONSIDERATIONS

Risks associated with making a \$200,000 commitment to make improvements to Hughes Stadium include delayed repayment or insufficient repayment as a result of lower revenues or higher expenses than projected. Further, actual costs to make the improvements may exceed \$200,000 which may require future Council financial commitments.

M/WBE EFFORTS

The City's M/WBE efforts will not be affected by adoption of the resolution.

RECOMMENDATION

It is recommended that Council adopt the attached resolution which commits up to \$200,000 from the Community Center fund to make improvements to competition facilities in connection with hosting the 1992 United States Olympic Track and Field Trials.

Respectfully Submitted,

Thomas P. Friery
Thomas P. Friery,
City Treasurer

RECOMMENDATION APPROVED:

Walter J. Slipe
For: WALTER J. SLIPE, CITY MANAGER

All Districts
July 3, 1990

Contact persons: David Affleck, Deputy Treasurer, 449-5168
Ron Radigonda, Sr. Recreation Supervisor, 449-5500

RESOLUTION NO. 90-536

ADOPTED BY THE SACRAMENTO CITY COUNCIL

ON DATE OF July 3, 1990

APPROVED
BY THE CITY COUNCIL
JUL 3 1990
OFFICE OF THE
CITY CLERK

A RESOLUTION COMMITTING UP TO \$200,000 TO MAKE IMPROVEMENTS TO COMPETITION FACILITIES IN CONNECTION WITH HOSTING THE 1992 UNITED STATES OLYMPIC TRACK AND FIELD TRIALS

WHEREAS, the City Council of the City of Sacramento supports the promotion of professional and amateur athletic events in Sacramento; and

WHEREAS, the City Council has directed the Sacramento Sports Commission (the "Commission") to submit a bid proposal for hosting the 1992 United States Olympic Track and Field Trials (the "Olympic Trials"), and

WHEREAS, the City Council has authorized the Commission to negotiate an agreement with The Athletics Congress/U.S.A. ("TAC/USA") to host the Olympic Trials in Sacramento; and

WHEREAS, it may be necessary to advance funds to make improvements to competition facilities in connection with hosting the Olympic Trials;

NOW, THEREFORE, BE IT RESOLVED by the City Council of the City of Sacramento that it will commit from the Community Center fund up to two hundred thousand dollars (\$200,000.00) to advance, as it becomes necessary, to the Sacramento Sports Commission for the purpose of making necessary improvements to Hughes Stadium to host

FOR CITY CLERK USE ONLY

RESOLUTION NO.: _____

DATE ADOPTED: _____

the Olympic Trials provided that any advances to the Commission will take place after Sacramento has been selected as the host city for the Olympic Trials by TAC/USA and upon the execution of a satisfactory repayment contract with the Commission for repayment to the City of all costs advanced.

PASSED AND ADOPTED this 3rd day of July, 1990, by the following vote:

AYES: Councilmembers

NOES:

ABSENT:

Mayor of the City of Sacramento

[Seal]

Attest:

City Clerk of the City of Sacramento

FOR CITY CLERK USE ONLY

RESOLUTION NO.: _____

DATE ADOPTED: _____

Staff Reports

June 28, 1990
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Sacramento City Council
Sacramento, California

Commitment of

SUBJECT: ~~Resolution Committing~~ Up to \$200,000 to Make Improvements to Competition Facilities in Connection with Hosting the 1992 United States Olympic Track and Field Trials

Honorable Members in Session:

Recommend: Adopt Resolution

SUMMARY

Council is requested to adopt the attached resolution which commits up to \$200,000 to make improvements to Hughes Stadium in connection with hosting the 1992 United States Olympic Track and Field Trials. The purpose of the guarantee will be to provide assurance to the Athletics Congress/U.S.A. by the Sacramento Sports Commission when making their bid proposal on July 6-7, 1990. If it becomes necessary to advance money to make the needed improvements, the City would be repaid from the ticket sales and other revenues generated by the Sports Commission in hosting the Trials. It is recommend that Council adopt the attached resolution which commits up to \$200,000 to make improvements to competition facilities in connection with hosting the 1992 United States Olympic Track and Field Trials.

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BACKGROUND

On February 6, 1990, City Council adopted a resolution directing the Sacramento Sports Commission ("Commission") to submit a bid proposal for hosting the 1992 United States Olympic Track and Field Trials. Further, Council authorized the Commission to negotiate an agreement with the Athletics Congress/U.S.A. ("TAC/USA") to host the Trials should Sacramento be selected as the host city. In discussions with TAC/USA, the Commission has been questioned about the guarantees that would be made to assure that certain improvements to Hughes Stadium would be made.

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FAX COVER SHEET

DATE: June 28, 1990

TO: Valerie Burrowes

FAX #: 449-8672

FROM: David Affleck, Deputy City Treasurer

FAX #: (916) 448-3139

MESSAGE: I'm preparing a report to Council to go on the 7-3-90 agenda. As of this moment I have only the title to send to you (following). Will fax the recommendation to you as soon as possible. Call me at x5168 if you have questions.

YOU SHOULD RECEIVE 2 PAGES INCLUDING THIS COVER PAGE. IN CASE OF TRANSMISSION DIFFICULTY, PLEASE CALL (916) 449-5168. THANK YOU.

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