



7/16/91 @ 2 pm 4.7
Spraker Stein
Anderson

SACRAMENTO HOTEL ASSOCIATION

[REDACTED]

1730 "I" Street, Suite 240
Sacramento, CA 95814
(916) 443-9023

July 15, 1991

POSITION STATEMENT

SUBJECT: Proposed funding for the Sacramento Memorial Auditorium and the Community Convention Center expansion

The position of the Association membership is summarized as follows:

1. IN 1990, OUR INDUSTRY ENDORSED A 15 PERCENT INCREASE IN THE TOT. THAT ENDORSEMENT WAS BASED SOLELY ON THE COUNCIL'S COMMITMENT TO EXPAND THE CENTER AND TO ADEQUATELY SUPPORT ITS MARKETING EFFORTS THROUGH INCREASED FUNDING OF THE SACRAMENTO CONVENTION & VISITORS BUREAU. That increase schedule has been implemented and as such, we do not consider the expansion effort to be optionable or one that might be deferred.
2. WE WOULD OPPOSE ANY PROPOSAL THAT WOULD PLACE THE MEMORIAL AUDITORIUM RENOVATION OR ANY OTHER TOT FUNDED PROJECT AHEAD OF THE CONVENTION CENTER EXPANSION. The Center expansion is essential to ensure credibility of the future TOT projections, and the current and future health of the Sacramento hotel and hospitality industries.
3. WE ENDORSE THE MEMORIAL AUDITORIUM RENOVATION IN THE PERFORMING ARTS FACILITY CONFIGURATION, however, in the event that the Auditorium renovation moves forward as a TOT funded project, it is essential that the construction commitment occur after or at a minimum, concurrent with the construction commitment of the expanded Convention Center.
4. WE ENDORSE THE USE OF ANY FINANCING STRATEGY THAT MAXIMIZES CURRENTLY AVAILABLE FUNDING, INCLUDING THE .5% TOT INCREASE CURRENTLY SCHEDULED FOR JANUARY 1, 1992 IMPLEMENTATION. This includes, but is not limited to, the issuance of 30 year bonds. It is assumed that 30 year bonds would eliminate or diminish the need for additional funding in support of the Convention Center expansion/Memorial Auditorium renovation package.

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5. In the event that additional funding is required in support of the bonds, WE ENDORSE A FUNDING STRATEGY THAT APPORTIONS RESPONSIBILITY PROPORTIONALLY AMONG THE FUNDING SOURCES IDENTIFIED IN THE STAFF PROPOSAL OF APRIL 2, 1991.

6. SACRAMENTO CONVENTION & VISITORS BUREAU FUNDING in support of a significantly enhanced marketing effort for the expanded center is essential to ensure full utilization of the expanded Center upon completion. Funding must be directed to that portion of the Sacramento Convention & Visitors Bureau budget that markets convention activity which ultimately results in additional TOT revenue.

Handout @ meeting 4.7

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RESOLUTION REGARDING FUNDING POLICIES AND DIRECTING STAFF TO CONTINUE WITH THE DEVELOPMENT OF THE RENOVATION OF THE SACRAMENTO MEMORIAL AUDITORIUM AND THE EXPANSION OF THE COMMUNITY/CONVENTION CENTER PROJECTS

WHEREAS, the Sacramento City Council recognizes the values represented by the Sacramento Memorial Auditorium, and;

WHEREAS, the City Council adopted Council Resolution No. 86-141 on February 18, 1986 closing the Memorial Auditorium due to structural, life safety, fire safety, and other deficiencies, and establishing a broad based Citizens Advisory Committee to make recommendations on the future use of Memorial Auditorium, and;

WHEREAS, the Citizens Advisory Committee and the City Council held numerous public hearings to discuss the various options for the future use of Memorial Auditorium, and;

WHEREAS, on May 7, 1987 the City Council adopted Resolution No. 87-353 approving the reuse of the Memorial Auditorium as a fixed seat theater and authorized the preparation of an architectural program and cost estimate necessary to achieve that goal, and;

WHEREAS, on April 4, 1989 the City Council adopted Resolution No. 89-260 authorizing the architectural design services agreement with Dreyfuss & Blackford Architects in association with James Stewart Polshek and Partners to develop the design for the reuse of Memorial Auditorium, and;

WHEREAS, on September 5, 1989 the City Council adopted Resolution No. 89-702 accepting the conceptual drawings for the renovation of Memorial Auditorium presented by the architects, and;

WHEREAS, on July 17, 1990 the City Council adopted Resolution No. 90-585 accepting the design development proposal for the renovation of Memorial Auditorium presented by the architects, and;

WHEREAS, the Sacramento City Council recognizes the benefit of the Community/Convention Center to the local economy and to the visitors and entertainment industry, and;

WHEREAS, on October 25, 1988 the City Council adopted Resolution No. 88-912 certifying the Program EIR and approving the East Alternative for the Community/Convention Center Expansion project, and;

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WHEREAS, on January 23, 1990 the City Council adopted Resolution 90-069 authorizing the architectural design services agreement with Vitiello & Associates architects in association with Loschky, Marquardt & Nesholm to develop the site specific architectural program and design for the expansion of the Community/Convention Center, and;

WHEREAS, on August 14, 1990 the City Council accepted the "Phase II Market, Financial and Economic Study of the Community/Convention Center Expansion Project" prepared by Coopers & Lybrand which identified a strong demand for the expansion of Sacramento's community/convention center and identified significant long-term economic benefits to the City and the community from the expansion, and;

WHEREAS, on September 11, 1990 the City Council adopted Resolution No. 90-764 accepting the architectural program and concept design proposal for the Community/Convention Center Expansion project submitted by the architects, and;

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WHEREAS, the construction industry is currently experiencing a very competitive bidding environment and recent bids in the Sacramento area indicate that a substantial savings may be obtained from projects released for bid at this time, and;

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WHEREAS, the current interest rates for selling municipal bonds for financing public projects are very favorable, and;

WHEREAS, in order to simultaneously develop both the renovation of the Memorial Auditorium and the expansion of the Community/Convention Center it may be necessary to develop and implement additional revenue measures, and;

WHEREAS, these revenue measures would be paid by hotel guests and users of the facilities, and;

WHEREAS, the final cost of financing and final bids for the projects will not be known until those events happen, the exact extent and timing of the implementation of the revenue measures cannot be determined at this time;

NOW THEREFORE BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF SACRAMENTO THAT:

1. The City Council reaffirms the City's commitment to develop both the renovation of the Memorial Auditorium and the expansion of the Community/Convention Center according to the current project schedules.
2. The City will implement only those revenue measures that are necessary in order to service the debt for both projects.
3. The timing and implementation of the revenue measures will reflect a balance with respect to those groups, organizations

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or interests which may be affected.

4. City staff is directed to proceed with the development of plans, studies, documents, reports and other efforts necessary to accomplish the completion of the renovation of the Memorial Auditorium and the expansion of the Community/Convention Center.
5. The City Manager is directed to report back on the full financing and revenue plan for these projects.
6. The City Treasurer is directed to develop the debt financing proposal for these projects.

MAYOR

ATTEST:

CITY CLERK