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OFFICE OF THE
CITY MANAGER

CITY OF SACRAMENTO
CALIFORNIA

CITY HALL
ROOM 109
915 I STREET
SACRAMENTO, CA
95814-2684

November 7, 1986

916-449-5704

Budget & Finance Committee
Transportation & Community Development Committee
Sacramento, California

Honorable Members In Session:

Subject: Task Force Report on the Reuse of the Sacramento Memorial
Auditorium

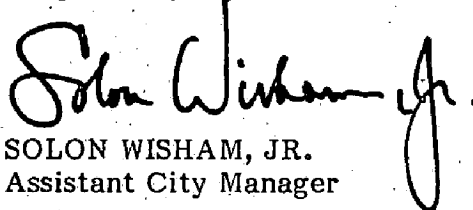
SUMMARY

The attached report is provided to benefit the Joint Committees in the review and evaluation of the combined Memorial Auditorium Task Force and staff report on the rehabilitation, reconstruction and reuse of the Sacramento Memorial Auditorium.

RECOMMENDATION

It is recommended that the Joint Committees review and approve the Memorial Auditorium Task Force Report and refer the report to the full Council for final action.

Respectfully submitted,


SOLON WISHAM, JR.
Assistant City Manager

All Districts
November 18, 1986



OFFICE OF THE
CITY MANAGER

CITY OF SACRAMENTO
CALIFORNIA

CITY HALL
ROOM 109
915 I STREET
SACRAMENTO, CA
95814-2684

October 15, 1986

916-449-5704

City Council
Sacramento, California

Honorable Members In Session:

Subject: Task Force Report on the Reuse of the Sacramento Memorial Auditorium

SUMMARY

On February 18, 1986, the City Council approved the concept of a Task Force to determine alternatives for the reuse of the Sacramento Memorial Auditorium. This action followed an earlier decision in the same meeting to close the Memorial Auditorium to public use due to the lack of handicap access and deficiencies in other structural, life safety, and fire protection systems in the facility.

The Memorial Auditorium Task Force was duly appointed (see Exhibit A) and held nine meetings between March 26, 1986 and July 30, 1986. The majority of those meetings exceeded 1 1/2 hours and included two on-site visits to the Memorial Auditorium. City staff and consultants provided extensive information to the Task Force in an effort to prepare them for the process of evaluating alternatives and recommending one reuse alternative to the City Council. The Task Force began the process with twenty-one alternative uses and selected six for further evaluation by the staff. The list of six reuse alternatives was reduced to two including, a Memorial Auditorium/Arena option and a Memorial Auditorium/Theatre option. On July 30, 1986, the Task Force voted 13 to 6 for the Memorial Auditorium/Theatre option. A written minority report is being developed by the six (6) members of the Task Force that supported the Memorial Auditorium/Arena option. Exhibit B provides a matrix of Task Force members' attendance and a summary of the reuse option vote.

This report recommends that the City Council approve the findings and positions of the Memorial Auditorium Task Force and further, by resolution, approve the Memorial Auditorium/Theatre option for reuse of the facility and direct the City Manager to complete a financial plan which includes a ballot measure for a voter approved General Obligation Bond Issue.

BACKGROUND

On September 10, 1985, the City Council approved a report concerning the HANDICAPPED ACCESS COMPLIANCE PROGRAM. During the review of this report, the staff was asked to review handicapped accessibility deficiencies at the Memorial Auditorium and to report on other structure, life safety, and fire protection deficiencies in that facility. The Transportation & Community Development Committee reviewed the staff report on deficiencies at the Memorial Auditorium on February 11, 1986. The same report was reviewed by the full Council on February 18, 1986. City Council approved Resolution 86-141 to close the Sacramento Memorial Auditorium on March 9, 1986. Further, the Council endorsed the formation of a Memorial Auditorium Task Force consisting of nineteen persons jointly appointed by the Mayor & City Council and the City Manager to recommend a reuse plan for the City Council consideration.

The Memorial Auditorium Task Force took final action on the selection of a reuse option on July 30, 1986. The Task Force report back to the Joint Committees of the City Council was originally scheduled for September 23, 1986 based on the vacation schedule of various City Councilmembers. Unfortunately, City staff was unable to complete the financial section to meet that schedule because of changes in the tax laws which affect some of the methods of financing. The staff also wanted an opportunity to discuss a proposal to expand the exhibit/assembly space of the Community Center Complex, concurrent with the proposal to refurbish the Memorial Auditorium. This is essential because both proposals have a bearing on the financial methods to be considered by the City Council.

SUMMARY OF TASK FORCE MEETINGS

The Memorial Auditorium Task Force held the first meeting on March 26, 1986 at the Memorial Auditorium. City staff presented over one hundred slides on the facility with emphasis on the deficiencies as determined by staff and consultants. The cost of correcting the deficiencies only is estimated to be \$4,176,535. The details for this estimate are included in Exhibit C. A tour of the Auditorium followed the slide presentation so that the Task Force could obtain a personal view of a large number of deficiencies in the facility.

The second meeting was held on April 2, 1986 in the Community/ Convention Center. The Convention Center staff presented the functions of the Community/Convention Center and the Memorial Auditorium. The staff contrasted existing assets including personnel, facilities and activities accommodated by the Convention Center and Memorial Auditorium with future requirements that will enable Sacramento to maintain a competitive position with other communities soliciting convention and visitor business. The staff concluded that the Memorial Auditorium was needed to accommodate community and performing arts events as a supplement to the heavily booked Community Center Theatre.

The third and fourth meetings on April 16th and April 30th respectively, dealt with the historical background and the nature of the Memorial Auditorium. The Task Force was presented with constraints on reuse options including the Sutter Land Grant Restrictions, the State Historical Building Code, zoning restrictions and the fact that the Auditorium is on the national, state, and local list of historical structures. The staff presented the original construction blueprints along with a 1981 set of plans for the renovation of the Auditorium. Earl Rand Barnett, the designer of the original Memorial Auditorium spoke to the Task Force concerning his knowledge of the Auditorium design concepts. Mr. Barnett responded to numerous questions by members of the Task Force concerning his knowledge and memory on how the Auditorium was constructed. The Task Force concluded that the Memorial Auditorium building should remain intact, especially the exterior, and that it should not be replaced with a facility that has a different architectural design.

The fifth, sixth, and seventh meetings on May 7th, 14th, and 21st, respectively, dealt with open workshops on creative problems solving. In these workshops a problem statement was developed, criteria to evaluate the possible options were developed, and finally, twenty-one reuse alternatives were selected for evaluation. Of the twenty-one reuses, six were selected by the Task Force for preliminary evaluation by the staff as follows:

1. Memorial Auditorium as a Multi-purpose Facility.
2. Cultural Center for the Performing Arts.
3. Central Library
4. Concert Hall
5. Community Center Exhibit Hall
6. Smithsonian-West

The pros and cons of each of these options were developed by the staff and presented to the Task Force. In reviewing this information, the Task Force selected: #1, Memorial Auditorium as a Multi-purpose Facility; and a combination of #2 and #4, a Cultural Center for the Performing Arts and Concert Hall for a detailed analysis, a preliminary design concept and a project feasibility study for each of the two options. The staff secured the assistance of several consultants to accomplish this task on behalf of the Memorial Auditorium Task Force.

Exhibit D provides a detailed summary of the feasibility study for the two options including the estimated cost of each. This material with additional artist sketches were presented during the eighth meeting on July 9, 1986. During the ninth and final meeting on July 30, 1986, the Task Force thoroughly discussed the two reuse options and voted thirteen to six to select the Memorial Auditorium/Theatre option over the Memorial Auditorium/Arena option.

The Task Force also selected James A. Craig to make the final Auditorium Task Force report to the Joint Committees of the City Council and the full Council. This staff report serves as the basic transmittal document however, Mr. Craig will provide a description of actions by the Task Force.

FINANCIAL DATA

Preliminary cost estimates for the adopted Memorial Auditorium Task Force option is as follows:

Table I

	<u>Auditorium/ Theatre Option</u>
Construction Cost	\$ 7,600,000
Contingency @ 25%	<u>1,900,000</u>
Subtotal	9,500,000
Administration @ 25%	<u>2,375,000</u>
Total before Financing	\$11,875,000
Financing Costs @ 2 1/2%	305,000
Total to be Financed	<u>\$12,180,000</u>

The City Treasurer has completed a Financing Options Report (attached as Exhibit E) which analyzed the impact on municipal borrowing of the 1986 Tax Reform Act. The Treasurer's report discusses such financing options as General Obligation Bonds, Certificates of Participation, Special Assessment Bonds (Mello-Roos) and Private Developer Lease Purchase. Other financing options include: (1) City "Pay as You Go" cash accumulation with deferral of contract award until sufficient funds are available; (2) public subscription fund drive similar to the Crocker renovation, and; (3) State grants.

The consensus of the City Treasurer, Finance and City Manager's staff is that a voter approved General Obligation Bond is the most cost effective financing structure for this transaction. The following financing assumptions are made based on a G.O. Bond Issue.

Table II

	<u>Auditorium Theatre Option</u>
Total to be Financed (preliminary estimate)	\$12,180,000
Assumed Interest Rate (this is subject to market fluctuation)	7 1/2%
Annual Debt Services (estimate)	\$ 1,185,400

<u>Property Taxed</u>	<u>Value</u>	<u>Annual Added Cost</u>
a. Residential Property:	\$ 50,000 =	\$ 4.94
	\$ 75,000 =	\$ 7.82
	\$100,000 =	\$ 10.69
b. Commercial/Industrial Property:	\$100,000 =	\$ 11.50 (for each \$100,000, or 11.5 cents per thousand)

Voter approved General Obligation Bonds were authorized by passage of statewide Proposition 46 in June of 1986. This constitutional amendment allows cities to issue General Obligation Bonds for the first time since 1978. Proposition 46 amends Article XIII A of the California Constitution to create an exception from the property tax limitation for taxes to pay debt service on any bonded indebtedness for the "Acquisition or improvement of real property provided that such indebtedness is approved by two-thirds (2/3) of the voters voting on the measure."

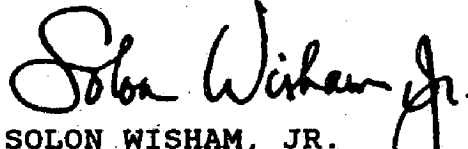
General Obligation bonds have always been the least expensive source of debt financing. Other advantages include simpler documentation and procedures, lower issuance costs, reserve funds and capitalized interest during construction are normally not required and property taxes used to pay debt service do not constitute "Appropriations subject to the Gann spending limit".

RECOMMENDATION

It is recommended that the City Council, by resolution, accept and approve the report of the Memorial Auditorium Task Force and their recommendation to reconstruct the Sacramento Memorial Auditorium as a Memorial Auditorium/Theatre to supplement and enhance the Community Center Theatre for community, cultural and performing arts activities; and further, direct the City Manager to complete a financial plan which includes a ballot measure for a voter approved General Obligation Bond Issue (GOB) for the renovation and modernization of

the Memorial Auditorium consistent with the design concept recommended by the Memorial Auditorium Task Force.

Respectfully submitted,


SOLON WISHAM, JR.
Assistant City Manager

APPROVED:


WALTER J. SLIPE
City Manager

Attachments: Exhibit A - Task Force Roster
Exhibit B - Task Force Attendance & Vote
Exhibit C - Memorial Auditorium Deficiencies
Exhibit D - Design Options Comparisions
Exhibit E - Financing Options Report

Auditorium Task Force Roster

1. Sacramento Community Center Authority
Walter Christensen
2. Sacramento Convention & Visitor's Bureau
Chuck Hills
3. Veterans of Foreign Wars
Kenneth Robbins
4. American Legion
Andy Salontai
5. Sacramento History & Museum Commission
Judy Tafoya
6. Sacramento Downtown Association
Howard Evanson
7. Sacramento Old City Association
Bruce Samuel
8. Greater Sacramento Chamber of Commerce
Carl Treseder
9. Design Review/Preservation Board
Bob Rakela
10. Rudin Representative
Kay Knepprath
11. Shore Representative
Jonathan Lewis
12. Johnson Representative
Willie Bell
13. Pope Representative
James A. Craig
14. Chinn Representative
Audrey Tsuruda
15. Serna Representative
Manuel Alvarez
16. Smallman Representative
Judi O. Spivack

17. Kastanis Representative
Bob Wyman
18. Robie Representative
Jack H. Nissen
19. City Manager Representative
Solon Wisham, Jr.
Assistant City Manager

Staff Support Provided By:

1. Duane Wray, Superintendent of Facility Management
General Services Department
2. Sam J. Burns, Director of Community Center
Community Center Department
3. Mel Johnson, Director of Public Works
Public Works Department
4. Tim Sullivan, Superintendent, Building Inspections
Planning & Development Department
5. Ray Charles, Deputy Fire Chief
Fire Department
6. Andy Plescia, Deputy Director
Sacramento Housing & Redevelopment

EXHIBIT B

AUDITORIUM TASK FORCE ATTENDANCE & REUSE OPTION VOTE SUMMARY

Name & Organization/ Appointment	Meeting Attendance									Attendance Percentage	Reuse Option Vote	
	1	2	3	4	5	6	7	8	9		Auditorium/ Arena	Auditorium/ Theatre
1. Walter Christensen/ Sacto. Comm. Cntr. Auth.	1	1	1	1	0	0	0	1	1	67%	0	1
2. Chuck Hills/ Sacto. Conv. & Vis. Bureau	0	0	1	1	1	1	1	0	0	56%	0	1*
3. Kenneth Robbins/ Veterans of Foreign Wars	1	1	1	1	1	1	1	1	1	100%	1	0
4. Andy Salontai/ American Legion	1	1	1	1	1	1	1	1	1	100%	1	0
5. Judy Tafoya/ Sacto. His. & Museum Comm.	0	1	1	1	0	1	1	1	1	78%	1	0
6. Howard Evanson/ Sacto. Downtown Assn.	1	1	1	1	1	1	1	1	1	100%	1	0
7. Bruce Samuel/ Sacto. Old City Assn.	1	1	0	1	1	1	1	1	0	78%	0	1*
8. Carl Treseder/ Grtr. Sac. Chmbr. of Comrc.	1	1	1	1	1	1	1	1	1	100%	0	1
9. Bob Rakela/ Design Rvw/Pres. Brd.	1	1	1	0	1	1	1	1	1	89%	0	1
10. Kay Knepprath/ Rudin Representative	1	0	1	1	1	0	1	1	0	67%	0	1*
11. Jonathan Lewis Shore Representative	1	1	1	0	1	1	1	1	1	89%	0	1
12. Willie Bell/ Johnson Representative	1	1	1	1	0	1	1	1	1	89%	0	1
13. James Craig Pope Representative	1	1	1	1	1	1	1	1	1	100%	0	1
14. Audrey Tsuruda/ Chinn Representative	1	1	1	1	1	1	1	0	1	89%	1	0
15. Manuel Alvarez/ Serna Representative	1	1	1	1	1	1	1	1	1	100%	0	1
16. Judi Spivack/ Smallman Representative	1	1	1	1	1	1	1	0	1	89%	0	1
17. Bob Wyman/ Kastanis Representative	1	1	1	1	1	1	1	0	1	89%	0	1
18. Jack Nissen/ Robie Representative	1	1	1	1	1	1	1	1	1	100%	1*	0
19. Solon Wisham, Jr./ City Mgr. Representative	1	1	1	1	1	1	1	1	1	100%	0	1
Totals	17	17	18	17	16	17	18	15	16		6	13

*** Proxy Votes**

Chuck Hills' vote was cast by Walter Christensen
 Bruce Samuel's vote was cast by Alternate David Mogavero
 Kay Knepprath's vote was cast by Jonathon Lewis
 Jack Nissen's vote was cast by Kenneth Robbins (Nissen departed meeting prior to vote)

MEMORIAL AUDITORIUM CODE
AND SAFETY DEFICIENCIES

The deficiencies can be divided into three general categories: 1) fire and exiting code violations, 2) handicap and mechanical code violations, and 3) patron and employee safety. A cost estimate for each of these three categories follows:

1. Fire and Exiting Code Violations

- | | | |
|----|--|------------|
| a. | Perform recommended work required to make the auditorium's exiting reasonably conform with the Uniform Building Code. This would include widening the balcony aisles and eliminating excess aisles and eliminating excess aisle length over 20 feet, widening each of the corner stairs, providing new east and west exits, providing approved exit hardware on all exit doors, providing dress circle and balcony aisle step lights and handrails and providing illuminated exit signage with an auxiliary emergency lighting system..... | \$ 372,600 |
| b. | Install a full, automatic sprinkler system throughout all areas of the auditorium including the stage, grid-iron and fly, main arena and attic, area below the arena operable floor, basement, dressing rooms storage areas, Little Theater and Memorial Hall..... | \$ 391,230 |
| c. | Eliminate /or protect all combustible construction materials. This includes the stage wood grid-iron, catwalks and exposed structural steel framing..... | \$ 98,325 |
| d. | Perform all work required by the National Electrical Code at main switch-board, correct all electrical grounding deficiencies, replace obsolete electrical distribution and lighting panel boards, and replace all branch circuit and feeder wiring..... | \$ 336,375 |
| e. | Construct new toilet room facilities at Main Level. Provide handicap facilities and code required numbers of toilets, urinals, lavatories and drinking fountains. (Relocation to ground level is recommended to eliminate basement exiting upgrade problems and alleviate costly basement toilet room remodeling while still having to meet | |

requirements for providing handicap facilities at Main Level.....	170,775
f. Extend dry stand pipe to roof over stage....	5,175
g. Correct all fire extinguisher and fire hose/cabinet violations.....	8,280
h. Replace theatrical draperies per Fire Code requirements.....	47,610
i. Provide refuse compaction and approved storage units per Fire Code requirements....	28,980
Sub Total Category No. 1	\$1,459,350

2. Handicap and Mechanical Code Violations

a. To meet present-day code corrections to building's HVAC system, refurbish existing mechanical equipment including up-grade of one-hour ratings of all ducts, provide required duct fire dampers, smoke purge and detection systems and incorporate new controls related to energy conservation.....	414,000
b. Supplement (2a.) all building areas with up-graded heating, cooling and exhaust/ventilation systems per code requirements for air changes per hour.....	414,000
c. Correct deficiencies, re: existing plumbing systems consisting of various gas lines, dressing room and toilet room code up-grades, backflow prevention device at boiler, sewer, water and storm drain piping, sump pumps, sewage ejectors and steam traps.....	136,620
d. Modify existing concession stands with reference to Mechanical, Plumbing and Health Code violations.....	87,975
e. Provide ingress/egress to the facility for the physically handicapped.....	434,700
Sub Total Category No. 2	\$1,487,295

3. Patron and Employee Safety

a. Construct new off-street loading dock/ service drive to the stage area.....	173,880
--	---------

b.	Replace main arena decorative plaster ceiling.....	310,500
c.	Provide, above arena ceiling, full system of catwalks and rigging positions....	223,560
d.	Strengthen portions of the stage.....	5,796
e.	Provide removeable forestage and stage riser platform.....	80,730
f.	Provide freight elevator with stops at all levels.....	93,150
g.	Provide wet closets for janitorial services at all levels of the arena.....	24,840
h.	Repair exterior scupper/drain system.....	6,624
i.	Repair and replace fixed seating as required.....	207,000
j.	Provide production connections (company switch).....	10,350
k.	Provide dimmer banks.....	49,680
l.	Remove ventilation mushrooms at fixed seating areas, patch and repair.....	34,983
m.	Provide new accesses to roof equipment and safety line cable.....	<u>8,797.50</u>
	Sub Total Category No. 3	\$1,229,890.50
	TOTAL OF ALL CATEGORIES	<u>\$4,176,535.50</u>



CITY OF SACRAMENTO

DEPARTMENT OF GENERAL SERVICES

FACILITY MANAGEMENT DIVISION

DUANE J. WRAY
Superintendent
DERROLD LEE
Assistant Superintendent

9 July 1986

MEMORANDUM

TO: MEMORIAL AUDITORIUM TASKFORCE
FROM: GARY SZYDELKO, SENIOR ARCHITECT

Pursuant to your request during the last Task Force meeting, we were directed to explore two (2) design concept reuses for the present Memorial Auditorium:

1. **Memorial Auditorium as a multi-purpose facility.**
2. **Memorial Auditorium as a single stage theater facility for the performing arts. (Memorial Theater)**

We have completed our assignment and the results are included in the attached package of drawings and information.

When reviewing this information, please keep in mind that these designs are "design concepts" and certain portions may and will change as a final design is completed. We attempted to meet the needs and desires of the Community Convention Center as well as the needs of the Task Force.

To complete this work in the time allocated, we used the services of several professional consultants and they are as follows:

1. Vitiello + Associates, Inc.
Architects
2. Reynolds/Webber, Architects, Inc.

3. **Marr/Shaffer and Associates
Structural Engineers**

4. **Andy Abrate, Cost Engineer**

5. **David Perry, Architect**

If you have any questions with the information presented, please feel free to call me at 449-5977.

MEMORIAL AUDITORIUM A Multi-Purpose Facility

The Memorial Auditorium as a multi-purpose facility focused on flexibility. This flexibility is to benefit the performers, audience and the Community Center.

It is envisioned that the multi-purpose facility will accomodate several different types of events such as:

- 1. Single stage theatric events/plays.**
- 2. Single stage family events : Sesame Street**
- 3. Single stage concerts**
- 4. Arena floor sporting events: roller derby, boxing, wrestling**
- 5. Arena floor dances**
- 6. Graduations**
- 7. Meetings and Conventions**
- 8. Little Theater events/presentations**

Entrances

The main lobby entrances have been reconfigured to allow independent use of either the main auditorium, the little theater, or the memorial hall. All are now self contained, including toilets, stairway and entrances/exits which will encourage some of the smaller more diversified community uses.

Main Floor

The redesigned foyer around the main arena on the first floor includes new elevators, toilet rooms and an increased number of concession areas.

Adjacent to the east/west concessions and along the exterior walls will be lounge areas which will introduce daylight to the corridor, making it more of an open space. These lounge areas will also keep concession lines from blocking traffic in the corridor.

Seating in the Dress Circle will be replaced with new larger seats. Seating will also be added at the stage area for main arena floor events. Portable seating will be placed on the arena floor as required for each event.

The main arean ceiling is to be replaced with a fiberglass system which will recreate all the detail of the existing ceiling. This will allow for the needed lighting flexibility required by the multi-use nature of this facility. (A structural investigation of the existing ceiling confirmed that the ceiling could be reinforced and salvaged; however, it was felt that the functional needs of the facility would better be utilized if the ceiling was removed and duplicated.)

Mezzanine/Balcony

Access to the mezzanine level will be a combination of stairs and elevators, which will allow for handicapped use of this level. The corridor around the seating areas has been opened up with concession and lounge areas to minimize congestion. New handicapped toilets have been located near the existing toilets. (Additional toilets may be added on either side of the stage in areas which now serve as dressing rooms.)

Seating arrangements have been redesigned as continental which will allow fewer aisle ways. The seating angle has also been modified from an existing 31 degrees to 24 degrees, thus allowing for more comfortable and accessible seating.

Exiting from this level will be from four (4) stairways in each corner of this floor.

Basement

The south half of the basement will be used as a small exhibit space and/or meeting space/rooms. Access will be from the main level elevator or stairways. Meeting rooms will include moveable partitions to allow the maximum flexibility of room size.

Seating

All existing seating is to be replaced. Due to age and comfort, the redesigned seating will be similar to the Community Theater both in comfort and ease of access.

Main Floor

Dress Circle	720 Seats
Main Arena	
Stage Events	1,134 Seats
Arena Floor Events	1,380 Seats

Mezzanine/Balcony

Lower Mezzanine	531 Seats
Upper Balcony	1,344 Seats

Little Theater

Main Floor	176 Seats
Balcony	<u>64 Seats</u>

Total	240 Seats
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Seating for a stage event will be a maximum of approximately 3,729 with some adjustment of seating outside the viewing angle of the stage (the corner areas of the Dress Circle, Mezzanine, and Balcony).

Seating for an arena event will be a maximum of approximately 3,975.

Cost

Attached, is a detailed cost estimate. This estimate was based on the concept drawings and discussions with the estimator. This estimate should be viewed as a "concept estimate" and will be updated as more detailed information and material selections are made. This estimate is only for construction. A project budget is estimated as follows:

Construction Cost:	\$8,800,000
Contingency @ 25%	<u>2,000,000</u>
Subtotal	11,000,000
Administration @ 25%	2,750,000
TOTAL (less financing)	13,750,000

Conclusion

The Memorial Auditorium will be completely code updated to meet the current applicable building codes. Acoustical treatment will be applied together with an updated sound system.

The exterior character of the building will not be compromised and the interior of the facility will be restored to its original character. The Memorial Auditorium will be a first class facility.

MEMORIAL THEATER

The **Memorial Theater** Complex concept was to create a first class theater to accomodate single stage events such as:

1. Broadway Shows
2. Symphony Concerts
3. Pop Concerts
4. Rock and Jazz Concerts
5. Operas
6. Ballet
7. Music Circus productions
8. Miscelleneous Single Stage Family Events

Entrances

The main lobby entrances have been reconfigured to allow independent use of either the main theater, the little theater or the memorial hall. All are now self contained, including stairway and entrances/exits which will encourage some of the smaller more diversified community uses.

Main Floor

The redesigned foyer around the main theater on the first floor includes new elevators, toilet rooms and an increased number of concession areas. Adjacent to the east/west concessions along the exterior walls are new toilet rooms that will be accessable to the physically handicapped. The perimeter corriors have been widened to accomodate theater patrons.

To accomodate the Theater, the existing interior will have extensive demolition (walls, ceilings, etc..) to provide for a more spacious and opulent theater. Four (4) new stairways are provided for exiting, as well as new concessions and toilet rooms at all floor levels for a more pleasant theater experience. Two (2) new passenger elevators have been provided for

vertical circulation and access for the physically handicapped. Large spacious lobbies have been provided to enjoy the intermission/concession experience since no food or drink will be allowed in the main theater.

The Theater concept was developed with the audience comfort as the primary goal. Comfortable continental seating, proper site lines to the stage and a new audio system all have been provided. All walls have been angled for maximum acoustic benefit. All seats are so arranged as to provide a "good seat" for all theater patrons. A new acoustical ceiling will be installed to provide maximum listening pleasure at concerts/operas. An acoustical screen has also been provided to close the balcony for symphony concerts or any other event that would require less seating.

Seating

All seating will be similar to the Community Theater both in comfort and ease of access.

Main Floor	1,875 Seats
Balcony	<u>1,176 Seats</u>
Total	3,051 Seats (Continental)
Little Theater	168 Seats

Cost

Attached, is a detailed cost estimate. This estimate was based on the concept drawings and discussions with the estimator. This estimate should be viewed as a "concept estimate" and will be updated as more detailed information and material selections are made. This estimate is only for construction. A project budget is estimated as follows:

Construction Cost:	\$7,600,000
Contingency • 25%	<u>1,900,000</u>
Subtotal	9,500,000
Administration • 25%	<u>2,375,000</u>
TOTAL (less financing)	\$11,875,000

Conclusion

The Memorial Theater will be completely code updated to meet the current applicable building codes. There will be four (4) concession areas on the main level and three (3) concession areas on the balcony level.

The exterior character of the building will not be compromised. It is envisioned that the main lobby and perimeter corridors will be a transition spaces between the historical exterior and the modern interior theater. These areas will be updated, but they will retain much of their historical character. The Memorial Theater will be a first class facility.



EXHIBIT E

CITY MANAGER'S OFFICE
RECEIVED
NOV 3 1986

OFFICE OF THE
CITY TREASURER

THOMAS P. FRIERY
TREASURER

DONALD E. SPERLING
ASSISTANT TREASURER

CITY OF SACRAMENTO
CALIFORNIA

October 31, 1986
860290:TPFlv:fin-tax

800 TENTH STREET
SUITE ONE
SACRAMENTO, CA
95814-2688

916-449-5318
OPERATIONS

916-449-5168
INVESTMENTS &
ADMINISTRATION

916-448-3139
DEX TRANSCEIVER

TO: Solon "Doc" Wisham, Jr., Assistant City Manager
FROM: Thomas P. Friery, City Treasurer
SUBJECT: Alternative Financing Mechanisms - Memorial Auditorium

SUMMARY

The least costly method of publicly financing the Memorial Auditorium rehabilitation under the new tax laws would be a non-taxable GO bond. The second least costly method (if legally permissible) would be a Special Assessment (SAB) or Mello-Roos (MR) non-taxable financing if the Auditorium were determined to provide a "special benefit" or "general benefit" to property in the City. The most expensive financing from the standpoint of cost and loss of financing leverage to the City would be a non-taxable COP structure. It is pointed out that the COP structure requires only a simple majority vote of the City Council as compared to 2/3 vote of the electorate for a GO bond, 60% property owner approval for a SAB or 2/3 vote of property owners for a MR.

However, the new tax law imposes certain reporting requirements and rules relating to "arbitrage", etc. on tax exempt bonds that effectively could reduce the City's flexibility in operating the facility in the future and could result in our being required to operate the facility even though it might not be in our best financial interests or be exposed to unknown financial liability by not complying with the new tax rules.

Therefore, a taxable bond program may be preferable. Further, because of capitalized interest (and potentially insurance costs) for COPs as well as market requirements that COPs have one year maximum debt service in a reserve account, quite possibly a SAB or MR financing structure would be a preferred alternative to a COP structure. However, it will be necessary to obtain legal opinions as to whether the Memorial Auditorium would provide a "special benefit" or a "general benefit" to property in the City. Further, such opinion should consider this issue on all potential City projects being evaluated, i.e., Levees, Police and Administration, Community Center, Library, etc.

Finally, it should be considered that a "Private" developer proposal of a lease purchase arrangement may be the least complex structure to arrange the financing. However, on the assumption \$12,180,000 would be needed for rehabilitation, legal issues as to whether the Memorial Auditorium can be financed via a lease purchase as well as whether the transaction would be a Governmental Use Bond or Private Activity Bond should be determined. In any event, it would be necessary to show the ability to pay between \$1.4 and \$1.7 million annually in lease payments.

It is recommended that prior to financing the Memorial Auditorium:

- Determine which potential City capital projects could qualify for SAB or MR financing, and
- Determine whether the Memorial Auditorium could legally be financed via a lease purchase with a private developer, and
- Consideration be given to developing a City Capital Spending Financing Program using taxable GO, SAB or MR structures in an effort to provide maximum flexibility for operating the facilities longer term.

BACKGROUND

Under the proposed Federal tax law, as it pertains to municipal financing, municipal obligations will be classified in two broad categories: Governmental Use Bonds and Private Activity Bonds. Very briefly:

- Governmental Use Bonds would be those obligations used to finance projects owned and operated (subject to conditions delineated in the law) by the City for City purposes. Interest on the bonds issued from these projects will not be subject to Federal and State income tax laws as is the case under previous municipal finance practice. However, it should be noted that the lowering of the maximum Federal income tax rate may diminish the after-tax benefit from municipal financings for individuals as well as banks and insurance companies and absolute interest costs on municipal securities could rise to offset this loss. In the case of banks and insurance companies, they may have no need for tax-free income because of the new tax law. (There is a possibility that the perceived higher cost of future tax-free financings may be offset somewhat as a result of virtually every other tax shelter being removed from the tax code.) Further, a new "arbitrage" rule is proposed which states in effect that if tax-free bond proceeds are not fully expended within 6 months of bond sale date, all "arbitrage" profits from the issuance date of the bonds on the invested balances available must be returned to the Federal government. The time period to retain these balances stays the same as under previous municipal financing practices. Finally, it should be considered that presently a new financing

expense will be incurred by tax-free debt issuers to retain an independent reviewer to ascertain compliance with the new arbitrage ruling to return any excess arbitrage profits to the Federal Government. (Ernst and Whinney presently offers such service and the estimated cost is \$800 to \$1,400 annually.)

-- Private Activity Bonds would be classified as any other bond issue a municipality would be associated with and the income on these bonds would be taxable for Federal income tax purposes (not taxable for State income tax purposes). The exceptions to this would be:

- Multi Family Housing Revenue Bonds
- Airports (excluding hotels and commercial activity buildings)
- Docks and Wharves (only if owned by a governmental unit)
- Mass Community Facilities (Excludes vehicles and system must be owned by a public corporation)
- Locally Owned Electric or Gas Utilities
- Local District Heating or Cooling Facilities
- Facilities for Furnishing Water
- Hazardous Waste Facilities
- Sewage and Solid Waste Systems
- Single Family Mortgage Revenue Bonds
- 501 (c)(3) Corporation Bonds
- Small Issue IDB Bonds (less than \$10 million)
- Student Loan Bond Issues
- Qualified Redevelopment Bonds (Limited to Acquisition of property, Cleanup and Rehabilitation)

Exempted tax-free private activity bonds would be subject to a State volume cap (\$75 per capita) which in effect requires pre-approval by the State for issuance and subject to arbitrage rules described above.

10% Usage and 10% Debt Service Rule - A municipality can enter into a management contract with the private sector to operate a publicly-owned facility without causing bonds issued to finance the facility to become Private Activity Bonds. Such a Management Contract:

- Cannot exceed 5 years duration and must be subject to termination by the municipality at the end of a 3-year period, and
- At least 50% of manager's fees must be fixed. Any percentage incentive must be based on gross revenues, not net profit.

To avoid classification as Private Activity Bonds, a facility financed with tax-exempt bonds must be open to the general public. However, it is possible to retain the exemption if:

- No more than 10% of the usage is reserved for private activities, or
- Amounts equal to no more than 10% of the debt service are received from private activities so reserved.

Memorial Auditorium - Financing Alternatives

As a City-owned and operated facility, the Memorial Auditorium as a fixed seat theatre could be financed with Governmental Use Bonds. The bonds (or COPs) would not be subject to Federal or State income tax for investors. Further, the Memorial Auditorium could retain this exemption if a private manager were hired under a management contract as described above to operate this facility. Further, the facility could be reserved for non-public activities such as rock concerts or non-501 (c)(3) corporations (Broadway plays, etc.) whether by a private manager or the City so long as the bookings were available on a rate-scale basis to all members of the general public.

Additionally, space could be reserved for non-governmental persons on a preferential basis provided that the reservations did not exceed more than 10% of the days in a year (36) or the revenue generated from such reservations did not exceed 10% of the debt service payment on the non-taxable bonds issued to refurbish the facility. Non compliance with the Usage and Debt Service Revenue Rules would subject the issue to Federal income tax and financial liability to the City for failure to comply.

The tax-free financing structures that could be used to refurbish the Memorial Auditorium are:

- General Obligation Bond - for land, structure and permanent fixtures only.
- Certificate of Participation - for land, structure and/or equipment and non-permanent fixtures. (It should be considered that a lease revenue bond could also be issued. From an interest cost and structure standpoint, it would be the same as a COP. However, a lease revenue bond would have to be competitively bid, whereas a COP may be negotiated.)
- Special Assessment Bonds (SABs)/Mello-Roos (MR) - only if it can be legally determined that a "benefit" is received by City of Sacramento property owners for the facility. It should be considered that a SAB may not be a realistic alternative as it may require a "special benefit to property" However, a MR financing may only require a "general benefit" to property and may be a permissible vehicle. In any event, legal work should be accomplished to ascertain a definitive guideline for what City projects constitute "general benefits" and "special benefits" for City property owners, i.e., Memorial Auditorium, Levees, Community Center, City Hall, Police Station, etc.

-- Private Developer Lease Purchase - It should be considered that a Private Developer might be retained to build and lease the Auditorium to the City via a lease purchase arrangement. If a lease purchase is possible the interest rate might be expected to be prime rate plus a premium of 2% to 4% which at today's rates might range from 10% to 12%..

On the assumption that \$12,180,000 is needed to rehabilitate the Memorial Auditorium, none of this amount is for equipment or non-permanent fixtures, the Auditorium will be used as a fixed-seat theatre to serve the general public on a first-come/first-served basis effectively for 501 (c)(3) companies and the refurbishing period is 2 years, the following table is provided to show the estimated costs of each tax-free financing alternative:

TABLE 1
 Alternative Tax-Free
 Financing Structures
 and Cost

Structure	<u>"GO"</u>	<u>"COP"</u>	<u>1/ SAB/Mello-MR</u>
Comment	New Revenue Source (GF)	Not a Revenue Source (GF)	New Rev. Source (GF)
Vote	2/3 of Electorate	City Council Majority	60% of Affected Prop. Owners SAB/2/3 of Prop. Owners MR
Rehab. Amt.	\$ 12,180,000	\$12,180,000	\$ 12,180,000
Capitalized Int.	Not Permitted	2,720,000	Not Required
Reserve Acct.	Not Permitted	1,700,000 (MDS)	620,000 (6 mos)
Total Issue			
Fin. Costs	\$ 12,180,000	\$16,600,000	\$ 12,800,000
Est. Int. Cost for 20 Yr. Issue at at Today's Market	7 1/2%	8 1/2%	9%
<u>Semi-Annual</u> Debt Svc.	\$ 592,700	\$ 870,000	\$ 695,600

1/ To be determined by legal ruling (Special Benefit versus General Benefit).

From the above Table 1 it is clear that the most cost effective structure would be a GO Bond issue. However, for any of the above financings, as a result of arbitrage rules, etc., additional financing expenses not associated with taxable issues would be incurred.

Further, and potentially of greater concern, however, may be the City's loss of flexibility to terminate its direct involvement in the business of the theatre if it were to be determined in the City's best financial interest to do so at a later date. Should it be determined in the future that restricting the use of the theatre to non-501 (c)(3) corporations for less than 10% of the time or revenues to less than 10% of debt service, the issue may become taxable and the City would be exposed to financial liability from bondholders.

Therefore, it may be in the City's best interests to consider a taxable issue as opposed to a tax-free structure.

The following table attempts to depict the cost differences of a taxable structure:

TABLE 2
 Alternative Taxable
 Financing Structure
 and Cost

Structure	<u>"GO"</u>	<u>"COP"</u> (no money)	<u>1/</u> <u>SAB/MR</u>
Comment	New Revenue Source (GF)	Not a Revenue Source (GF)	New Rev.Source (GF)
Vote	2/3/of Electorate	City Council Majority	60% of Affected Prop.Owners SAB, 2/3 of Prop.Owners MR
Rehab. Amt.	\$12,180,000	\$12,180,000	\$12,180,000
Capitalized Int.	Not Permitted	3,230,000	Not Required
Reserve Acct.	Not Permitted	1,930,000(MDS)	720,000 (6 mos)
<u>2/Insur. Costs</u>	<u>Not Needed</u>	<u>290,000</u>	<u>Not Needed</u>
Total Issue Excl.			
Finance Costs	\$12,180,000	\$17,630,00	\$12,900,000
	=====	=====	=====
Estimated Interest Costs for 20 Yr. Issue at Todays Mkt.	9%	9 1/2%	10 1/2%
	=====	=====	=====
Semi-Annual Debt Service	\$ 661,900	\$ 992,500	\$ 770,700
	=====	=====	=====

2/ Assume 2/3 of 1% of total Debt Service over life.

From the above Table 2 it is clear that the most cost effective structure is a GO. Further, the second least costly method would be a SAB or MR structure even though the nominal interest cost is higher than a COP or GO. This results from the fact that capitalized interest and insurance is not needed and reserve account requirements are 1/2 of that needed by a COP to receive market acceptance.

Possibly of greater interest, however, is that the difference in cost of a taxable GO, which is only \$69.2 thousand greater every six months. When you consider the financing costs, expenses and reporting requirements of a tax-free structure (arbitrage, etc.), which have not been allowed for in this paper because they as yet are unknown, versus a taxable bond, the taxable bond may be the preferred alternative from an Executive Management perspective.

Further, historically reserve accounts and capitalized interest accounts of COPs could be invested and all earnings, including arbitrage, worked to lower the capital needs required. However, the new ruling requiring returning the "arbitrage" portion of earnings results in the COP structure merely reducing the City financing leverage 20% to 30% when the COP structure is used. I believe this penalty offsets the "easier road to go" with a COP, particularly in light of the City's potential capital needs over the next few years.

Finally, given the potential capital needs of the City over the next 5 years it may be advisable to package our capital needs "Levees, Police, Memorial Auditorium, Administration Center, et al" and seek either voter approval of a GO on SAB/MR financing program so we can maximize our borrowing flexibility, minimize costs and more prudently plan and respond to our capital needs.

RECOMMENDATION

Seek voter approval for a 20-year level debt service tax-free GO Governmental Use Bond for refurbishing the Memorial Auditorium. This financing structure would be the least costly method for financing the refurbishing of the Memorial Auditorium. The estimated annual debt service payments on a \$12,180,000 tax-free GO bond at this time are estimated to be approximately \$1.185 million as opposed to \$1.224 million for a taxable GO bond issue.

As a result of the stated nature of the refurbishing to accommodate a fixed seat theatre to be operated by the City, the financing would not be perceived as a Private Activity Bond (subject to present capacity limits). It appears highly likely that the theatre would be able to be managed in compliance with the 10% usage and 10% debt service rule which would subject the bonds to being taxable at a later date.

In addition, as a result of the tax reform package on future municipal financings, it is possible that GO Bonds as well as SABs may be preferred alternatives to previous Certificates of Participation issued by the City for our future financing programs. Further, since these financing concepts (GOs/SABs/MRs) would be the same on all future municipal financings under the current version of tax reform, in order to determine whether SAB or MR financing structures could be permitted to finance them it may be advisable to: (1) review all potential future capital projects to be financed, and (2) seek legal opinions as to which, if any, could qualify as special benefits to property or general benefits to property.

Solon "Doc" Wisham, Jr.
October 31, 1986
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Also, it should be determined which projects could qualify for GO bonding authority as only land, permanent structures and fixtures can be financed via the GO instrument. The results of this review plus an analysis of the City's ability to make debt service payments would prove useful to planning our future financing programs.

Finally, retain the firms of Paine Webber, Inc. and Stone & Youngberg as investment bankers (underwriters and co-managers) and Orrick, Herrington & Sutcliffe as bond counsel for the City's capital improvement financing program as a result of their knowledge of the City's financing programs as well as expertise in SAB and MR financing. . Once retained, these firms could provide valuable assistance in developing the capital financing programs for the City.

Respectfully submitted,



THOMAS P. FRIERY
City Treasurer

cc: Walter Slipe
Jim Jackson
Jack Crist
Bill Carnazzo
Betty Masuoka

1B

November, 1986

Task Force

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B

November 9, 1986

RIAL. AUDITORY

First of all, the Memorial Auditorium is the grandest public building, inside as well as outside, in Sacramento.

Ever since it opened 60 years ago, Sacramentans of all ages and economic levels have attended events in the grand hall, from student music festivals to square dance exhibitions, tennis matches to grand opera. And that's as it should be, for the Memorial Auditorium was erected for everybody in memory of the young men who fell in World War II defending freedom for all Americans.

The Memorial Auditorium Task Force met nine times between March 26 and July 30, 1986. The vote at the final meeting favored gutting the building and reconstructing the interior as a fixed-seat, single-use concert hall.

Those who voted for continued multi-use believe that the Memorial Auditorium should be suitable for the performing arts, as well as family shows and other uses. The City Council should not accept the majority report, at least not without considering several of the following points:

The proposed concert hall configuration would destroy the treasured interior of this grand building. Both the wooden, tiltable floor and the ornate ceiling, too costly to ever duplicate today, would be torn away and replaced with a concrete slab and acoustical tile.

This grand hall should be slightly altered to meet safety codes. Balcony aisles should be widened and exits added. New, comfortable, portable seating should be installed. Drapes could be used to close off balconies for smaller events.

These changes, while being sensitive to the never-to-be-duplicated interior, would be suitable to theatre--both musicals and drama--and concerts, as well as all the events held in the past and new events, yet to be imagined, in the future.

The Sacramento Symphony has found its home in the 2300-seat Community Theatre that boasts acoustics superior to Davies Hall in San Francisco.

Opera and ballet also prefer the community theatre and are not in competition for dates with the Symphony, as the Symphony performs with both the opera and ballet.

Not only would the conversion to single use destroy the beautiful interior of the auditorium, it would also severely

restrict its use. Even if the opera decided to use the auditorium, there are only six performances a year. The symphony won't move. A move by the ballet is highly doubtful. However, if the company did move, that's only about 20 more days, including the Nutcracker.

As a multiple use facility the Memorial Auditorium will have many times the potential use dates.

Broadway shows will play the Memorial Auditorium as is. Anthony Quinn's "Zorba" was moved to the Community Theatre not because of the quality of the Memorial Auditorium, but because the City closed the Auditorium.

After much thought, we can not understand why the taskforce majority came to its single-use decision.

USE

One might be led to believe that the prime uses for the Auditorium in its present configuration are Wrestling, Roller Derby and other such activities. However, the Sacramento Community/Convention Center FY 84-85 Annual Report indicates otherwise.

EVENTS HELD IN THE MEMORIAL AUDITORIUM IN 1984/85

FAMILY SHOWS	27%
Meetings/Seminars	19%
Concerts	17%
Sports	14%

The other uses were for Dances, Banquets/Receptions, Government use and Conventions. In fact, the Auditorium was location of nine convention events. This compares favorably with the 10 that were held at the Theatre.

In 1984/85, 29 family events were held in the Memorial Auditorium and none in the theatre.

During their deliberations, the Task Force heard testimony from the Symphony, Opera and Music Circus. They all, of course, supported the idea of a single use, fixed seat facility-designed specifically for stage performances. The Task Force makeup was not representative of the full range of past or potential users and had no opportunity or resources to conduct a survey of these users. They also did not have the opportunity to hear from these groups.

WE WOULD STRONGLY RECOMMEND THAT, PRIOR TO MAKING ANY FINAL DECISION, THE CITY COUNCIL CONDUCT PUBLIC HEARINGS FOR COMMUNITY INPUT AND SURVEY PAST USERS FOR THEIR REACTION TO GUTTING THE AUDITORIUM AND THE PROPOSED NEW CONFIGURATION.

THE QUESTION--NEED?

Touring and Road Shows

We agree that there may be a need for an additional 2000-2500 seat theatre in the Sacramento Metropolitan Area. However, the University of California at Davis is the initial phases of building a \$40 million performing arts center to include:

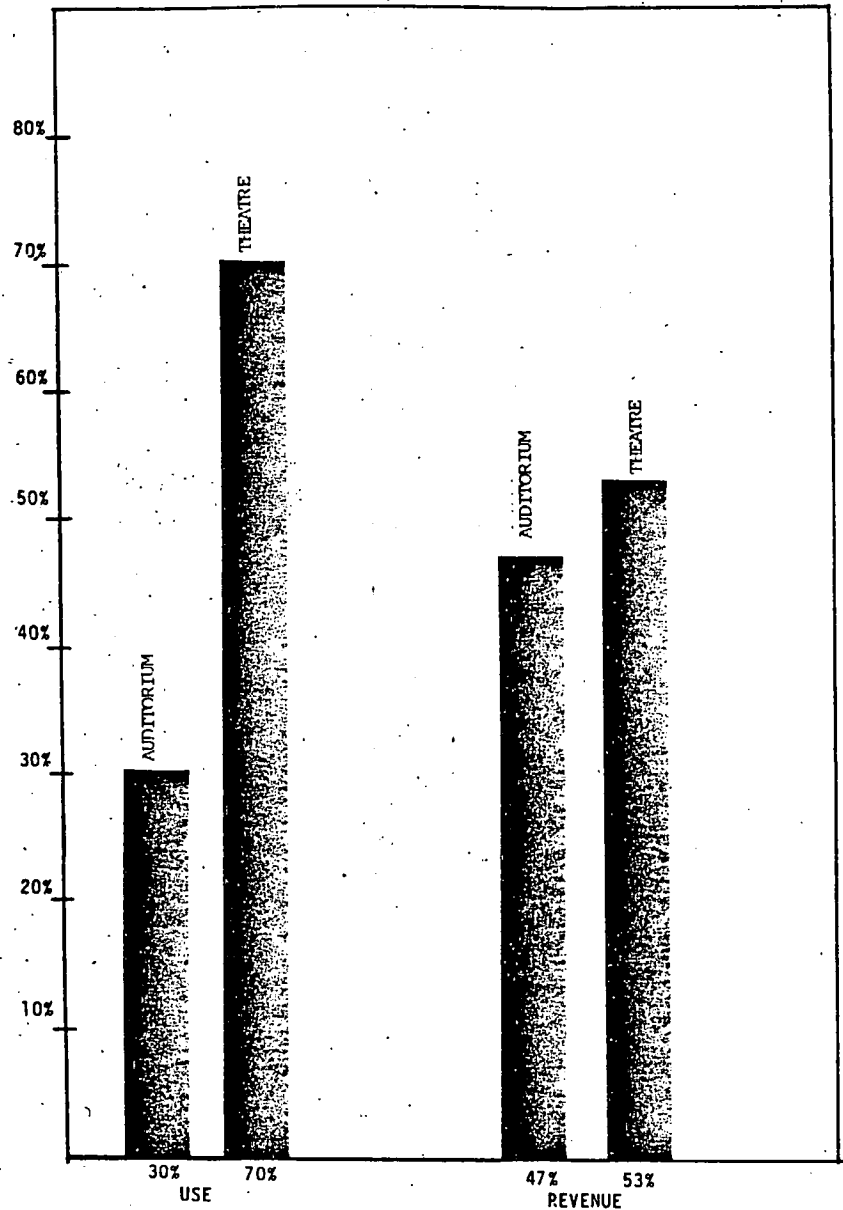
- . Musical recital hall with 500-700 fixed seats
- . Rehearsal rooms
- . A facility with 1500-2000 fixed seats designed for theatre and performing arts.
- . 10,000 square feet of gallery space and up to 40,000 square feet for exhibits of dimensional arts and museum

Thus, there will be a major performing arts center and theatre within 20 minutes of downtown Sacramento with an active theatrical booking and management organization.

Community Theatre

Other than the symphony, ballet and opera, no local performing group has demonstrated the need for a fixed seat theatre anywhere near the size proposed for the Memorial Auditorium. In fact, sources such as the Sanger Report state that the most pressing need is for a downtown theatre of 700-800 seats.

1984-85 TOTAL USE AND REVENUE OF CONVENTION THEATRE AND MEMORIAL AUDITORIUM



COMPARISON OF USES AND REVENUE OF COMMUNITY CENTRE THEATRE AND MEMORIAL AUDITORIUM

1983-84 - TOTAL DAYS USE BOTH FACILITIES	352
Auditorium.....	112 (32%)
Theatre.....	240 (68%)
1983-84 - TOTAL REVENUES BOTH FACILITIES	\$312,626
Auditorium.....	\$136,909 (44%)
Theatre.....	\$175,717 (56%)
1984-85 - TOTAL DAYS USE BOTH FACILITIES	353
Auditorium.....	105 (30%)
Theatre.....	248 (70%)
1984-85 - TOTAL REVENUE BOTH FACILITIES	\$393,880
Auditorium.....	\$184,311 (47%)
Theatre.....	\$209,569 (53%)

From 1983-84 to 1984-85 total days use of Auditorium dropped by 7 yet revenue increased 34.6%

From 1983-84 to 1984-85 total days use of the Theatre increased by 8 yet revenue only increased by 19.3% !

ARCHITECTURAL AND HISTORICAL SIGNIFICANCE

Raymond Girvigian, F.A.I.A. (historical architect and Chairman of the California Historical Building Code Advisory Board) and Judd Boies, Co-Chairman, appeared before the Task Force after touring the Memorial Auditorium with Bill Gentry (City Engineer) and Gary Sydelko (Office of the City Architect). During Girvigian's presentation he explained the jurisdiction and responsibilities of the State Historic Building Code (SHBC).

Intent of SBHC: To save architectural heritage by preserving the original or restored architectural elements and features of an historic structure, both exterior and interior.

It provides alternative regulations to accommodate change of occupancy, occupant safety and handicapped access within a wide range of latitudes. The SBHC Advisory Board interprets the Historic Building Code.

He also covered the following points:

To his knowledge, the building was not cited by either the City Building Department nor by their Board. It was closed, apparently voluntarily, by the City.

Girvigian felt that the interior of the building has exceptional architectural significance. He and Judd Boies had examined the basement and were amazed to see the

mechanical lift, of 19th Century vintage design, that was still in place and working.

CEILING

Girvigian felt that no matter what plans the city has for adaptive use, they should at least try to save the proscenium arch, which is of significance, as well as the ceiling. He indicated that the ceiling could be restored reasonably easily if there was any problem. But, in fact, there was no specific problem and it wasn't as unsafe as they (the city) thought it was by looking at it, because the ropes have metal in the cores. The fear that the ceiling was unsafe and in danger of falling down was unfounded.

Mechanical/Electrical

The mechanical/electrical update could be phased in to find and salvage what they can because of its historical interest and it's still working. And the city has options for its better interest and they should consult with Title 24, Part 8 of the State Building Code, and we're here to help them whenever.

Exterior

The exterior is in excellent condition and has virtually no problems. However, the City should consult with the State Historical Preservation Office on refinement of the design, particularly that of the new handicapped access entry. Any final decision on the building should not be made without proper consultation with the Board to review all of the

beneficial aspects that the regulations could provide to help the City save this very, very important landmark.

Girvigian further commented that the Memorial Auditorium is a one-of-a-kind facility in Sacramento and so every effort should be made to find a way to extend its use. He strongly emphasized that, "Should the City decide on an adaptive use in the interior, they should not make any changes that are irreversible".

* Raymond Girvigian F.A.I.A. is currently Chairman of the California Historical Building Code Advisory Board, Chairman of the California Historical State Capitol Commission, A.I.A. state preservation co-ordinator for California, Historical advisor to the Los Angeles Cultural Heritage Board and South Pasadena Cultural Heritage Commission, Vice Chairman of the Historical American Buildings Survey Advisory Board and Ex-Officio member of the California State Historical Resources Commission. He was also Consulting Historical Architect on the State Capitol Restoration.

THE ROLE OF THE STATE HISTORIC PRESERVATION OFFICE

The Memorial Auditorium is listed as an essential structure on the City Official Register of Historic Buildings. As such, it comes within the purview of the State Historic Preservation Office.

According to the State Historic Preservation Office, it would be most prudent for the City to consult with the State Historic Building Code Advisory Board and the State Historic Preservation Office early in the conceptual stages of the project to pre-empt delays and even the possible loss of official recognition as an essential historic structure. This would then result in the application of building codes, other than the SHBC, which include stringent seismic safety considerations and possible ultimate loss of any use for the building altogether. SHPO would determine whether registration would be withdrawn.

The test: Whether the historical fabric and integrity of the exterior and interior of the Memorial Auditorium would be maintained.

CONCLUSION

There are a wide variety of interests and enthusiasms in Sacramento, a community that can best be served by maintaining the Memorial Auditorium as a multi-use facility. It's important to note that preserving the Memorial Auditorium as a multi-use facility capable of staging family events, sporting events and other uses will not preclude its use as a theatre, while converting it to a fixed-seat, single-use theatre will prevent it from ever again being used for any other purpose.

Years ago, this city made the mistake of allowing another treasure, the Alhambra Theatre, to be destroyed. Let's not make the same mistake again. After restoration and rehabilitation, the Memorial Auditorium can stand as a reminder of our rich and colorful past. But just as importantly it can be an exciting, vital and important part of our future.

The Memorial Auditorium should provide the greatest use for the greatest number of Sacramentans.