



# REPORT TO COUNCIL AND BOARD OF DIRECTORS, FINANCING AUTHORITY City of Sacramento

Staff Report  
October 20, 2009

Honorable Mayor and  
Members of the City Council, and

Board of Directors of the  
City Financing Authority

**Title:** Community Center Theater Renovation Project

**Location/Council District:** 1301 L Street, District 1

**City Council:**

**Recommendation:** Adopt a **City Council Resolution**; 1) accepting the current Community Center Theater Renovation Project "Project" conceptual design; 2) directing staff to issue a Request for Qualifications (RFQ) for architectural services to complete the design work necessary for the Community Center Theater Renovation Project; 3) authorizing staff, on an annual basis, to make the necessary revenue and expense adjustments in the Community Center Operating budget and Community Center CIP (M17100100) to account for the ticket facility fee; 4) authorizing staff to transfer \$446,500 from the Community Center fund to the Community Center CIP (M17100100); and adopt a **City Council Resolution**; 1) declaring the City's official intent to reimburse certain expenditures from proceeds of Community Center Theater Renovation Bonds.

**Financing Authority:**

**Recommendation:** Adopt a **Financing Authority Resolution**; declaring the Authority's official intent to reimburse certain expenditures from proceeds of Community Center Theater Renovation Bonds.

**Contact:** Tina McCarty, Administrative Officer, Sacramento Convention Center Complex, 808-8220

**Presenters:** Judy Goldbar, General Manager, Sacramento Convention Center

**Department:** Convention, Culture and Leisure

**Division:** Convention Center Complex

**Organization No:** 17001151

**Description/Analysis**

**Issue:** In September of 2007, Council directed staff to: 1) complete a thorough analysis of Transient Occupancy Tax (TOT) future projections; 2) hire an architect to complete design concepts and formalize cost estimates for a renovation of the Community Center Theater; 3) seek naming rights proposals; and, 4) pursue a ticket facility fee. Staff has completed both analysis on TOT projections, and a concept design for the renovation. In addition, a facility fee on each Theater ticket sold was implemented in July 2008. Naming rights proposals were not sought due to the financial feasibility study findings, current economic climate, and competing regional arts projects currently underway. The new concept design suggests an efficient renovation can be accomplished within a budget of approximately \$40 million (slides of the concept design are attached – Attachment 6).

Staff is seeking approval to continue the Theater Renovation Project by issuing an RFQ for architectural services to complete the project design and bid and issue a contract for construction in early 2011. Construction would begin following the last theater season performance in June 2011 and continue through the summer. The Theater will remain open for each theatrical season (September through June). Unobtrusive project progress will continue throughout the year with heavy construction to take place during summer months when the theater is not in use. This approach will spread construction over multiple years through the summer of 2014; which is necessary to allow the current theater performing arts groups to continue their seasons, uninterrupted and critical to their vitality. (A project timeline is included in the Rationale Section.)

It is anticipated that renovation of the Theater will be financed using bond proceeds from a future bond issue by the City/Sacramento City Financing Authority. Under the current schedule, it is anticipated that bonds would not be issued until early 2011, when the actual cost of construction is known. The City expects to pay certain expenditures in connection with the Project before the bonds are issued and to use a portion of the proceeds of the bonds to reimburse itself. To comply with Treasury Regulations it is necessary for the City to adopt a reimbursement resolution stating its intent to reimburse certain expenditures from future bond proceeds. Council will be asked to approve bond sales when bond amount is determined. In addition, staff will come back to Council requesting awards of both the design and construction contracts.

**Policy Considerations:** This report is consistent with the City's Strategic Plan Goal of Promoting and Supporting Economic Vitality by allowing the Community Center Theater to remain competitive while providing a cultural venue for residents and visitors alike.

The reimbursement resolution is adopted solely for purposes of establishing compliance with the requirements of Section 1.150-2 of the Treasury Regulations. It does not bind the City to make any expenditure, incur any indebtedness, or proceed with the Project.

**Environmental Considerations:**

**California Environmental Quality Act (CEQA):**

Under the California Environmental Quality Act (CEQA) guidelines, continuing administrative activities do not constitute a project and are therefore exempt from review. CEQA review of the project will be completed during project design.

**Sustainability Considerations:** Experience in designing for sustainability will be included in the selection criteria for architectural services.

**Other:** N/A

**Commission/Committee Action:** The following Commissions, Councils and Boards have been briefed and support the Theater Renovation Project:

City of Sacramento Disabilities Advisory Commission - November 20, 2008. A letter of support is attached (Attachment 2).

Sacramento City Design Commission - December 17, 2008. A summary of their comments is attached (Attachment 3).

Downtown Sacramento Partnership Board – December 22, 2008. A letter of support is attached (Attachment 4).

Sacramento Chamber of Commerce, Economic Development Regulatory Affairs Committee – January 20, 2009. A letter of support is attached (Attachment 5).

**Rationale for Recommendation:** The Theater is a 35 year old facility that has not had a renovation since its opening. While the Theater is still housing world-class events and productions, the facility itself is no longer a world class facility. Removing barriers to accessibility are among the top priorities of the renovation as well as, additional restrooms, concessions and lobby space, to meet the expectations of today's audiences. Infrastructure needs such as electrical, heating and air, sound, and life safety systems need updating and in some cases replacing. Lastly, the clients or promoters of the performances require some additional space and updating of current back of house areas, such as the rehearsal space and the loading dock.

The current renovation plan addresses all of the above concerns by re-configuring some existing spaces and adding approximately 15,000 new square feet to the building. The seating area, or *House*, will be brought up to today's building standards including integrated, accessible seating by creating a cross aisle (left to right) and two additional aisles (back to front). This will be a vast improvement over the existing seating configuration, which can only accommodate wheelchair seating in the last row. Aging facility systems will be replaced to allow increased energy efficiency and safety upgrades.

The plan calls for re-configuration of existing restrooms combined with additional square footage to accommodate ADA accessibility and a 50% increase over current commode counts. Increasing the restroom facilities and thereby decreasing the wait to use them will offer increased opportunities to provide patrons with concession items. Hence, upgrading and expanding points of sale for concessions and overall lobby space are other important features of the proposed plan.

Expanding the lobby and restroom areas presents an opportunity to add some interest to the exterior of the existing concrete building. Current concept plans call for a wall of glass on the southern side, which overlooks Capital Park on L Street. This will allow pedestrians to get a feel for the art that is going on inside the facility, a feature lacking in the current building.

Additionally, there can be art opportunities of a more iconic flare in the expansion areas to emphasize the Theater's role as a downtown anchor.

Finally, expansion of the back stage area will provide accessible dressing rooms and more show storage and rehearsal space. A re-configured and expanded loading dock will provide cost savings to the promoters and allow for more efficient move in/out of shows. Also, by increasing rehearsal space for shows, the concept design includes a multi-use space which can accommodate a full-sized symphony for rehearsals and can be used as a black box theater, a pre-function space, a mega star dressing room, or a green room.

If approved, the project's milestones are as follows:

November 2009	RFP issued for design services.
January 2010	Council asked to award design services contract.
March 2010 – March 2011	Design Development
February 2011	Council Asked to Approve Potential Bond Sale
March 2011	Potential Bond Sale
March 2011	Council asked to award construction contract.
June 2011 – September 2011	Heavy construction while Theater is not in use.
September 2011 – June 2012	Unobtrusive construction will continue while Theater is

open.

Final project completion is expected at the end of summer 2014. The Theater will remain open for each arts season (fall through early summer), and will be closed for heavy construction during the off-season months of June – August in 2011, 2012, 2013, and 2014.

**Financial Considerations:** The Community Center Theater operates as part of the Convention Center Complex and is supported by the Community Center Enterprise Fund. The renovation project can be supported by the Community Center Fund CIP budget by initially paying for the preliminary design work, estimated at approximately \$2.5 million. Currently there is approximately \$2.6 million in the Theater Renovation CIP (M17100100), including \$446,500 collected in facility fees during FY2008/09. The finance plan requires bonding the full project cost of \$40 million in FY2010/11, as the intent is to reimburse the Community Center Fund for the initial design expenses estimated at approximately \$2.5 million. The Community Center Fund has the means of sustaining all future bond payments, estimated to be approximately \$3.7 million annually. Funding within the Community Center Fund will come from a \$3.00 per theater ticket facility fee from the arts organizations and other theater events, which will account for approximately \$1 million dollars of the annual bond payment. The remaining annual bond payment amount, anticipated to be approximately \$2.7 million, will come from Transient Occupancy Tax (TOT) and Convention Center Complex User Fee proceeds. In FY2011/12 existing debt requirements for the 1991 COP bond will be retired, allowing up to \$2.7 million of annual income to be applied to the future bond for the theater Renovation.

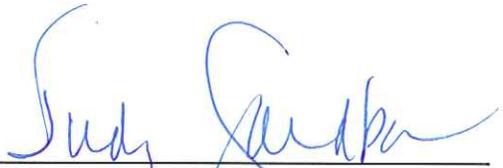
**Summary of Community Center Fund**

\$ x 1000	FY10	FY11	FY12	FY13	FY14	FY15
<b>Fund Balance</b>	\$2,158	\$1,076	\$1,234	\$4,300	\$3,973	\$4,044
<b>Revenue</b>	\$23,689	\$25,603	\$26,191	\$26,052	\$27,234	\$28,473
<b>Facility Fee Rev.</b>	\$850	\$850	\$900	\$1,000	\$1,000	\$1,200
<b>Expenses*</b>	\$13,801	\$14,503	\$14,695	\$15,259	\$15,699	\$16,456
<b>Debt</b>	\$10,700	\$10,692	\$10,680	\$7,970	\$7,964	\$7,956
<b>Proposed Theater Debt</b>			Reimburse \$2,500	\$3,700	\$3,700	\$3,700
<b>CIP</b>	\$1,120	\$1,100	\$1,150	\$ 450	\$ 800	\$1,100
<b>Fund Balance</b>	\$1,076	\$1,234	\$4,300	\$3,973	\$4,044	\$4,505

\*Expenses include Risk Fund loan repayment

**Emerging Small Business Development (ESBD):** Preference will be given to an ESBE proposal through the requested RFP process.

Respectfully Submitted by:

  
Judy Goldbar, General Manager  
Sacramento Convention Center Complex

Approved by:

  
Barbara E. Bonebrake, Director  
Convention, Culture and Leisure Department

Recommendation Approved:

  
Ray Kerridge  
City Manager

**Table of Contents:**

Report	pg. 1
<b>Attachments</b>	
1 Background	pg. 8
2 Disability Advisory Commission Letter	pg. 11
3 Design Commission Comments	pg. 12
4 Downtown Partnership Letter	pg. 13
5 Sacramento Chamber Letter	pg. 14
6 Presentation Slides	pg. 16
7 Resolution	pg. 23
8 Resolution	pg. 25
9 Resolution – Financing Authority	pg. 27

## **Attachment 1**

### **Background**

#### **The following is a timeline of past events:**

- The Community Center Theater (Theater) was built in 1974 and has not had a major renovation since opening.
- In June 2000, City Council directed staff to complete an initial needs assessment and conceptual design for renovating the Community Center Theater.
- LMN Architects Inc. was selected to work on this project through an RFP process.
- On May 15, 2001, Council approved the three-step process for the development of the project including Needs Analysis, Preparation of Alternative Design Concepts, and Final Conceptual Design Development.
- Costs of the conceptually designed project were estimated at \$41 million in 2003 by Davis Langdon Adamson, Construction Cost Planning Firm.
- In April 2003, Council approved funding for a fiscal feasibility study, which would identify funding options and remedies to be explored; however due to budgetary concerns later in 2003, the funding for the study was delayed.
- Following the Mayor's request in mid-2005 to once again look at this project, LMN Architects completed a thorough assessment of the prepared conceptual design and assessed the project would now cost \$70 million.
- Construction costs had risen substantially based on three factors:
  1. National and state construction market demand,
  2. Greater replacement of facility systems, and
  3. More finely tuned assessment of added square footage.
- In September 2006, Council requested that a Financial Feasibility study be completed to assess the funding strategy for a potential \$75 million Theater Renovation project.
- Millennium Advantage Inc. was hired to perform a Financial Feasibility Study which was completed in early 2007.
- The Financial Feasibility Study found that while people believed that a city of Sacramento's size required a theater of this size, they saw the Community Center Theater as a City entity and therefore the City's responsibility to renovate. Most

supported the idea of renovation citing inadequate restrooms, uncomfortable seating, and a lack-luster exterior as areas of needed improvement.

- Since the likelihood of raising funds for the full renovation seemed low, staff worked to scale back the project and address those issues that were of highest priority and/or need.
- September 2007, Council directed staff to complete:
  1. A thorough analysis of the Transient Occupancy Tax (TOT), Staff hired PKF Inc. to perform a thorough TOT analysis, which was completed in June 2008. Unfortunately, due to the extreme changes in the current economy, the future tax revenue forecasts are far higher than can be expected. The report still contains relevant information regarding capital hotel investment and expected proceeds, though the forecasts were not used in preparing the financial plan for the current project.
  2. Hire an architect to complete design concept and formalize a cost estimate. Through an RFP process, Westlake Reed, Leskowsky Architects, Inc. was hired to prepare a concept design and formalize an updated cost estimate. This work was completed in mid to late 2008.
  3. Pursue ticket facility fee through the annual fiscal year 2008-09 budget process. The intention was to implement a \$3.00 facility, but due to requests from the local arts groups, the fee was phased over two years. A facility fee of \$1.50 was implemented in July 2008, and increased to \$3.00 per ticket in July 2009.
  4. Seek naming rights proposals. This was not completed due to the findings of the Financial Feasibility Study suggesting that people were not likely to give until the City showed financial commitment to their asset, first; in addition to the changing economy already affecting art fundraising projects currently underway.

**The following is a more detailed listing of items and issues that the current renovation plan will address:**

Building Systems:

- HVAC Renovation & Replacement
- Electrical Renovation
- Sound upgrades – House and Lobby
- Fire/Safety Systems Upgrades

ADA Improvements:

- Seating re-configuration for ADA access in front section including direct emergency exits
- Mobility path of travel created to front section of house seats
- Additional ADA restrooms
- Access path to stage for all patrons

House - Interior Seating Area:

- New Seats and seating configuration with cross aisle and two additional entry aisles
- Minor acoustic improvement features

Technical- Back of House:

- Retro-fit existing entry doors to improve backstage utilization
- Sound and Lighting system upgrades
- Additional show storage space and new space-efficient orchestra shell
- Updated lighting and sound instruments

New Multi-Purpose Room able to be used for:

- Performers rehearsals
- Black Box Theater
- Green room
- Mega Star Dressing Room
- Pre-function *meet & greet*, etc.

Lobby Area:

- Slightly Increased Lobby Space
- Slightly Expanded Box Office
- Additional Permanent Concession Area
- Addition of 2<sup>nd</sup> floor VIP pre-function space, including concession area and dedicated restrooms

Exterior:

- Add Permanent, Covered Patio on 13<sup>th</sup> Street and L Street
- New grand entrances on 13<sup>th</sup> and L and 13<sup>th</sup> and K Streets
- New Glass exterior on south side along L Street
- New loading dock increasing truck capacity from one truck to three
- New Lighting Landscape and potential for iconic exterior feature

**Attachment 2      City of Sacramento Disabilities Advisory Commission  
Letter of Support**

*City of Sacramento*  
***Disabilities Advisory Commission***

---

Jeff Thom, Chairperson  
Dan Kysor, Vice Chair  
Neal Albritton  
David Bain  
Robert Benson  
Dawn Correia  
Lester Finch  
Angie Skierka  
Jessica Springer

February 19, 2009

Judy Goldbar  
Convention Center General Manager  
1030 15<sup>th</sup> Street, Suite 250  
Sacramento, CA 95814

Dear Ms. Goldbar,

The City of Sacramento Disabilities Advisory Commission (DAC) wishes to express its appreciation to you, your staff, and the consultants, for your Community Center theater renovation project, which was presented at our November 20, 2008 Commission meeting.

The DAC supports your department's effort in the design, rehabilitation and construction of the Sacramento Community Center Theater. This design seeks to ensure that the theater will be accessible to persons with disabilities, both residents of, and visitors to, our city. This planned facility is just one more demonstration of your department's efforts to make this truly a disability-friendly community. Specifically, the DAC is pleased that the theater design contains enhanced access modifications of the exterior of the building, including vertical and horizontal circulation spaces, compliant restrooms, and accessible and integrated seating arrangements.

Finally, we appreciate your willingness to include the DAC as part of the process for receiving input prior to rehabilitation of the theater. We hope that we can continue to provide assistance to you and the Council on issues of concern to those with disabilities.

Sincerely,



Jeff Thom, Chair

cc: City Manager

**Attachment 3      Design Commission Review and Comment**

**Community Center Expansion Theater Renovation**

A. Lobby Interior and Exterior

1. Add a door from the lobby area by the outdoor eating area.
2. Integrate more green areas with plantings and shade trees.
3. Consider stone or other treatment at wall by the sidewalk at outside seating area.
4. Consider ways to deal with heat gain at 13<sup>th</sup> and L Streets at large expanses of glass wall.
5. Look at interior lighting at lobby, how that is viewed from the outside.
6. Provide exterior night lighting plan with a night rendering.
7. Wall at L Street, looking west, appears a bit harsh; look at breaking up its mass, or adding artwork, or some other form of detailing.

B. Materials

1. Consider selection of different, yet complementing materials from those existing to help enliven the building.
2. Consider a decorative treatment of the gate at the new loading bays.
3. Provide a colors and materials board for the proposed project for review by the Commission.
4. Consider more interesting materials at K Street mall addition, rather than matching existing.

C. Access

1. Consider maximum ease of access and circulation at grade changes.
2. Look at ways to encourage pedestrian linkages at the 14<sup>th</sup> St. dock area, with the use of green screening, paving patterns, and artwork, etc.
3. Look at ease of access and better lighting at K Street exiting area.

D. Signage

1. Any proposed multimedia signage designs should be further detailed for review by the Commission.
2. A sign program should be developed for the facility for review by the Commission.
3. Consider banners or LED signage along L Street.
4. Look at creating a better way finding system for those heading west on K Street.

**Attachment 4      Downtown Sacramento Partnership Letter of Support**



September 14, 2009

Judy Goldbar  
General Manager  
Sacramento Convention Center Complex  
1401 K Street  
Sacramento, CA 95814

**Subject:      Community Center Theater Renovation**

Dear Ms. Goldbar:

The Downtown Sacramento Partnership (DSP) supports efforts to renovate the Community Center Theater at the Sacramento Convention Center Complex. While earlier proposals were more ambitious, the current proposal includes a much more reasonable design and funding options, while maintaining the type of facilities that meet the needs of theater users and audiences for years to come.

The Community Center Theater represents an icon in the central city. A renovation will allow the theater to address the most critical needs including seating, audio/visual systems, ADA accessibility, back stage improvements, lobby, box office, and concession area improvements. Furthermore, plans for the renovation will enhance the exterior of the facility, thereby better integrating the theater to K Street, Capitol Park and the Convention Center.

The DSP strongly supports the Community Center Theater and will encourage the City to move forward on the renovation as soon as possible. The theater plays a key role in Sacramento's arts, culture, and entertainment scene and is one of downtown's most important civic amenities.

Sincerely,

A handwritten signature in blue ink, appearing to read "Michael Ault", is written over a light blue wavy background element on the left side of the page.

Michael Ault  
Executive Director

CC:            DSP Board of Directors  
                 Mayor and Council  
                 Ray Kerridge, City Manager

916 442.8575  
FAX 916 442.2053  
980 9th Street, Suite 400  
Sacramento, CA 95814

d o w n t o w n s a c . o r g

Attachment 5 Sacramento Chamber of Commerce Letter of Support

FOSTERING REGIONAL ECONOMIC PROSPERITY



metrochamber
SACRAMENTO METROPOLITAN
CHAMBER OF COMMERCE

February 24, 2009

Hon. Kevin Johnson
Mayor, City of Sacramento
915 I Street, Third Floor
Sacramento, CA 95814

RE: Sacramento Community Center Theater Renovation Project

Dear Mayor Johnson:

I am writing to express the position of the Sacramento Metro Chamber with respect to Sacramento Community Center Theater Renovation Project. The Metro Chamber supports projects which enhance our Capital Region Core.

The Metro Chamber supports the Sacramento Community Center Theater Renovation Project. Renovation of the Community Center Theater represents an investment in our region's Core Civic Amenities, which solidify it as a world-class region in which to live, work, and play. The Community Center Theater was built in 1974. There have been no major renovations to the facility in 30+ years of operation. Through this project the Theater will receive significant, necessary modernizations. Among other things, the number of restrooms will be increased, seating quality and views will be enhanced, and improvements will be made to the backstage areas.

The project can be financed without utilization of City of Sacramento General Fund resources. Of the total \$40 million project cost, approximately \$34 million is budgeted for construction activities to be financed through a bond. The annual bond payments of approximately \$3 million will be paid out of the Community Center Fund, an enterprise fund which operates independently from the City's general fund. In addition to other resources from the Community Center Fund, a Ticket Facility Fee is being implemented in the summer of 2009. That fee will be paid by patrons who purchase tickets to shows. The proceeds will be used to make the bond payments. Design costs will total \$6 million and will be paid for using Community Center Fund resources.

2009 Chair
Linda Cuder
Vice President, Corporate Construction/Build
GenCorp, Inc.

1st Vice Chair
Randy Sizer
Senior Vice President
Teichert Land Co.

2nd Vice Chair
Greg Eldridge
Vice President, Area Manager
GE2M/MS

Vice Chair, Economic Development
John DiStasio
General Manager & CEO
SMUD

Vice Chair, Membership Development
Michael O'Brien
President & Co-Publisher
Sacramento Migration Corporation

Vice Chair, Marketing & Communications
Michele McCormick
Senior Vice President, Sacramento Region
Geac/Forst/MWC Communications

Vice Chair, Programs & Events
Kathy McKim
Vice President, External Affairs, Norm Control
AT&T

Vice Chair, Public Policy
Robert Dugan
Legislative & Public Affairs
Granite Construction, Inc.

Vice Chair, Small Business
Terry Harvego
Director
Harvego Enterprises

Immediate Past Chair
Michael Jacobson
Corporate Affairs Manager
Intel Corporation

At-Large Representatives
Griselda Barajas
Principal
Griselda's Ventures

Christopher Delfino
Partner
Downey Brand LLP

Kris Deuschman
President
Deuschman Communications Group

Shelly Schlenker
Vice President, Public Policy & Advocacy
CIVIMetry

Metro PAC Chair
Michelle Smira
Principal
MMS Strategies

Legal Counsel
Martha Lofgren
Partner
Brewer Lofgren

Treasurer
Warren Kashiwagi
Partner
Berry Smith, LLP

President & CEO
Matthew R. Mahood
Sacramento Metro Chamber

FOSTERING REGIONAL ECONOMIC PROSPERITY



**metrochamber**  
SACRAMENTO METROPOLITAN  
CHAMBER OF COMMERCE

Representing approximately 2,200 member businesses and business organizations in the six-county Sacramento region, the Sacramento Metro Chamber serves as the region's voice of business and is the leading proponent of regional cooperation on issues affecting business, economic development and quality of life.

Again the Metro Chamber supports the Sacramento Community Center Theater Renovation Project.

Sincerely,

Matthew R. Mahood  
President & CEO

- Cc: Councilmember Ray Tretheway, City of Sacramento  
 Councilmember Sandy Sheedy, City of Sacramento  
 Councilmember Steve Cohn, City of Sacramento  
 Councilmember Robert King Fong, City of Sacramento  
 Councilmember Lauren Hammond, City of Sacramento  
 Councilmember Kevin M'Carty, City of Sacramento  
 Councilmember Robbie Waters, City of Sacramento  
 Councilmember Bonnie Pannell, City of Sacramento  
 Ray Kerridge, City Manager, City of Sacramento  
 Judith M. Goldbar, General Manager, Sacramento Convention Center

**2009 Chair**  
**Linda Cuder**  
*Vice President, Corporate Communications*  
*GenCorp, Inc.*

**1st Vice Chair**  
**Randy Siter**  
*Senior Vice President*  
*Treasury East Co.*

**2nd Vice Chair**  
**Greg Eldridge**  
*Vice President, Area Manager*  
*CH2MHill*

**Vice Chair, Economic Development**  
**John D'Stasio**  
*General Manager & CEO*  
*SMUD*

**Vice Chair, Membership Development**  
**Michael O'Brien**  
*President & Co. Publisher*  
*Sacramento Inquiries Corporation*

**Vice Chair, Marketing & Communications**  
**Michele McCormick**  
*Senior Vice President, Sacramento Region*  
*CrestPoint/MWC Communications*

**Vice Chair, Programs & Events**  
**Kathy McKim**  
*Vice President, External Affairs, North Central*  
*A&T*

**Vice Chair, Public Policy**  
**Robert Dugin**  
*Legislative & Public Affairs*  
*Granta Construction, Inc.*

**Vice Chair, Small Business**  
**Terry Harvego**  
*Director*  
*Harvego Enterprises*

**Immediate Past Chair**  
**Michael Jacobson**  
*Corporate Affairs Manager*  
*Intel Corporation*

**At-Large Representatives**  
**Griselda Barajas**  
*Principal*  
*Grashki's Ventures*

**Christopher Delfino**  
*Partner*  
*Doerny Beers LLP*

**Kris Deutschman**  
*President*  
*Deutschman Communications Group*

**Shelly Schlenker**  
*Vice President, Public Policy & Advocacy*  
*Ch2MHill*

**Metro PAC Chair**  
**Michelle Smira**  
*Principal*  
*MSS Strategies*

**Legal Counsel**  
**Martha Lofgren**  
*Partner*  
*Boover Lofgren*

**Treasurer**  
**Warren Kashiwagi**  
*Partner*  
*Perry Smith LLP*

**President & CEO**  
**Matthew R. Mahood**  
*Sacramento Metro Chamber*

**Attachment 6 - Presentation Slides**



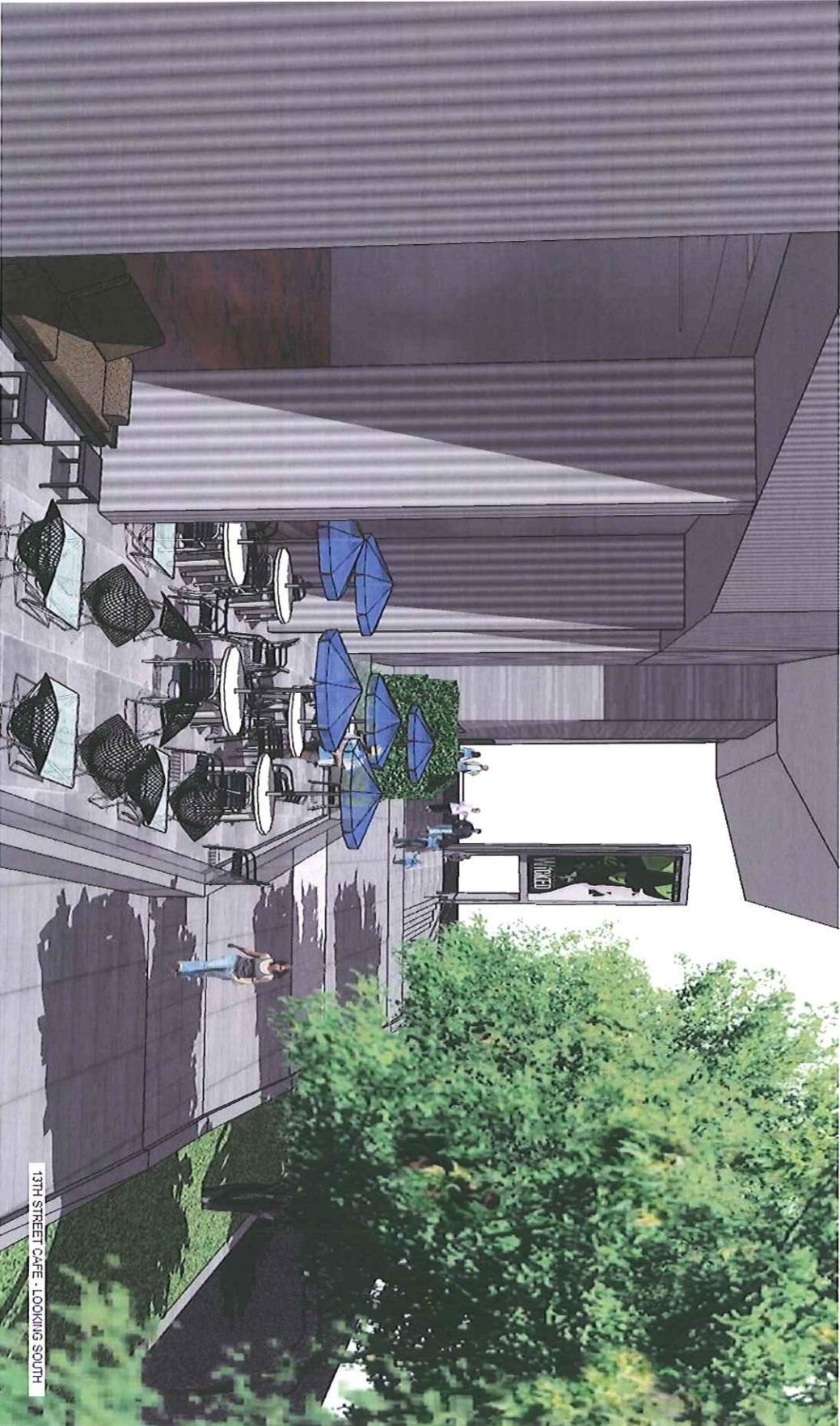
13TH & L STREET - NEW LOBBY - LOOKING EAST



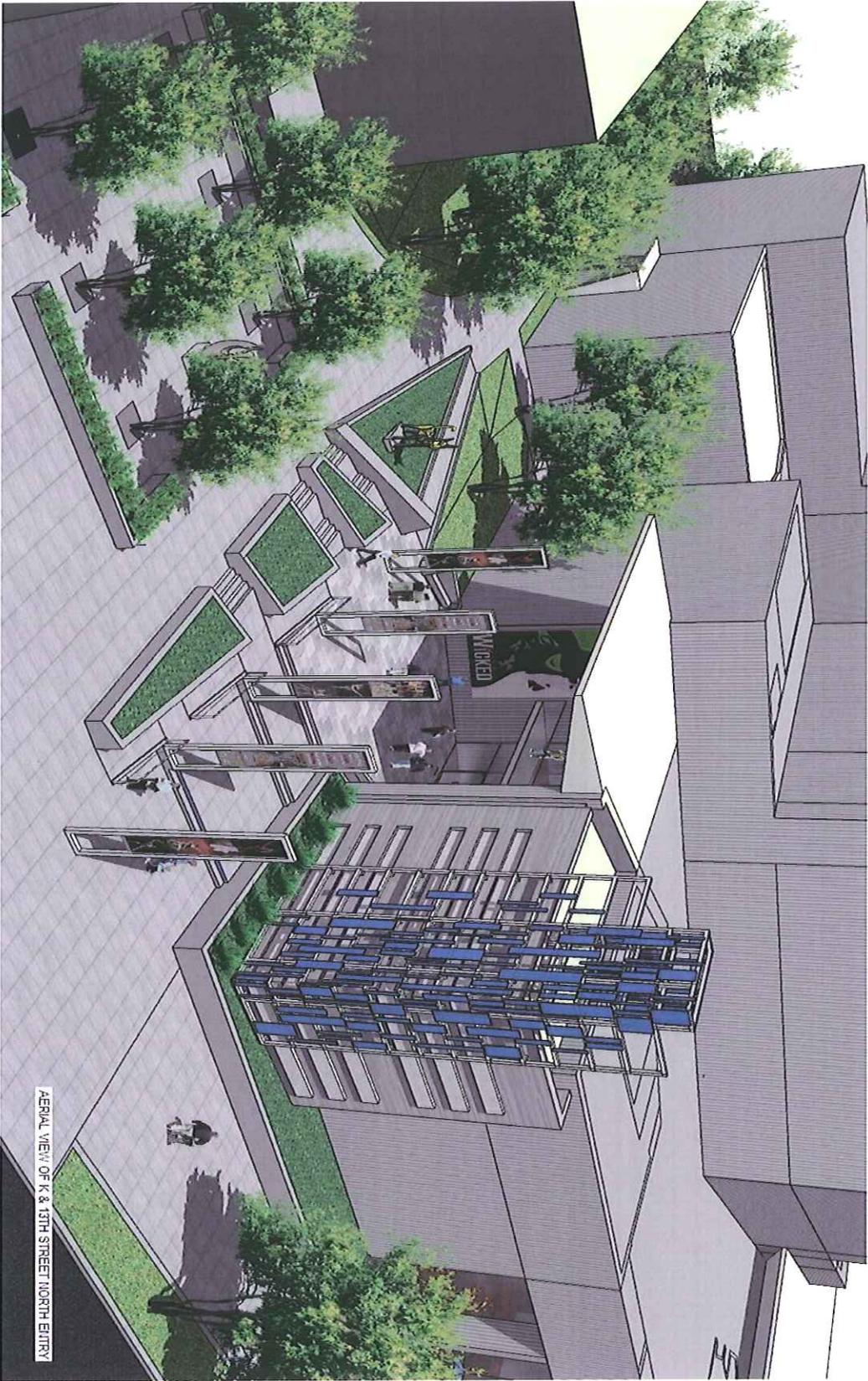
**SACRAMENTO COMMUNITY  
CENTER THEATRE  
RENOVATION STUDY**

WESTLAKE REED LESKOSKY

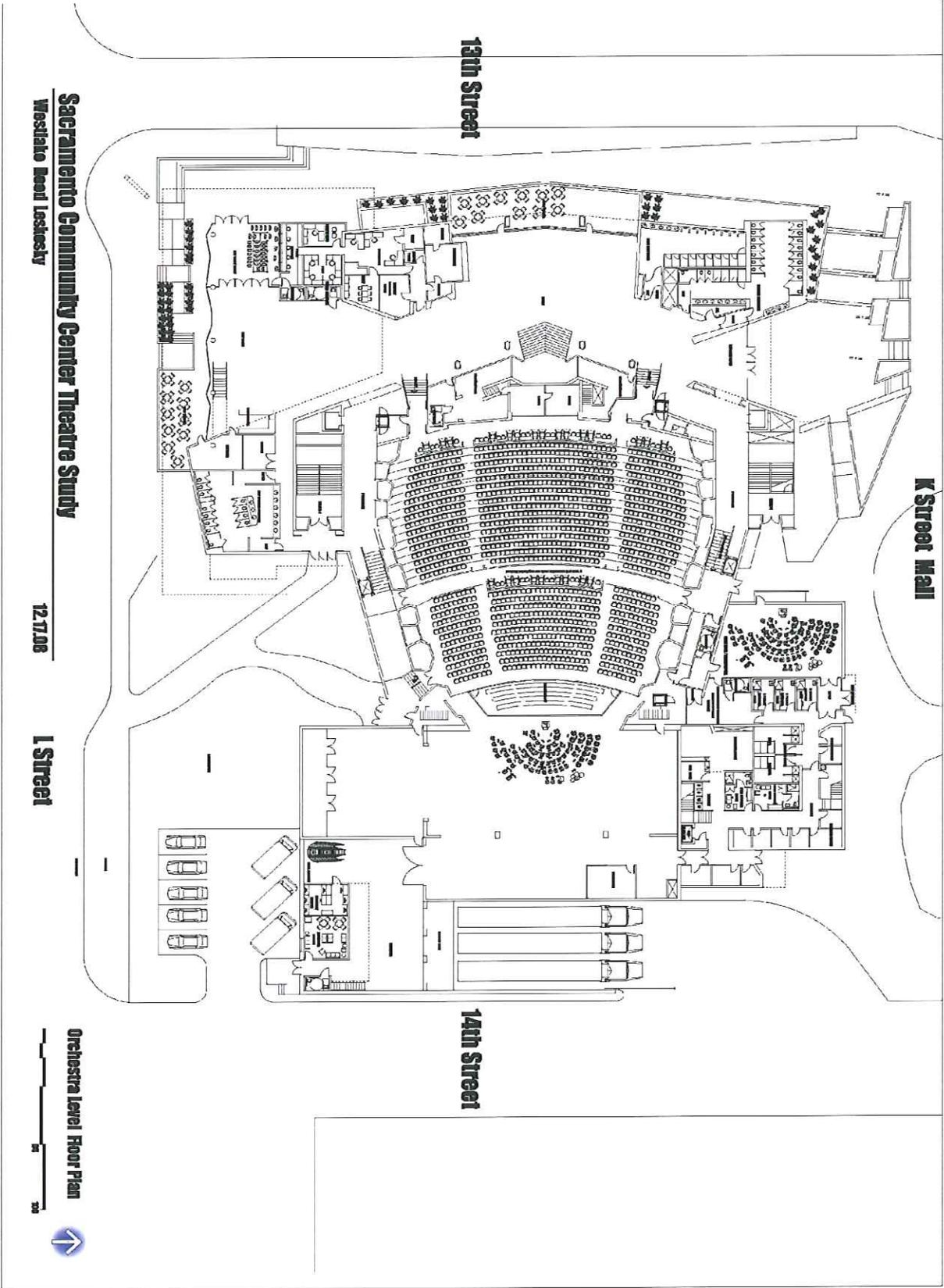
12.17.08



13TH STREET CAFE - LOOKING SOUTH



AERIAL VIEW OF K & 13TH STREET NORTH ENTRY



**Sacramento Community Center Theatre Study**  
Westlake Road Looking West

12.17.08

I Street

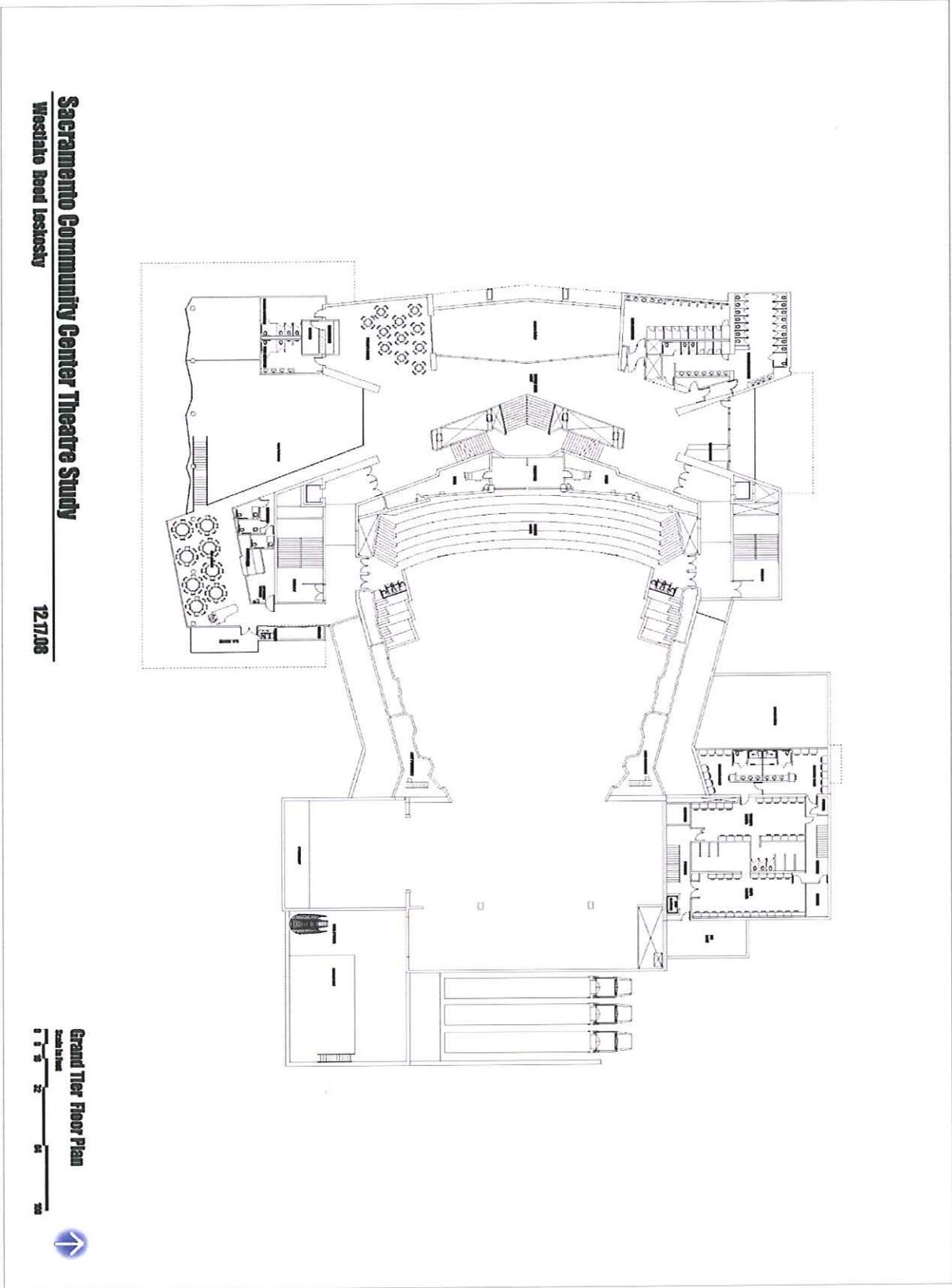
Orchestra Level Floor Plan



K Street Mall

13th Street

14th Street



## **Finance Plan Summary**

- **Total Project Cost - \$40 Million**
- **Design Fees of approximately \$2.5 Million to be paid from the current Community Center Fund CIP budget in FY2009/10**
- **Bond amount anticipated to be approximately \$40 Million with the intent to reimburse the Community Center Fund for Design Fees**
- **Bond Issuance anticipated in March 2011**
- **Construction to begin Summer 2011**
- **Theater will remain open nine months of the year (regular performing arts season), 2011 – 2014; closed during summer months**
- **Construction will be complete by the Fall 2014 Performing Arts Season**
- **Debt payments of approximately \$3.7 Million annually, to be paid by the Community Center Fund beginning in FY2012/13 with proceeds from the Ticket Facility Fee and the soon-to-be re-tired Convention Center bond debt**

## **RESOLUTION NO. 2009-**

Adopted by the Sacramento City Council

### **COMMUNITY CENTER THEATER RENOVATION PROJECT**

#### **BACKGROUND**

- A. The Community Center Theater (Theater) was built in 1974 and has not had a major renovation since opening.
- B. In June 2000, City Council directed staff to complete an initial needs assessment and conceptual design for renovating the Community Center Theater.
- C. In 2003 identifying a funding strategy for the project was delayed due to budgetary constraints.
- D. In 2005 the Mayor asked that the project be updated with new cost estimates and funding options.
- E. The project cost estimate increased from a previous budget of \$40 to \$75 million due to the booming construction market and additional system needs and square footage that was identified.
- F. The project was re-examined with a new architectural firm, Westlake Reed Leskowsky Architects, Inc.; given the critical needs of building system replacement, ADA accessibility, customer requirements, and back of house improvements.
- G. A new concept design was created addressing the above priorities with an estimated cost of \$40 million.
- H. A funding strategy has been identified whereby the Community Center Fund will pay for the preliminary Design Phase of the project (\$2.5 million) over the next two fiscal years (FY10 – FY11), in order to request award of a guided-design construction contract in early 2011.
- I. The remainder of the project cost would need to be bonded under the current plan (\$37.5 million) in FY11, with construction commencement in the summer of 2011 and a project completion date of late summer 2014.
- J. Council approved and staff implemented an up to \$3.00 per ticket facility fee to support the Theater. The facility fee was implemented on July 1, 2008 at \$1.50 per ticket and was increased to \$3.00 per ticket on July 1, 2009.
- K. In FY2008/09, the Convention Center received \$446,500 in revenue from the ticket facility fee, This funding was not appropriated to the Community Center CIP.

**BASED ON THE FACTS SET FORTH IN THE BACKGROUND, THE CITY COUNCIL RESOLVES AS FOLLOWS:**

- Section 1. The current Community Center Theater Renovation Project conceptual design is accepted.
- Section 2. Staff is directed to issue a Request for Proposals for architectural services to complete the design work necessary for the Community Center Theater Renovation Project.
- Section 3. Staff is authorized, on an annual basis, to make the necessary revenue and expense adjustments in the Community Center Operating budget and Community Center CIP (M17100100) to account for the ticket facility fee.
- Section 4. Staff is authorized to transfer \$446,500 from the Community Center fund to the Community Center CIP (M17100100).

## **RESOLUTION NO. 2009-**

Adopted by the Sacramento City Council

### **DECLARATION OF OFFICIAL INTENT TO REIMBURSE CERTAIN EXPENDITURES FROM PROCEEDS OF CONVENTION CENTER THEATER RENOVATION BONDS**

#### **BACKGROUND**

- A.** The City Council has determined to design, construct, and acquire the following public facilities, all of which relate to the City's renovation of its Convention Center Theater (the "Project"):
- (1) Infrastructure needs such as electrical, heating, air, sound, and life-safety systems; accessibility needs; additional restrooms; enhanced concessions and lobby space; and expanded and updated back-of-house areas, rehearsal space, and loading dock.
  - (2) Other public infrastructure needed to serve the City's Theater Renovation, including but not limited to water, sewer, and drainage facilities.
  - (3) Public amenities, including but not limited to parks, open space, pedestrian enhancements, and art.
  - (4) Engineering-and-design work for these facilities.
- B.** To finance, on a long-term basis, the costs associated with the Project, the City expects to issue bonds (the "Bonds"). Depending on the circumstances, the interest on the Bonds may or may not be exempt from income taxation under the United States Internal Revenue Code. The maximum principal amount of the Bonds is not expected to exceed **\$80,000,000**.
- C.** The City expects to pay certain expenditures in connection with the Project before the Bonds are issued (the "Original Expenditures") and to use a portion of the proceeds of the Bonds to reimburse itself for the Original Expenditures.
- D.** Section 1.150-2 of the United States Treasury Regulations ("Section 1.150-2") requires the City to declare its reasonable "official intent" to reimburse itself with proceeds of the Bonds (i.e., the "proceeds of an obligation") for Project expenditures it expects to pay before the Bonds are issued.
- E.** The City Council is fully advised in this matter.

**BASED ON THE FACTS SET FORTH IN THE BACKGROUND, THE CITY COUNCIL RESOLVES AS FOLLOWS:**

- Section 1.** The City Council finds that the statements in the Background are true.
- Section 2.** The City hereby declares its official intent to use proceeds of an obligation, i.e., proceeds of the Bonds, to reimburse itself for the Original Expenditures.
- Section 3.** This resolution is adopted solely for purposes of establishing compliance with the requirements of Section 1.150-2. It does not bind the City to make any expenditure, incur any indebtedness, or proceed with the Project.
- Section 4.** This resolution takes effect when adopted.

## **RESOLUTION NO. 2009-**

Adopted by the Sacramento City Financing Authority

### **DECLARATION OF OFFICIAL INTENT TO REIMBURSE CERTAIN EXPENDITURES FROM PROCEEDS OF COMMUNITY CENTER THEATER RENOVATION BONDS**

#### **BACKGROUND**

- A. The City of Sacramento (the "City") has determined to design, construct, and acquire the following public facilities, all of which relate to the City's renovation of its Community Center Theater (the "Project"):
- (1) Infrastructure needs such as electrical, heating, air, sound, and life-safety systems; accessibility needs; additional restrooms; enhanced concessions and lobby space; and expanded and updated back-of-house areas, rehearsal space, and loading dock.
  - (2) Other public infrastructure needed to serve the renovated Community Center Theater, including but not limited to water, sewer, and drainage facilities.
  - (3) Public amenities, including but not limited to parks, open space, pedestrian enhancements, and art.
  - (4) Engineering-and-design work for these facilities.
- B. To finance, on a long-term basis, the costs associated with the Project, the Sacramento City Financing Authority (the "Authority") expects to issue bonds (the "Bonds"). Depending on the circumstances, the interest on the Bonds may or may not be exempt from income taxation under the United States Internal Revenue Code. The maximum principal amount of the Bonds is not expected to exceed **\$80,000,000**.
- C. The City expects to pay certain expenditures in connection with the Project before the Bonds are issued (the "Original Expenditures"), and the Authority expects to use a portion of the proceeds of the Bonds to reimburse the City for the Original Expenditures.
- D. Section 1.150-2 of the United States Treasury Regulations ("Section 1.150-2") requires the Authority to declare its reasonable "official intent" to reimburse the City with proceeds of the Bonds (i.e., the "proceeds of an obligation") for Project expenditures the City expects to pay before the Bonds are issued.
- E. The Board of Directors is fully advised in this matter.

**BASED ON THE FACTS SET FORTH IN THE BACKGROUND, THE BOARD OF DIRECTORS OF THE SACRAMENTO CITY FINANCING AUTHORITY RESOLVES AS FOLLOWS:**

- Section 1.** The Board of Directors finds that the statements in the Background are true.
- Section 2.** The Authority hereby declares its official intent to use proceeds of an obligation, i.e., proceeds of the Bonds, to reimburse the City for the Original Expenditures.
- Section 3.** This resolution is adopted solely for purposes of establishing compliance with the requirements of Section 1.150-2. It does not bind either the City or the Authority to make any expenditure, incur any indebtedness, or proceed with the Project.
- Section 4.** This resolution takes effect when adopted.