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**DEPARTMENT OF
GENERAL SERVICES**

OFFICE OF THE DIRECTOR

**CITY OF SACRAMENTO
CALIFORNIA**

5730 - 24TH STREET
BUILDING FOUR
SACRAMENTO, CA
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DIVISIONS:

COMMUNICATIONS
FACILITY MANAGEMENT
FLEET MANAGEMENT
PROCUREMENT SERVICES

February 27, 1992

City Council
Sacramento, California

Honorable Members in Session:

**SUBJECT: SACRAMENTO CONVENTION CENTER EXPANSION (PA11)
APPROVAL OF PLANS AND SPECIFICATIONS FOR CONSTRUCTION**

LOCATION and COUNCIL DISTRICT

1100 14th Street (Convention Center); Council District 1.

SUMMARY

This report requests City Council approval of plans and specifications for construction of the Sacramento Convention Center Expansion project (PA 11).

STAFF RECOMMENDATION

It is recommended that the plans and specifications be approved, that a \$550 non-refundable plan and specifications charge be approved, and that the City Clerk be authorized to receive Bids.

BACKGROUND INFORMATION

History and Description of the Expansion Project:

The existing Sacramento Community / Convention Center, built in 1974, is currently used for smaller state and local conventions and trade shows, public shows and numerous community events. The City of Sacramento has been unable to attract and accommodate its full market potential of convention-related events, due in part to the size constraints of the existing Convention Center and the current heavy utilization level of the facility.

A market analysis for the Convention Center Expansion provided space planning parameters for the Expansion which would optimize its market potential (Coopers & Lybrand, 1987). The market analysis recommended an addition of 140,000 gross square feet of exhibit space, plus meeting and ballroom space, and additional loading dock facilities.

With the additional space needs in mind, the City prepared a comprehensive Draft Environmental Impact Report (EIR). The program EIR considered all of the significant environmental impacts of expanding the existing Community / Convention Center to the maximum potential size recommended by Coopers & Lybrand, and the building of three (3) new office buildings in close proximity to the Convention Center. In accordance with



City Council

Re: Contract Documents Approval; Convention Center Expansion (PA11)

February 27, 1992

Page 2

California's Environmental Quality Act (CEQA), the EIR analyzed four alternative expansion sites: North, East, West, and the SOCA alternative. In addition, a "No Project" Alternative was analyzed.

On October 4, 1988 the City Council certified the Program EIR as complete and adequate under CEQA, and on October 25, 1988 the Council Approved the East Alternative and issued Findings of Fact and Statement of Overriding Considerations. The East Alternative project description included blocking and closure of 14th Street between J Street and K Street to combine the existing Convention Center site with the block directly to the east, excluding St. Paul's Episcopal Church and the Panattoni building.

On April 11, 1990 the City Council approved the "Architectural Programming Study for the Sacramento Community/Convention Center" by Vitiello + Associates with Loschky, Marquardt & Nesholm (V+A/LM&N). The architects accomplished the programming study under a consultant contract separate from the design contract; and had developed a program for an "optimum facility" which responded to competing facility study findings, while incorporating and categorizing the recommendations of the Coopers & Lybrand Market Study (1987). Spatial needs and functional relationships of the were based on standard convention center industry criteria rather than site-specific requirements. This program was used as criteria to develop the site-specific architectural program and facility Concept Design for the East Alternative site.

On January 23, 1990 the City Council authorized a contract for architectural/engineering design consultant services with V+A/LMN for the Expansion project. The Schematic Design, based on the architect's site-specific program and the Concept Design, was developed to provide the basis of the project description for analysis in the Convention Center Expansion Supplemental Environmental Impact Report (SEIR).

On April 17, 1990 the City Council authorized a contract for site and program-specific market study for the Expansion project with Coopers & Lybrand. The completed "Phase II Market, Financial and Economic Analysis of the Sacramento Community Convention Center" (Phase II Market Study) recommended minor modification to the architectural program in the sizes of specific (i.e.- Ballroom) spaces. These recommendations were incorporated in the final Concept Design.

On September 11, 1990 the City Council accepted the Concept Design with several design alternates. Council authorized staff to initiate the Schematic Design based on the Concept Design. At Council's direction, staff met with adjacent property owners to present and discuss project functional requirements and exterior design solutions for areas of concern and held public information meetings during the design process.

On February 26, 1991 the City Council accepted the Schematic Design as the basis of the "project description" required for analysis in the project Supplemental Environmental Impact Report (SEIR), and authorized staff to initiate the Design Development and Construction Documents phases of project design.

On September 10, 1991 at the completion of Design Development phase, Staff reported to Council on the project design, project budget, and construction phasing. Council comments on the design progress at the Design Development phase have been considered in the development of the Construction Documents phase design.

Design Review and Preservation Board Action:

The Expansion project design has been presented for information and comment in several special public working sessions with the DRB on March 28, April 18, and May 22, 1991. Comments and concerns voiced during those

working sessions were considered in the Architect's design process, and potential design solutions were developed for discussion at each succeeding working session.

On August 28, 1991 the Design Review and Preservation Board approved the project design, conditional on their review of the final design of the facade detailing, site landscaping, the selected exterior materials and colors, and the exterior signage. On January 29, 1992 and again on February 19, 1992, the DRB considered the outstanding items, and on February 19, 1992 approved the Expansion project. Exterior signage/graphics have been excluded from the approval for the Expansion project, and will be presented to the DRB as a separate project.

Supplemental Environmental Impact Report (SEIR):

Public review and comment of the SEIR has been concluded, and the Final SEIR has been released for public review. Council's certification of the Expansion project SEIR as complete and adequate under CEQA and the issuance of Findings of Fact and Statement of Overriding Considerations is requested as a separate action coincident with this staff report.

Project Construction Cost:

The project Architects have prepared an estimate of construction cost, and that estimate has been reviewed by the City's Project Administration Consultant, Turner Construction Company. The construction estimate for the Expansion project has been determined to accurately reflect the anticipated construction cost for the Sacramento area.

The estimate for the base building is consistent with the Expansion project budget. The project construction estimate also includes the additional costs for project alternates, which can be accepted if within budget based on the actual construction bids received.

The construction industry continues to experience a very competitive bidding environment. Recent bids in the Sacramento area, including bids received for the Memorial Auditorium, indicate substantial savings may be obtained if the project is released for bid at this time. However, there is no guarantee of substantial savings sufficient to accept and or all of the project alternates.

Concurrent Site Activities:

City Council authorization to advertise for bids for abatement of toxic materials within the existing Convention Center which would be affected by the Expansion project work is being requested as a separate action concurrent with this report. The toxic abatement work for the Expansion project is planned to be completed concurrently with the Expansion project, and must be accomplished under a separate contract by a qualified, insurable toxic abatement contractor. Staff anticipates receipt of bids, award of the Expansion project toxic abatement contract, and the start of on-site abatement activities before award of the Expansion project construction contract.

On January 21, 1992, Council authorized advertisement and bids for Site Preparation work. Award of a contract for that work is being requested as a separate action concurrent with this report. The Site Preparation work is scheduled to be accomplished during the time period allocated for bidding and award of the Expansion project, with final completion of Site Preparation work prior to the start of construction.

In addition, the City has received informal Bids for abatement of asbestos containing materials within limited areas of the existing Convention Center, which would be affected by the Site Preparation contract. Staff anticipates awarding the toxic abatement contract so that the abatement work is completed concurrently with the Site Preparation work, and will be fully complete prior to receipt of Bids for the Expansion project.

Project Schedule:

By authorizing advertising for bids at this time, bids can be received and analyzed, and Council can award a construction contract for the Expansion project in accordance with the project schedule. The project schedule, developed by the Project Administrator, Turner Construction Company, is tied to construction activity phasing and current Convention Center commitments to event operators. Any delay in receiving Bids or in subsequently awarding a construction contract will result in a corresponding delay in the start of facility construction. Because of the construction phasing requirements and the current status of Convention Center event commitments, the actual construction delay and the time required for project completion may be significantly more than the time of an unscheduled pre-construction delay.

FINANCIAL CONSIDERATIONS

City Council has previously directed that the Sacramento Convention Center Expansion project be completed according to the project schedule and within the \$80 million project budget. Current cost estimates indicate that the Expansion project is within budget. Project funding includes prior year (FY88 - FY92) CIP funding (\$15,800,000) and proceeds earmarked for the Convention Center from 1991 Revenue bonds (\$64,200,000)

The Sacramento City Financing Authority issued \$148,655,000 of 1991 Revenue Bonds on November 26, 1991. These bonds were issued to finance the construction and/or renovation of various City project including the Convention Center Expansion project. Net bond proceeds in the amount of \$80,855,133 have been earmarked for this project. Included in this figure is a debt service reserve (\$7,037,150), 31 months of capitalized interest (\$14,100,000), related issue costs (\$56,500) and construction proceeds (\$59,661,483). Together with expected interest earnings of \$4,538,517, there will ultimately be \$64,200,000 available for construction and related project purposes. The final size of the lease financing will be determined based on the actual project funding requirement.

Construction funding from bond proceeds will not be available until after a project lease by and between the City and the Sacramento Financing Authority is executed for the Convention Center Expansion. It is anticipated that this lease will be executed prior to, or at the same time as, award of the construction contract.

The Expansion project budget includes sufficient funds for construction of the basic Expansion project. Including any, or all, of the project alternates in the construction contract will be recommended by staff based on the bids received for the base project and the amount of remaining funds available.

POLICY CONSIDERATIONS

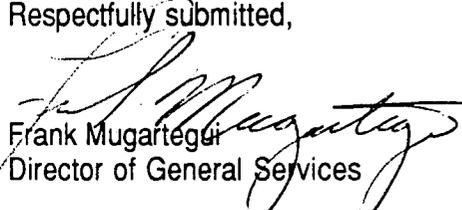
The approval of contract documents is consistent with Sacramento City Code Chapter 58, Article III, Section 58.303.

City Council
Re: Contract Documents Approval; Convention Center Expansion (PA11)
February 27, 1992
Page 5

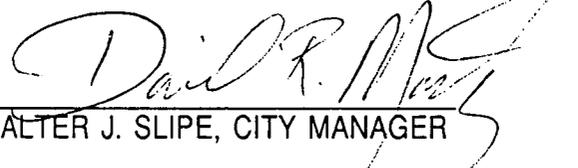
WBE / MBE

Contract documents will be sent to eighteen (18) plan rooms and construction service organizations for publication and use by the construction industry in California. There are four (4) organizations on the distribution list that are directly involved with MBE / WBE construction firms. In addition, the project will be advertised in selected regional and national construction industry publications.

Respectfully submitted,


Frank Mugartegui
Director of General Services

RECOMMENDATION APPROVED:


WALTER J. SLIPE, CITY MANAGER

for
Contacts: Duane Wray, Fac. Mgt. Div., 443-6220;
or Jim Faber, Project Mgr., 264-7745

District 1
March 17, 1992