

RESOLUTION NO. 2019-0065

Adopted by the Sacramento City Council

March 5, 2019

Authorizing Agreement and Funding for Improvements to Sacramento Convention Center

BACKGROUND

- A. On October 18, 2016, City Council directed staff to proceed with the design of the Sacramento Convention Center improvements.
- B. A design-assist method of delivery for the Sacramento Convention Center (SCC) improvements was recommended, because it allowed for the designer and contractor to work in a coordinated manner, increasing efficiency and allowing for the successful delivery of the project on schedule and within budget.
- C. The SCC renovation and expansion is needed not only to modernize and improve the facility but to accommodate, retain and attract existing and new convention and event business as well as generate additional transient occupancy tax (TOT) revenue growth.
- D. On January 24, 2017, City Council approved Resolution No. 2017-0036, which allows for issuance of bonds for the SCC, Community Center Theater (CCT) and Memorial Auditorium (MA) projects to be used to cover design and other costs associated with this project.
- E. On July 25, 2017, City Council passed a motion that authorized the City Manager to execute a pre-construction services contract with Hunt Construction Group, Inc. in the not-to-exceed amount of \$1,441,336. Given the increase in the not-to-exceed amount of the contract from \$1,441,366 (for the design portion), to \$142.5 million for construction, staff is requesting that the City Manager's authority to approve single change orders for the City's Agreement with Hunt (Agreement No. 2017-0912) be increased from \$100,000 to \$500,000, and the cumulative limitation on the City Manager's change order authority is increased to \$10,000,000.
- F. On August 9, 2018, City Council approved Resolution No. 2018-0324 that authorized the City Manager or the City Manager's designee to execute Supplemental Agreement No. 3 to Contract No. 2017-0912 with Hunt Construction Group, Inc. to increase the pre-construction service fees for additional services to \$1,836,865 to add the new ballroom and pre-function area to the scope of services.

- G. To move the project, forward the City Council authorized six interfund loans between 2017 and 2018 totaling \$16.55 million, to be repaid with bond proceeds.
- H. On September 25, 2018, City Council authorized the issuance and sale of the 2018 Transient Occupancy Tax Revenue Bonds in a principal amount not exceeding \$350 million to finance capital improvement projects.

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

- Section 1. Resolution No. 2018-0437 is repealed.
- Section 2. The City Manager or designee is authorized to execute Supplemental Agreement No. 4 to Contract No. 2017-0912 for Phase 1 of the Guaranteed Maximum Price (GMP), with Hunt Construction Group, Inc., in the amount of \$142.5 million for the construction of the SCC Renovation and Expansion Project.
- Section 3. The City Manager's authority to approve single change orders without Council authorization on the SCC Project, specified in City Code section 3.60.240, is increased from \$100,000 to \$500,000, and the cumulative limitation on the City Manager's change order authority is increased to \$10,000,000.
- Section 4. The City Manager or designee is authorized to execute Supplemental Agreement No. 4 to Contract No. 2017-0634 with Populous, Inc. for an amount not to exceed \$3,226,875 for construction administration services of the SCC.
- Section 5. The City Manager or designee is authorized to execute a professional services agreement with O'Connor Construction Management, Inc. for an amount not to exceed \$3,696,888 for construction management services of the SCC.
- Section 6. The City Manager or designee is authorized to execute a professional services agreement with O'Connor Construction Management, Inc. for an amount not to exceed \$ 2,670,431 for construction management services of the CCT Renovation Project.
- Section 7. The City Manager or his designee is authorized to execute Supplemental Agreement No. 1 to Contract 2015-2259 to increase the not to exceed amount by \$558,000, and Alliant Insurance Services, Inc is authorized to secure an Owner Controlled Construction Insurance Program policy on behalf of the City at a cost not to exceed \$5,679,433.

Section 8. The City Manager or the City Manager's designee is authorized to make any necessary budgetary adjustments to repay the prior City Council authorized interfund loans as shown below:

Council Date	Resolution/Motion	Loan Amount	Fund Name	Funding Repayment
2/14/2017	2017-0057	\$5,000,000	Community Center	Fund Balance
5/16/2017	2017-0171	\$350,000	Community Center	Fund Balance
5/30/2017	2017-0216	\$3,800,000	General	Fund Balance
5/30/2017	2017-0216	\$3,800,000	Innovation and Growth	Fund Balance
5/30/2017	2017-0216	\$3,400,000	Community Center	Fund Balance
5/1/2018	2018-0149	\$200,000	General	APP Maintenance (117000500)
Total:		\$16,550,000		

Section 9. The City Treasurer and the City Manager, or their respective designees, are hereby authorized to do the following after final pricing and sales of the 2018 Transient Occupancy Tax Revenue Bonds: approve all financial transactions including budgets and appropriations needed to carry out the financing of the capital improvement projects in accordance with the law and City policy.

Adopted by the City of Sacramento City Council on March 5, 2019, by the following vote:

Ayes: Members Ashby, Carr, Guerra, Hansen, Harris, Jennings, Schenirer, Warren and Mayor Steinberg

Noes: None

Abstain: None

Absent: None

Attest: **Mindy Cuppy** Digitally signed by Mindy Cuppy
 Date: 2019.03.07 11:56:19
 -08'00'

Mindy Cuppy, City Clerk

The presence of an electronic signature certifies that the foregoing is a true and correct copy as approved by the Sacramento City Council.