

APPROVED
BY THE CITY COUNCIL

FEB 23 1999

OFFICE OF THE
CITY CLERK



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THOMAS V. LEE
DEPUTY CITY MANAGER
DOWNTOWN DEPARTMENT

CITY OF SACRAMENTO
CALIFORNIA

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February 18, 1999

City Council
Sacramento, California

Honorable Members in Session:

SUBJECT: SACRAMENTO CONVENTION CENTER BUDGET AUGMENTATION FOR UTILITIES

LOCATION AND COUNCIL DISTRICT: Council District 1

RECOMMENDATION:

- It is recommended that the City Council, by resolution, authorize the City Manager to amend the Sacramento Convention Center budget by \$300,000 for utility expenses associated with the expanded operation of the facility.

CONTACT PERSON:

Thomas V. Lee, Deputy City Manager, 264-8888
Michael Ross, Convention Center Manager, 264-5297

FOR COUNCIL MEETING OF: February 23, 1999

SUMMARY:

This report requests an increase in the operating budget of the Sacramento Convention Center. The Convention Center operating budget would be increased by \$300,000 for utility costs to more accurately reflect current use of the facility. The proposed increases would be offset from increased revenues of \$400,000 from the Transient Occupancy Tax.

H.P.

COMMITTEE/COMMISSION ACTION:

None.

BACKGROUND INFORMATION:

An augmentation of \$300,000 is being recommended for the Sacramento Convention Center operating budget for utility costs. In 1996, the Center completed a major expansion that tripled the size of the facility. In that same year, the Memorial Auditorium reopened after a \$12 million renovation. The expansion and reopening combined to generate a significant increase in the use of both facilities. Since 1994/95 the number of events has increased by 109 percent. During that same time, utility charges grew by over 68 percent. However, the utility budget has increased by only 8 percent over the past four years. The recommended budget increase reflects the utility use based on projected demand.

FINANCIAL CONSIDERATIONS:

Funding for the utilities increase will come from revised Transient Occupancy Tax Mid-Year projections of \$400,000. The Community Center Fund is scheduled to borrow from the Risk Management Fund \$3 Million in order to meet operating and debt requirements. Revised Mid-Year projections include borrowing the \$3 Million this fiscal year based after the adjustment for utilities.

ENVIRONMENTAL CONSIDERATIONS:

The recommended action is exempt from CEQA review pursuant to Section 15061(b)(3): "It can be seen with certainty that there is no possibility that the activity may have a significant effect on the environment".

POLICY CONSIDERATIONS:

The actions recommended in this report are consistent with the City's policy to encourage the fiscal viability of the Convention Center and cost-effective delivery of City services.



MBE/WBE:

None. No goods or services are being purchased.

Respectfully submitted,



for _____
Michael W. Ross
General Manager
Sacramento Convention Center

APPROVED:

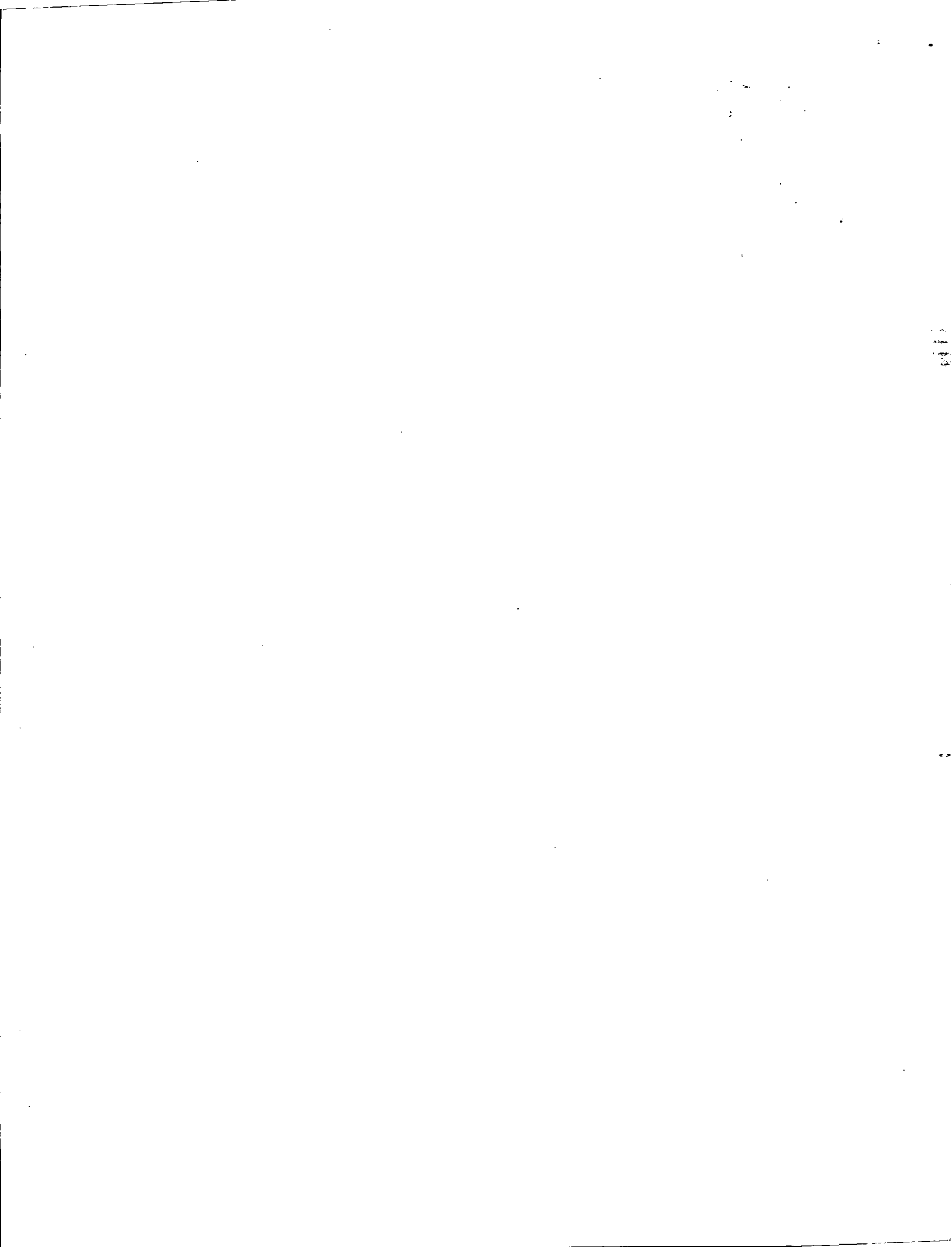


Thomas V. Lee
Deputy City Manager
Downtown and Regional Enterprise Department

RECOMMENDATION APPROVED:



for _____
William H. Edgar
City Manager



APPROVED
BY THE CITY COUNCIL

FEB 23 1999

OFFICE OF THE
CITY CLERK

RESOLUTION NO. 99-080

ADOPTED BY THE SACRAMENTO CITY COUNCIL

ON DATE OF _____

**RESOLUTION AMENDING THE
CONVENTION CENTER OPERATING BUDGET FOR FY
1998/99**

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

1. The Convention Center operating budget for 1998/99 be increased as follows:

419-430-4323-4221. \$300,000

2. The Community Center Fund revenue budget is increased by \$400,000 to reflect the revised Transient Occupancy Tax

MAYOR

ATTEST:

CITY CLERK

FOR CITY CLERK USE ONLY

RESOLUTION NO.: _____

DATE ADOPTED: _____

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