APPROVED
BY THE CITY

JAN 19 1999

OFFICE OF THE
CITY CLERK

45

THOMAS V. LEE
DEPUTY CITY MANAGER

DOWNTOWN DEPARTMENT

CITY OF SACRAMENTO
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AG99-016

January 13, 1999

City Council
Sacramento, California

Honorable Members in Session:

SUBJECT: FUNDING FOR "GOLD FEVER!" EXHIBIT

LOCATION AND COUNCIL DISTRICT: All

RECOMMENDATION:

It is recommended that Council, by Resolution, authorize the City Manager to amend the City budget to establish a separate "Gold Fever!" budget of $1,250,000 to account for revenues and expenses for the "Gold Fever!" exhibit

CONTACT PERSON: Kristan Otto, Development Manager, 264-7948
Thomas V. Lee, Deputy City Manager, 274-8888

FOR COUNCIL MEETING OF: January 19, 1999

SUMMARY:

The purpose of this report is to establish a budget and accept the revenues previously committed by the Golden One Credit Union and the County of Sacramento for the "Gold Fever!" exhibit.

COMMITTEE/COMMISSION ACTION:

None.

BACKGROUND INFORMATION:

- On March 31, 1998, the City Council and the County Board of Supervisors approved a resolution authorizing the City Manager and the County Executive to execute agreements between the City, the County and the Golden One Credit Union for funding of the "Gold Fever!" exhibit to be held in from August through October 1999 at the Sacramento Memorial Auditorium.

- A subsequent three-party agreement between the City, the County and the Golden One Credit Union, was executed on October 1, 1998 (City Agreement Number 98-164) which further defined the respective roles of each party.

- Under City Agreement Number 98-164, the three parties agreed that each would provide comparable contributions to the exhibit. The County agreed to execute a funding agreement with the City to provide $200,000 as its share of funding for the exhibit; the City would provide the Memorial Auditorium as the site for the exhibit, deferring rent of approximately $200,000; and the Golden One Credit Union would provide a line of credit in the amount of $200,000.

- Under the terms of City Agreement Number 98-164, the County's contribution would be repaid from profits, if any, from the exhibit, and if additional profits from the exhibit remain after the County has been fully reimbursed, the City would be reimbursed second. Finally, the Golden One shall receive any remaining profits, up to its $200,000 line of credit. The County has proposed a change to the agreement to split any potential loss with the City on a 50/50 basis.

FINANCIAL CONSIDERATIONS:

The budget for this event is $1.25 million. Exhibit A provides the budget detail. Revenue totaling $1.25 million is anticipated to offset the cost of the event as follows:

$ 876,000	Admissions
$ 300,000	Sponsorships
$ 54,000	Gift sales
$ 20,000	Program revenue
$1,250,000	

Under the proposed amendment to Agreement Number 98-164, the City agrees to reimburse the County and the Golden One from its profits, if any, on the "Gold Fever!" exhibit. Should insufficient profits exist from the exhibit to reimburse the Golden One, the County, and the City (for its rent on the Memorial Auditorium), the Golden One's loses will be capped at $200,000. The County has proposed to split any uncovered potential losses with the City on a 50/50 basis.

Based on the overwhelming success of the "Gold Fever!" exhibit at the Oakland Museum, where over 190,000 attendees viewed the exhibit, a program will be developed regarding potential profits from the exhibit's run at the Memorial Auditorium. The program for use of funds will be presented to both the City Council and the Board of Supervisors for their approval.

ENVIRONMENTAL CONSIDERATIONS:

The action recommended in this report is exempt from CEQA review pursuant to Section 15378 (b)(3) of the California Environmental Quality Act, "general policy and procedure making".

POLICY CONSIDERATIONS:

The proposed City/County agreement is consistent with several other joint funding agreements between the City and the County and supports the interest of the City and the County to encourage activities of entertainment, cultural and historic interest.

MBE/WBE:

None. No goods or services are being purchased.

Respectfully submitted,

Thomas V. Lee,
Deputy City Manager
Downtown Enterprise Department

RECOMMENDATION APPROVED:

William H. Edgar
City Manager

c:\goldfvr-countyfunds

EXHIBIT A

Working Budget--draft--Jan. 12, 1999--Gold Fever

Estimated expenses

1. Personal services (manager/curator)		$115,000
2. *Rent (City of Sacramento)		$200,000
3. Exhibit Fee (Oakland Museum)		$200,000
4. Security (Off duty and reserve officers)		$180,000
5. Marketing and Advertising		$ 97,500
6.**Full and part-time staff		$ 80,000
a. Registrar (1)	$ 3,000	
b. Gold panning (5)	$27,000	
c. Discovery centers (3)	$10,000	
d. Audio distribution (8)	$35,000	
e. Education program (1)	$ 5,000	
7. Installers and de-installers (labor)		$ 70,000
8. Janitorial		$ 2,500
9. Box Office		$ 40,000
10.Vendors		$216,000
***a. Antenna theater	$148,500	
b. Archey & Cavala (audio-visual)	$ 17,500	
c. Gordon Chun (design)	(combined--b,c,d)	
d. Delphi Productions (wall and platform)		
e. Atthowe Fine Arts (de-installation--loading and shipping)	$45,000	
f. Gold panning (construction, gold, pans, etc.)	$ 5,000	

EXHIBIT A

11. Insurance, Travel and Entertainment, Commissions		$ 20,000
12. Office supplies, equipment for exhibit		$ 5,000
13. Lighting		$ 10,000
14. Alarm system and video surveillance		$ 14,000
TOTAL	$1,250,000	

* deferred until Nov.1,1999
** based on zero volunteer participation
*** $1.35 per person based on 110,000 attendees

Estimated revenues

1. Ticket sales		$876,000
a. General admission, seniors, kids 75,000 @ approx. $7.50 per person=	$550,000	
b. Student classes, groups 30,000 students (1,200 classes) @ $150 per class or group--up to 30 kids and 4 adults per class; additional adults $7. per; student groups include gold panning.	$180,000	
c. Private parties--50 parties @ $2,500; 3 pre-opening parties @ $7,000=	$146,000	
2. Gold Panning (10,000 @ $2.)		$ 20,000
3. Corporate Sponsors		$300,000
4. Concessions/Gift shop		$ 54,000
TOTAL	$1,250,000	

Additional information:

1. The $180,000 in ticket sales from school groups will be raised from corporate and individual education sponsors.
2. Based on 92 days of operation, projected total attendance= 110,000: 75,000-general, seniors, kids; 30,000 students, groups; 5,000-private parties
3. Projected per diem attendance--1,196; based on a 10am 5pm operating day, 1,700 attendees would max facility
4. Pricing: General: $8. ($1. off coupon available from Bee and supermarket; Seniors: $6.; Students/kids: $4.

APPROVED
BY THE CITY COUNCIL

JAN 19 1999

OFFICE OF THE
CITY CLERK

RESOLUTION NO. 99-035

ADOPTED BY THE SACRAMENTO CITY COUNCIL

ON DATE OF_____

ACCEPTANCE OF COUNTY FUNDING FOR "GOLD FEVER!" EXHIBIT

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

The City Manager is authorized to amend the City budget to establish a separate "Gold Fever!" budget of $1,250,000 to account for revenues and expenses for the "Gold Fever!" exhibit as follows:

REVENUE:	289-420-4251-3xxx	$876,000	Admissions
	289-420-4251-3xxx	$300,000	Sponsorships
	289-420-4251-3xxx	$ 54,000	Gift Shop
	289-420-4251-3xxx	$ 20,000	Program Revenue
EXPENSES:	289-420-4251-4xxx	$1,250,000	

_____
MAYOR

ATTEST:

_____
CITY CLERK

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FOR CITY CLERK USE ONLY

RESOLUTION NO:_____

DATE ADOPTED:_____