



City Council Report

915 I Street, 1st Floor
Sacramento, CA 95814

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File ID: 2019-00872

June 25, 2019

Public Hearing 55

Title: Establish Facility Fee for Events held at the Memorial Auditorium [Noticed 6/14/2019 & 6/20/2019]

Location: District 4

Recommendation: Conduct a public hearing and upon conclusion adopt a Resolution authorizing the City Manager or City Manager's designee to: 1) establish a \$3 Memorial Auditorium Facility Fee ticket surcharge for events held at the Memorial Auditorium effective July 1, 2019; and 2) adjust the Fiscal Year 2019/20 Convention and Cultural Services Department revenue budget and the Memorial Auditorium Improvements Project (M17101000) expenditure budget based on actual fees collected, less any operating costs associated with delivering this service.

Contact: Matthew Voreyer, General Manager, (916) 808-5503; Jody Ulich, Director, (916) 808-5105, Convention and Cultural Services Department

Presenter: Matthew Voreyer, General Manager, (916) 808-5503, Convention and Cultural Services Department

Attachments:

- 1-Description/Analysis
- 2-Resolution

Description/Analysis

Issue Detail: The Memorial Auditorium underwent a \$16.1 million renovation from June 2018 through May 2019, for temporary and permanent improvements. The focus was on improving the facility's functional and technical capacity to host performing arts events. Renovations included adding a new temporary loading dock, dressing rooms, lighting, stage and backstage, as well as improved hall acoustics and improved theater seating.

The renovations not only enhance the patron experience but also improve the Memorial Auditorium's long-term capabilities. While many improvements were made to the Memorial Auditorium, the historic 92-year old building requires additional work and improvements including improvements to the infrastructure of the facility, such as the bathrooms, steps, and flooring.

To continue to provide a well maintained historic, competitive, and cost-effective venue, staff recommends establishing a \$3 Memorial Auditorium Facility Fee ticket surcharge for events held at the Memorial Auditorium. This per ticket surcharge would take effect July 1, 2019.

Policy Considerations: The proposed fee is consistent with the City Council's adopted Fees and Charges Policy and supports the Council's direction and adopted budget guidelines to maintain a fiscally sustainable, balanced budget.

Economic Impacts: Not applicable.

Environmental Considerations: This report is not a project subject to CEQA guidelines because it involves the establishment, modification, structuring, restructuring, or approval of rates, tolls, fares, or other charges by public agencies which the public agency finds are for the purpose of meeting operating expenses; and the creation of governmental funding mechanisms or other governmental fiscal activities that do not involve any commitment to any specific project that may result in a potentially significant physical impact on the environment. (Pub. Res. Code §21080; CEQA Guidelines, §§15378.)

Sustainability: Not applicable.

Commission/Committee Action: Not applicable.

Rationale for Recommendation: The Memorial Auditorium still requires upgrades to some of its facilities as well as modernization of various amenities. The proposed \$3 Memorial Auditorium Facility Fee will strictly pay for the following projects at the Memorial Auditorium:

- Restore and repair main floor.
- Restore and repair the exterior main plaza/steps.
- Repair the broken grates over the organ chamber.
- Paint the organ chamber columns.
- Paint the Jean Runyon Little Theater.
- Purchase and install a new screen/sound system for the Jean Runyon Little Theater.
- Repair chimes.
- Repair roof.
- Install a separate HVAC system for the Box Office.
- Replace current urinals with waterless urinals.
- Replace bathroom privacy partitions.
- Purchase electronic wenchers to raise/lower chandeliers.

It is estimated that the approximate costs to complete all the improvement projects will be \$625,000. The City anticipates completing these improvement projects over the course of the next five years. City staff will evaluate each project at the start of each fiscal year to determine which projects will be completed based on the scope of work and cost. Upon completion of the improvement projects, staff will return to Council with an updated list of improvement projects and seek approval to renew a facility fee for the Memorial Auditorium.

Financial Considerations: Once the \$3 Memorial Auditorium Facility Fee is implemented, it is estimated that this fee will generate approximately \$125,000 each fiscal year. The fee collected will be placed in the Community Center Fund (Fund 6010) and appropriated to the Memorial Auditorium Improvements Project (M17101000).

Local Business Enterprise (LBE): Not applicable.

RESOLUTION NO. 2019-XXXX

Adopted by the Sacramento City Council

ESTABLISH A FACILITY FEE FOR EVENTS HELD AT THE MEMORIAL AUDITORIUM

BACKGROUND

- A. The Memorial Auditorium underwent a \$16.1 million renovation from June 2018 through May 2019 for temporary and permanent improvements. The focus was on improving the facility's functional and technical capacity to host performing arts events.
- B. The renovations not only enhance the patron experience but also improve the Memorial Auditorium's long-term capabilities. While many improvements were made to the Memorial Auditorium, the historic 92-year old building requires additional upgrades and improvements.
- C. To continue to provide a well maintained historic, competitive, and cost-effective venue, staff recommends establishing a \$3 Memorial Auditorium Facility Fee ticket surcharge for events held at the Memorial Auditorium. This per ticket surcharge would take effect July 1, 2019.
- D. There are several improvement projects that need to be completed. It is estimated that the total cost for these improvement projects will be \$625,000 over the course of the next five years. The \$3 Memorial Auditorium Facility Fee will strictly pay for the following projects at the Memorial Auditorium:
- Restore and repair main floor.
 - Restore and repair the exterior main plaza/steps.
 - Repair the broken grates over the organ chamber.
 - Paint the organ chamber columns.
 - Paint the Jean Runyon Little Theater.
 - Purchase and install a new screen/sound system for the Jean Runyon Little Theater.
 - Repair chimes.
 - Repair roof.
 - Install a separate HVAC system for the Box Office.

- Replace current urinals with waterless urinals.
 - Replace bathroom privacy partitions.
 - Purchase electronic wenchers to raise/lower chandeliers.
- E. Once the \$3 Memorial Auditorium Facility Fee is implemented, it is estimated that this fee will generate approximately \$125,000 each fiscal year. The fee collected will be placed in the Community Center Fund (Fund 6010) and appropriated to the Memorial Auditorium Improvements Project (M17101000).

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

- Section 1. The City Manager or the City Manager's designee is authorized to establish a \$3 Memorial Auditorium Facility Fee ticket surcharge for events held at the Memorial Auditorium effective July 1, 2019.
- Section 2. The City Manager or the City Manager's designee is authorized to adjust the Fiscal Year 2019/20 Convention and Cultural Services Department revenue budget for Memorial Auditorium Facility Fee revenues and the Memorial Auditorium Improvements Project (M17101000) expenditure budget based on actual fees collected, less any operating costs associated with delivering this service.