

City of Sacramento

Legislation Text

File #: 2019-01034, **Version:** 1

Title:

Agreement for Naming Rights of the Sacramento Convention Center and the Community Center Theater

File ID: 2019-01034

Location: 1301 L Street and 1400 J Street, District 4

Recommendation:

Pass a Motion authorizing the City Manager or City Manager's designee to execute an agreement with SAFE Credit Union for exclusive naming rights of the Sacramento Convention Center and the Sacramento Community Theater.

Contact: Sabrina Tefft, Project Manager, (916) 808-3789, Office of Innovation and Economic Development; Fran Halbakken, Project Executive, (916) 808-7194, Office of the City Manager.

Presenter: Fran Halbakken

Attachments:

- 1-Description/Analysis
- 2-Contract

Description/Analysis

Issue Detail: In June 2017, the City of Sacramento hired a consultant, the Superlative Group, to solicit sponsorship opportunities for the naming rights of the Sacramento Convention Center (Convention Center) and the Sacramento Community Theater (Theater). As a result of these efforts, the City and SAFE Credit Union have been able to successfully reach a naming rights agreement. The proposed agreement provides exclusive naming rights for SAFE Credit Union for the Convention Center and the Theater. Staff recommends approval of the agreement with SAFE Credit Union for the exclusive naming rights of the Convention Center and the Theater. The City of Sacramento will receive \$22,988,000 over a 25-year term.

The Convention Center and the Theater are currently undergoing a substantial renovation and

expansion. Revenue generated from this agreement may benefit the renovation efforts for both projects and may also be used for other purposes.

SAFE will partner with the City to serve both our employees and local residents. SAFE will assist with marketing of events at both venues and at the Memorial Auditorium. The City will also invest with SAFE Credit Union over the life of the agreement.

Policy Considerations: The naming rights and sponsorship funding may be used to support the renovation, expansion and improvements to the Sacramento Convention Center Complex, which supports the following goal and policy of the City's General Plan:

- ERC 4.1.3 The City shall enhance the quality of existing City-owned arts and cultural resources and facilities through reinvestment, communications and marketing.

Economic Impacts: Not applicable.

Environmental Considerations: The specific actions requested under this staff report are exempt from CEQA pursuant to CEQA Guidelines section 15061(b)(3).

Sustainability: Not applicable.

Commission/Committee Action: Not applicable.

Rationale for Recommendation: The revenue generated through this naming rights agreement may benefit the renovation and expansion efforts for both projects and other City projects as well. As a result of their efforts, SAFE Credit Union was deemed to offer the best value to the City, both financially and in terms of their ability to partner with the City and the local community.

Financial Considerations: SAFE Credit Union has proposed a payment schedule over a 25-year term. The City will receive \$588,000 in year 1, \$850,000 in years 2-10, \$950,000 in years 11-20 and \$1,050,000 in years 21-25 for a total amount of \$22,988,000. The agreement also commits the Treasurer's Office to invest funds with SAFE Credit Union per the City's investment policy over the term of the agreement. Funds will be deposited into the Community Center Fund (Fund 6010) in the applicable fiscal year.

Local Business Enterprise (LBE): Not applicable.