

City of Sacramento

Legislation Text

File #: 2019-01735, **Version:** 1

Title:

**Establish a Facility Fee for Events held at the SAFE Credit Union Performing Arts Center
[Noticed 12/27/2019 & 01/02/2020]**

File ID: 2019-01735

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 \$4.00 Performing Arts Center Facility Fee ticket surcharge for events held at the SAFE Credit Union Performing Arts Center effective February 1, 2020; and 2) establish the Performing Arts Center Improvements Program (M17101800) as a new Capital Improvement Project.

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: Beginning with the Fall 2008 Performing Arts season, a \$3.00 facility fee ticket surcharge was charged for events held at the Community Center Theater, now known as the SAFE Credit Union Performing Arts Center. This fee was established specifically to help fund the renovation of the Arts Center. From its inception in 2008, until the Arts Center was closed for renovation in 2019, a total of \$7.2 million in facility fee was collected. Since the Arts Center renovation is now in progress, the \$3.00 facility fee can no longer be collected.

The SAFE Credit Union Performing Arts Center is undergoing an \$85.7 million renovation and expansion from June 2019 through September 2020. The \$7.2 million in facility fee collected help pay for pre-construction, and current renovation and expansion project costs. This renovation and expansion project will include creating a prominent main entrance along J Street along with:

- Improved overall accessibility, including ADA accessibility;
- A new expanded lobby that overlooks Capitol Park, with upgraded finishes;
- An expansion of the existing West Lobby;
- Additional restrooms and concessions areas;
- An enhanced donor lounge with new furnishings and dedicated restrooms;
- A new audience chamber layout;
- A new multi-purpose room space ("cold shell" only);
- New audiovisual, theatrical lighting, and dimming systems;
- Expanded and refurbished dressing rooms and chorus rooms;
- A reconfigured and expanded loading dock, scene dock, and storage rooms; and
- Acoustic enhancements in the audience chamber and orchestra pit.

Since the previous \$3.00 facility fee can no longer be collected, a new facility fee surcharge is being proposed to help pay for improvements needed, but not included in the current renovation and expansion schedule due to timing and financial constraints. Staff recommends establishing a \$4.00 Performing Arts Center ticket surcharge for ticketed events held at the SAFE Credit Union Performing Arts Center. The increase from \$3.00 to \$4.00 is in line with other venues in the Sacramento region, it will help ensure the completion of the additional improvements, and it will enable the City to continue to provide a well maintained, competitive, and cost-effective venue. Staff recommends this per ticket surcharge to take effect February 1, 2020 to ensure the surcharge is collected on all tickets sold, including tickets for events scheduled in the Fall of 2020 that could go on sale as early as Spring 2020.

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: None.

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: None.

Rationale for Recommendation: The SAFE Credit Union Performing Arts Center requires several improvement projects that are not included in the current renovation project due to timing and financial constraints. The proposed \$4.00 Performing Arts Center Facility Fee will strictly pay for the following projects at the SAFE Credit Union Performing Arts Center:

- Completion of the multi-purpose room;
- Digital displays for the exterior of the building;
- A digital marquee for the district to replace the marquee from J Street that was removed;
- Upgraded furnishings for the dressing rooms;
- A performance media screen for the K Street Plaza to host events such as “movie in the plaza” (the City already has the infrastructure to implement the screen in the K Street Plaza performance space); and
- Repair or replace City owned musical instruments used by three of our five arts groups.

It is estimated that the approximate costs to complete the improvement projects will be \$6.2 million. The City anticipates completing these improvement projects over multiple fiscal years. City staff will evaluate the projects 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, the facility fee will be eliminated, or staff will return to Council with an updated list of improvement projects and seek approval to renew this facility fee for SAFE Credit Union Performing Arts Center.

Financial Considerations: Once the \$4.00 SAFE Credit Union Performing Arts Facility Fee ticket surcharge is implemented, it is estimated that this fee will generate approximately \$775,000 each fiscal year. The fee collected will be placed in the Community Center Fund (Fund 6010) and appropriated to the Performing Arts Center Improvements Program (M17101800).

Local Business Enterprise (LBE): Not Applicable.