

October 17, 2016

Dear Friends,

Sacramento has a unique opportunity to define itself in both message and action as a Destination City. In anticipation of tomorrow's decisions regarding the Community Theater and Convention Center to promote Sacramento as a destination city, I wanted to take a moment to share some of my thoughts. I have purposely hesitated to weigh in on most issues during the transition to respect the responsibility of the Mayor and Council to make decisions with the benefit of complete information. However, given the significant fiscal and economic development implications for my tenure as Mayor and compel me to comment.

First, I support the renovation plan for the Community Theater and the push to better activate the Memorial Auditorium. We have a great sense of civic pride in our local performers and shows. This transformation will provide a new home to these acts, as well as increase use of the Memorial Auditorium. I applaud Mayor Johnson, Councilmember Hansen, the entire council, the City manager, city staff, and the arts community leadership for developing an impressive solution to the theatre challenge while minimizing disruption to the users and patrons of the existing theater.

Second, I also support the limited staff recommendations on the Convention Center. These recommendations will allow completion of the Council's April 2016 request for initial planning around expansion. I also support and appreciate the Council's intention to not make a final decision on the Convention Center expansion question. Any decision to invest nearly \$200 million of public money should be analyzed carefully. The current proposal is the product of significant effort and may very well be the lead proposal. I believe strongly however that the Council should only make a decision after comparing and contrasting the current proposal with any other proposals that maintain fiscal responsibility while maximizing our potential as a destination city/region.

Third, while the Convention Center expansion is the leading downtown development opportunity, I intend to articulate two other signature economic development priorities in my first months in office; Riverfront access and development, and fostering innovation and the creative economy. Before December I will also articulate specific early term actions for combatting systemic homelessness and youth development.

CONVENTION CENTER

We must make a wise and visionary decision on the size, scope, location and management of a convention center. The convention center expansion is widely considered the city's next large public investment project. Our decision should guide where we build, how large can we build to maximize our destination potential, and how to finance and operate our expanded center. I support thinking big. By expanding and improving our convention center to attract "bigger and better" conventions, we have an opportunity to: create thousands of new construction jobs; increase overall tourism, permanent jobs, economic

activity in local businesses, and the tax base needed to provide services throughout the city; and create another model of sustainability and public-private partnership. While the ultimate decision on expansion should not be made until late winter or early spring 2017, we need to immediately bring together a diverse group of stakeholders and neighborhood and community leaders to build upon the work already done to consider all options, including financing, effective marketing and management of this vital asset.

I will ask the task force to drill down on the budget and economic benefit of the current convention center by specifically creating:

- an independent peer review of this investment from a qualified, unbiased source to assess the impact as compared to alternative investments to drive visitation to the Sacramento region
- alternative models for convention center management, considering industry best practice and lessons learned
- a business plan to show how we will increase and compete for convention center business, benchmarked against other markets such as Phoenix, Long Beach, and San Antonio

I suggest the following timeline:

- October: Identify and set up stakeholder group
- November-January: Solicit, review current work and organize economic information/opportunities
- February-April: Finalize the location and size of expansion; create financing plan including aggressive pursuit of regional state financing opportunities; recommend adjustments for marketing the facility and operations to maximize revenues

RIVERFRONT ACCESS AND DEVELOPMENT

Our rivers serve as the front door and first impression of Sacramento and the region, yet we continue to not fully activate this amenity. We do not need to spend years developing master plans. Instead we need to identify and take action on targeted opportunities to develop our riverfront. We need to partner with our friends across the river to activate both fronts, creating the necessary vibrancy to welcome visitors and residents alike. We need to put all ideas on the table: how do we expand parks, provide bike and hiking trails, create new spaces for housing, art and retail, all while protecting one of our most distinguishing features. I will recommend that quickly we identify together one or two target sites and get going!

I suggest the following timeline:

- October: Identify and set up stakeholder group

- November-January: Identify target opportunities for Riverfront development
- February: Create plans for action
- March: Adopt plans at Council with near term implementation steps

FOSTERING INNOVATION AND THE CREATIVE ECONOMY

The City must widen its commitment to innovation through developing an ecosystem for the creative community to build a vibrant city. By focusing on technology, food and arts, Sacramento can continue to diversify our economy and attain a robust millennial workforce. From permanent spaces like the Warehouse Artists Loft, the Verge, the Urban Hive, farmer's markets or popup projects like TBD Fest, Art Hotel, 2nd Saturdays, the Mural Festival and street festivals, we see Sacramento's immense passion and interest for creativity tie directly to economic activity. We must identify and act on small opportunities - whether it's expanding the placement of art details like whimsical bike racks, playful electric boxes, or accessible street level murals, live entertainment at RT stations- as well as large scale investments in technology accelerators and coworking spaces or grand art installations like Crocker's Sculpture Garden or Golden 1 plaza.

The first important priority for arts is to use the mid-year budget review to try and improve the Metropolitan Arts Commission budget. That budget has not been restored to pre-recession levels and deserves careful consideration mid-year. In addition, with input from my colleagues and community, I will propose several signature initiatives in my first months to build on our momentum to develop our innovation and creative economy.

I look forward to getting to work formally in December. Let our work together combine the best of daring, vision, and consistent results for our great city.

Best,

A handwritten signature in blue ink, reading "Darrell Steinberg". The signature is fluid and cursive, with a long, sweeping underline that extends to the right.

Darrell