



SACRAMENTO REGION JOBS FIRST COMPACT

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About The Committee

Think BIG Sacramento is a regional initiative launched by Sacramento Mayor Kevin Johnson to facilitate construction of a new entertainment and sports complex (“ESC”) that promotes job creation, economic growth, cultural development and civic pride across the greater Sacramento metropolitan area.

Think BIG is comprised of a broad, bipartisan, and diverse group of 72 leaders from across the Sacramento region. The group includes a 15-member Executive Committee, led by Executive Director Chris Lehane, comprised of public and private leaders from the city, county, region, and state responsible for making final recommendations, a Committee of the Whole made up of additional business, labor, political and civic leaders who provide input and counsel, and a small team of experienced professionals to support the committee.

The Committee members are guided by five key principles:

1. **TAXPAYERS COME FIRST:** Think BIG is promoting a transparent process that puts the interests of taxpayers first.
2. **JOBS, JOBS, JOBS:** Think BIG will ensure that any public investment provides a compelling return, defined as short-term and long-term job growth, and a transformative economic development impact.
3. **BIGGER THAN BASKETBALL:** Think BIG will maximize the ESC’s potential as a broader cultural and civic catalyst beyond its value to the Sacramento Kings.
4. **WE WIN AS A REGION:** We will maximize our region’s viability as a top 20 market by aligning political, corporate and community will behind the shared vision and benefits of a new ESC
5. **THINK BIG, ACT BIG, BE BIG:** We will embrace the ESC as a big, bold and transformative project that expands what the Sacramento region is capable of achieving.

The Think BIG committee members will serve from June 2011 to March 2012. During this period, the committee is working to accomplish three key goals:

1. **BUILD:** The Committee will support progress on the ESC’s design and development timeline, including working with key public and private entities in the city, region and state.
2. **FINANCE:** The Committee will identify a menu of funding options and finalize a public-private funding plan.
3. **ENGAGE:** The Committee will conduct a series of public meetings and studies to educate the public and mobilize support from key stakeholders in El Dorado, Placer, Sacramento, Sutter, Yolo, and Yuba counties.

Introduction

As part of the Committee's commitment to the Sacramento region, we have engaged with experts in entertainment and sports complex (ESC) construction and operation to develop an approach to ensure local participation throughout the construction and operational phases of the proposed entertainment and sports complex. The Economic Engine Report, an independent study performed by the Capitol Public Finance Group, projected \$7 billion in economic impact to the region over a 30 year period. These types of economic benefits would have a catalytic impact on the entire region. However, to maximize this economic impact and ensure the full measure of this transformational project is enjoyed by the residents of the greater Sacramento region, it is imperative that we focus on keeping jobs local. There are some specialty areas of expertise that may require experts from outside the Sacramento region, but when possible, the future developer of the facility must be committed to hiring local, particularly given the above average levels of unemployment experienced in the Sacramento region.

Approach

The ESC can and should provide a tremendous opportunity for local design and construction firms. By utilizing a localized procurement approach for the subcontracted direct work, the development team will ensure that the project ultimately benefits the local community and provide local jobs for the region. The ESC design and construction should also generate opportunities for surrounding local development projects that will benefit from the renewed energy that the ESC will create in downtown Sacramento. The ESC project team must work closely with surrounding project developers in providing feedback, adjacent design information and promoting a communications bridge to enable the entire downtown Railyard development to be well coordinated.

The majority of construction work performed on the project should be performed by local labor. Only a relatively small percentage of work should be performed by specialty trade companies, which are procured nationally, such as seating, scoreboards, food service suppliers, basketball flooring, and ice rink construction.

The ESC project team should conduct a formalized subcontracting approach that consists of the following five key steps:

1. *Stimulating Bidding Participation by Engagement of Local Subcontractors:*
Activation of a Greater Sacramento Region Counties Construction Participation Plan that includes the following:
 - a. Early outreach to and involvement with the local subcontracting community helps inspire local companies to participate in the project and gives them an early insight of the work ahead.

- b. A fair range of local labor involvement would be approximately 60% to 70% of the direct work labor will be derived from companies within the Greater Sacramento region.
 - i. Turner Construction and their joint venture partner FlatIron recently achieved 75% local labor participation on the Sacramento Airport Airside Project, and also achieved 66% local labor participation on the SMUD East Campus Operations Center
2. *Effective Communications:* The ESC team must be engaged in the local construction market and participate in local organizations to ensure they are truly part of the community (organizations such as American Subcontracting Association, Sacramento Builder's Exchange, and Associated General Contractors of California).
- a. Staying involved in local organizations will allow team to stay in close contact with the subcontracting community.
 - b. This will enable team to able to quickly adapt to any concerns of the local construction community, from problems facing any specific firm to a general overall maximization of any specific trade contractor's scope of work.
3. *Prequalification of Subcontractors and Suppliers:* In an effort to maintain a level of quality consistent with such high profile projects, the team should pre-qualify subcontractors for specific scopes of work.
- a. The team must discuss the Work with each Subcontractor prior to them bidding, and identify the scope that matches their capabilities, thus allowing them an opportunity to be competitive.
4. *Package the Work/Subcontracting Opportunities to Foster Local Participation*
- a. We anticipate strong, competitive local subcontractor pricing, if the team packages the work in a precise manner to optimize the local markets ability to perform the work with the highest efficiency and competitiveness.
5. *Hire Local Labor*
- a. The pride in performing a project rests with subcontractors who can point with pride to projects that they have worked on and say to their customers, employees, or families "We built that". Local labor is the only means to build upon that pride of ownership of a Project. For that reason, local subcontractors and labor must work closely with the

development team during the bid process and provide thorough and highly competitive pricing.

The ESC project team must be diligent in reaching out to qualified planning, design and engineering firms that can add local experience and expertise to the design team. Experience has proven that specialized areas such as civil engineering, mechanical engineering and site / landscape planning are advantageous to secure locally. Deploying the right blend of internationally renowned arena architects like Populous with high quality local engineers and planners is the ideal approach to creating a new ESC that achieves high design, optimal functionality and connectivity to the unique Sacramento culture.