Special Called Meeting of the Sandy Springs City Council was held on Tuesday, October 21, 2014, at 9:00 a.m., Mayor Rusty Paul presiding.

**Councilmembers and Staff in attendance**

**Councilmembers present:** Councilman John Paulson, Councilman Ken Dishman, Councilman Graham McDonald, Councilman Gabriel Sterling, Councilman Tibby DeJulio, and Councilman Andy Bauman.

**Staff in attendance:** City Manager John McDonough, Assistant City Manager Bryant Poole, Executive Assistant Raquel Gonzalez, Communications Director Sharon Kraun, and City Clerk Michael Casey.

**Consultants in attendance:** Rick Davis, Executive Director of Hylton Performing Arts Center; Mike Wooley, Partner with Venue Solutions Group; Tom Williams, Partner with Venue Solutions Group; George Bushey, Design Director for Rosser International, and Ed Arenius, Associate Principal with ARUP.

1. **Performing Arts Center (PAC) Programming and Design for the City Center**

**City Manager John McDonough** presented slides 1 – 4 from the PowerPoint presentation.

**George Bushey, Design Director for Rosser International,** presented slides 5 – 11 from the PowerPoint presentation.

**Rick Davis, Executive Director of the Hylton Performing Arts Center,** presented slides 12 – 38 from the PowerPoint presentation.

Mr. Davis stated that 269 surveys were received from the public at the charrette.

**Councilman Tibby DeJulio** asked about the wall calendar exercise and how accurate were the results.

Mr. Davis stated the results were accurate. The results were based on the individuals in the room responding and the events or programs they would like to hold at the facility.

Councilman DeJulio asked if the organizations provided information on how many attendees they were expecting. For example, at a ballet recital did they say how many they were expecting or was that information just left blank.

Mr. Davis stated that information was not given, but staff did request the questionnaires that included the minimum and maximum number of attendees.

**Councilman Graham McDonald** asked to be provided an entire list of all the groups that participated in the charrettes. He also inquired about those that stated the 1,200 to 1,350 seat size would be more useful.

Councilman DeJulio asked who will use the meeting space besides the Council.

Mr. Bushey stated the small meeting facility will be utilized by the community.

Councilman DeJulio stated he wants to be sure the meeting space has dressing rooms and rehearsal rooms.
Councilman John Paulson stated a previous cost sheet states that a B+ project cost for 800 seats is approximately $35 million and for 1,000 seats the cost is about $38 million. The cost increase was about 25%. The larger seating capacity gives the City more options. The City was advised to not provide too little support space, such as rehearsal space.

Councilman Andy Bauman stated the rationale for more seats is because you think there will be more users and due to the economics of the “sell outs”. Some of the shows will be sold out. For those users that do not sell out, there is a concern about the rent amount being charged. The trend in stadiums is for a smaller facility, but to create a more private and premium experience. The City does have limited resources. He fully endorses the other uses of the facility with back of house space, rooms for education programs such as summer camps, and senior programming. If the City decides to compromise anything related to the space, it should be more community oriented. If the seating numbers are increased from 1,000, he wants to be sure the City has the money for all the other suggested programs.

Councilman McDonald asked Mr. Davis about the success of this facility being located under City Hall.

Mr. Davis stated placing an arts facility in the middle of City Hall should be done carefully.

Councilman Gabriel Sterling stated there will be two facilities, one for City Hall and one for the performing arts center.

Mr. Bushey stated the plan is for both buildings to be connected.

Councilman Paulson asked how long did it take for the Hylton Center to reach its desired fiscal potential.

Mr. Davis stated their target for performance is to have zero balance at the end of the year. The center has met this every year for five years. They have various revenue streams that include ticket sales, rental income, fundraising, and the university.

Councilman Paulson asked what the Hylton Center’s deficit was last year.

Mr. Davis responded about $350,000.

Councilman Bauman asked what shortcomings in the design of the Hylton Center would Mr. Davis like the Council to know in regards to building the City facility.

Mr. Davis stated the lobby has an apex shape and when there is a long line at the box office traffic flow stops.

Councilman McDonald asked what it cost to build the Hylton Center.

Mr. Davis responded $42 million.

Councilman Paulson asked on how many days are events held each year.

Mr. Davis stated he does not have that information on hand.

Councilman DeJulio asked if there is a way to tell how to get the maximum utilization out of the facility.

Mr. Davis stated a pro forma would be used as well as a mock business plan.
Special Called Meeting of the City of Sandy Springs City Council
Tuesday, October 21, 2014
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City Manager McDonough stated the City is looking at all options in order to minimize risk.

Councilman Bauman asked Mr. Davis if the City has a multiuse building with 1,000 seats, will that size deliver a sufficient acoustical experience.

Mr. Bushey stated 1,000 seats may be acoustically good, but there will need to be enough volume in the facility to get there.

City Manager McDonough stated the experts cannot pinpoint the exact right number of seats the facility should have.

Councilman Sterling stated it will be some time before a final decision is made on the number of seats. He would rather the City have the most flexibility and have between 1,000 and 1,200 seats.

Councilman DeJulio asked when will Council have a recommended number of seats and when will they be able to make more decisions.

Mr. Bushey stated currently it is known that 1,050 seats will be able to fit.

Councilman DeJulio asked when will Council know if more than 1,050 seats can fit in the facility. He is not sure how Council can make a decision without the exact information.

City Manager McDonough stated the purpose of this meeting is to receive guidance from Council. The recommendations are for the design. If Council endorses the designs, the experts will try to incorporate these designs. This is only one component of the overall plan. Other items to be considered include parking, roads, office buildings, and meeting space.

Enis Parker, Ga Tech / City Center Consultant, stated staff is in the process of selecting a construction manager for the project. That will not happen until early next year. The cost will be different once the construction manager is working for the City. The first thing the contractor will do is price the project and tell staff if the plan is reasonable or not. Once that is done, then Council can respond to that. The City’s revenue and pro forma will be the driver for this project.

Mayor Rusty Paul asked if Council is comfortable with the current design recommendations in order for the team of experts to see what can be done and bring it back to Council.

Mayor Paul led the discussion for slides 39 – 42 from the PowerPoint presentation.

Councilman McDonald asked what Johnson Consulting stated about the seat number range.

Mayor Paul stated they suggested 800 – 1,000 seats.

Councilman McDonald asked what the difference is between the results from Johnson Consulting and what this team of experts focused on.

Mayor Paul stated Johnson Consulting was looking at the project from an economics perspective.

Councilman Bauman stated he would suggest the number of seats be up to 1,350.

There was a consensus of Council to move forward with the suggested recommendations and that the seat number be up to 1,350.
Mr. Davis presented pages 43 – 45 of the PowerPoint presentation.

Councilman Bauman asked how important is allowing the major donors of the project to feel part of the design process.

Mr. Davis stated there are two major donors to the Hylton Center who sit on their board and another major donor who chose not to sit on the board.

Councilman Bauman asked if the donors were involved in the decision making on the project.

Mr. Davis stated one of the donors was a consultant in the design process.

Tom Williams, Venue Solution Group, presented slides 46 – 108 from the PowerPoint presentation.

Councilman DeJulio stated the City needs to address the capital funding as soon as possible. If the City goes to individuals and businesses to ask for a capital contribution to offset the cost the City will be paying, there will be a lot of push back received. If the City goes to individuals and businesses and states an endowment for the arts will be set up to run the facility as a 501(c) (3) there will be a lot more of buy in for that. The reason to work fast is because right now there is a rule with the IRS that says anyone can take money out of their retirement account and not pay taxes on it if they donate it to a 501(c) (3). Most people will not make a donation to something like this from their own personal bank account, but more likely from their IRA. That IRS rule will expire December 31, 2014 and so far the rule has not been extended for next year.

City Manager McDonough stated this facility is predicated on $15 million in private donations or otherwise the budget will not be met. That amount was built into the budget that was adopted.

Councilman Bauman stated he has a concern about the core policy issues that could impact the PAC. If the facility is made a corporate use facility to rent, one might feel differently about the PAC. However, if another avenue to break even is going to be from the ongoing endowments, he could see resistance to making that contribution. He hopes that the community will step up and assist with the costs of the facility.

Mayor Paul stated these are policy issues that will need to be dealt with. The person contributing money to the facility will want to have a lot of input and Council has to consider that moving forward.

Councilman Bauman stated there may be a possibility for a government subsidy for this venue for the foreseeable future.

Mayor Paul stated this exercise is to get Council to consider what the options are, what the policy choices are, and how the Councilmembers feel about it while getting constituent feedback.

Councilman Bauman stated this facility and its programs should be cutting edge. He does not want to be making the qualitative judgments as to the level of programming it will take to meet the needs of the community.

Councilman Sterling stated Council wants the facility to be world class with a good management company.

Councilman McDonald stated this facility is being built for the community. It has to satisfy the community needs in order to be built in the first place.
There being no further discussion, the meeting adjourned at 1:30 p.m.

Date Approved: November 4, 2014

Russell K. Paul, Mayor

Michael D. Casey, City Clerk
SANDY SPRINGS CITY COUNCIL
SPECIAL CALLED RETREAT

Performing Arts Center Programming

October 21, 2014
Purpose

- To provide Council with a range of additional information to assist you in making an informed decision regarding:
  - Mission statement and measures of success
  - Direction for design team on principles for design for the PAC
  - Consideration of management operations for the facility
History: Milestones

- **2012**: Master Planning Process with Goody Clancy
  - Plan adopted December 2012
- **January 2013**: City Council approves Implementation Phase I plan
  - Land Acquisition, Infrastructure, Public Facility Needs and Project Management
- **March 2014**: Rosser International selected as architect
- **April 2014**: jB+a selected as landscape architect
- **June 2014**: Carter/Selig Enterprises selected as proposed Master Developer
- **July 9 & July 23, 2014**: Special Called City Council Meetings regarding feasibility of a Performing Arts Center (Johnson Consulting Study)
- **July 24, 2014**: Public Open House regarding feasibility of a Performing Arts Center
  - City launches online feedback form
History: Milestones Continued

- **August 19, 2014**: City launches online survey regarding retail wish list for City Center
- **August 27, 2014**: Special Called City Council Meeting regarding performing arts center and meeting space
- **September 2, 2014**: City Council unanimously approves a site development plan and project budget for City Center
- **October 7, 2014**: City hosts series of charrettes on PAC programming
  - Arts & education
  - Civic and business
  - Mayor’s panel participate
Why We Held the Oct 7 Charrette

• Engage with potential users
• Draw upon their expertise to assist with developing informed set of decisions
• Get a stronger sense of potential programming
• To assist in the development of a mission statement and supporting objectives
Target Groups

- **Target Groups** (representing 26 organizations)
  - Artistic and cultural community
  - Members of business and civic community
  - Mayor's Arts Advisory Group
Panel of Experts

• Rick Davis, Executive Director
  Hylton Performing Arts Center

• Mike Wooley, Partner
  Venue Solutions Group

• Tom Williams, Partner
  Venue Solutions Group

• Ed Arenius, Associate Principal
  ARUP

• George Bushey, Design Director
  Rosser International, Inc.
Rick Davis
Executive Director,
Hylton Performing Arts Center

Overview of Charrette
What took place

• Q & A on:
  - Each organization’s mission and vision
  - Interest in access to a new facility
  - Potential growth for the organizations when PAC available

• Sticky Note calendar exercise
• Discussion on needed amenities to cater to variety of groups
• Discussion on lessons learned from experiences with other facilities
Other Considerations

- Prior conceptual design and programming work
- Demographic trends
- Charrette participant feedback
- Public survey data
- Conversations with other metro area arts leaders
- Input from planning team
- Consultant's professional experience managing arts facilities, including one with similar scope
Demographic Trends

- Nationally: almost 50% of adults attended at least one performing or visual arts activity in 2012
- Greater percentage took part in “Art-Making and Art Sharing” i.e. participatory activities
- While economic challenges caused some erosion, sector is showing signs of recent recovery
Demographic Trends Continued

• Nationally, above age 55, attendance increases
  – Also impacts accessibility considerations from parking to seating to provision of devices for hearing/visually impaired

• PAC should embrace diversity in program options and foster an atmosphere of inclusion

• No substantial statistical data, but experience also suggests creation of vibrant arts & entertainment profile may serve to attract younger visitors and residents, with implications for programming
Charrette Feedback

• Input clearly demonstrates confidence in the idea of a PAC associated with City Center

  "[the PAC will] give Sandy Springs the cultural identity it has been searching to obtain"

  "Sandy Springs pride in offering our community events to build common experiences"

  "a gathering place for every member of the community...communities flourish where art flourishes"

  "creating a sense of place"

  "We mingle with others from our community and feel connected to something larger than ourselves"
Charrette Feedback

- The business community feedback was consistent with those representing the arts
  
  "People want to live and work where the arts are readily accessible"

  "arts help recruit business"

  "a selling point for the City’s business endeavors"
Current Challenges Participants Face

Finding convenient, appropriate and cost effective venues

Venues where alcohol and food can be served (aids in fundraising)

Venues within reasonable distance and costs

Space! Large enough to handle audiences at 1,000+

Inadequate event parking

Theatre space to expand programming

Lack of meeting and event space within the City
Wish List Participants Provided

Excellent sound quality

Venue where dance recital can be held

Make hall adjustable with moving baffles, curtain walls, etc.

Best acoustics available

Adjustable to meet specific ensemble needs

Orchestra pit for live music

Advance technology: sound, screens, lighting
PAC Community Survey Results

- film
- plays
- pop music
- country
- jazz
- hip/hop/rap
- chamber

Interested
Maybe
PAC Survey – Other Activities

- Art Gallery
- Youth Drama Productions
- Graduations
- Civic Group Meetings
- Big Band Dancing
- Holiday Parties
- Girl/Boy Scout Meetings
- Choral Groups
- Movie Series
- Networking Events
- Weekend Long Events
- Weddings
- Magic Shows
- Political Debates/Forums
- Folk Music
- Puppet Theatre
- TED Talks
PAC Survey – Ideas & Suggestions

- Fundraising events
- STEM Educational Opportunities
- School performances
- Home for the ASO
- Think Local
- Food and Wine Festival
- Cultural Events
- Children’s Theater
- Fine Art Gallery
- Flexible
- Music Festival
- Meeting Space for HOA’s and local groups
- Indoor/Outdoor Festivals
- Avant-garde Theater
- Live telecasts of events such as NYC Opera
- Fiddle Contest
Sticky Note Exercise

- More than 400 calendar requests for space on more than 280 days of the year
- Users expressed needs for several kinds of space and on several scales
- Users noted ensemble sizes from solo to several hundred
- Certain times of month/year attracted competing space request, signaling both demand and need for a scheduling policy
Sticky Note continued

- Users requested significant space for community festivals and meetings
- Arts education a significant component of PAC's usage
Mission & Vision (working draft)

• Vision
  – The Performing Arts Center will become a primary focal point for Sandy Springs, a creative commons where residents feel at home and visitors are welcome. The Center will serve as a gathering place for artists, audiences, students of all ages, businesses and community groups, providing a place to build community and empower dreams to take flight.

• Mission
  – To enhance the quality of life of the Sandy Springs community by providing diverse arts, entertainment, educational, business and civic opportunities.
Objectives

- Provide a public gathering place that strengthens community
- Provide a home for local and regional arts organizations in which to showcase their work
- Present a broad variety of programming of the highest quality
- Serves as catalyst for economic development and cultural tourism
- Operates in fiscally sound manner to ensure future sustainability
Measures of Success: Direct

- Attendance at resident/local/regional arts organizations events (Includes visual and performing arts)
- Attendance at presented or produced events. (Includes visual and performing arts)
- Usage by corporate and civic organizations: number of days, foot traffic, income
- Usage by educational organizations
- Fiscal performance against targets
Measures of Success: Indirect

- Growth of resident/local/regional arts organizations: quantitative and qualitative
- Press coverage of performances, exhibitions, the City, and the building itself
- Response to regular audience survey instruments, qualitative and quantitative
- Trends in regional economic development: show links to PAC where plausible
- Data on citizen and external perception of Sandy Springs (anecdotes, correspondence, press, etc.) where presence of PAC might be relevant
Design Recommendations
Design Recommendations

- Iconic exterior and interior design capturing essence of city, both historical and forward-looking - serves as identifying anchor
- Spacious, welcoming lobby; capable of serving as an event space
- Lobby and/or other areas should be capable of displaying 2D, 3D and digital visual artworks
- Adjacencies and flow between performance halls, lobby and rehearsal/meeting rooms should allow for large-scale connected uses as well as simultaneous events
SANDY SPRINGS CITY CENTER

Design Recommendations

• Large and small spaces need to be acoustically isolated to create quiet canvases for performers to play on.

• Both halls should have adequate in-house lighting equipment for maintaining a “repertory plot” to serve most needs.

• Back-of-house & technical spaces with efficiencies of sharing spaces.

• Dressing, ‘green’ and assembly/warm-up spaces (rooms) At least one rehearsal room for each hall with sprung stage floor installations for dance.
Design Recommendations – Large Hall

- Seating capacity of 1,200 – 1,350 seats, based on scale of production and audience size estimate from user groups
- Stage spaces of 4,500 sf; proscenium, orchestra pit for 30-40 players and grid height 70’+
- Seating configuration such that an audience of 350-400 fills center (main floor feels “full”), with capacity to darken empty areas to create intimacy
- Attention to sightlines / feeling of intimacy
Design Recommendations: Large Hall

- Partial flat floor/removable seating area (to include orchestra pit at floor level) for cabaret tables, dancing and special events
- Attractive orchestra shell capable of full/half stage formats
- Adjustable acoustics, using mechanical and/or electronic systems
- In-house sound reinforcement suitable for large-scale as well as smaller works, but also ability to load in and take out a medium sized touring sound rig
Design Recommendations – Small Hall

- A small, flexible hall (5,000 sf-75 x 65 foot stage area) to accommodate riser seating, seated dinner or standing reception
- End-stage riser seating that deploys automatically, including seat backs
- Floor-to-grid height of 24’ at minimum, with room to stand above and allow some theatrical rigging
- With view on arts education / camp activities, provisions for rehearsal halls and meeting rooms which can be used as classrooms/teaching studios, including instructional technology and safety/security considerations
Discussion and Decision
Governance Recommendations

- Best designed PAC is only as effective as its governance and operational management structures allow it to be

- Advisory Council or Board to help set goals, targets and guidelines (not implement day-to-day). Policy questions to consider:
  - Resident Company/Partner program
  - Appropriate balance of presented, produced, rental and other events

- Capability for independent fundraising
Management Options
City Center Update
Following the conclusion of this report, there are numerous references to two (2) pages of management firms. They

management for the City Center.

Proposal documents that could be used if and when the City decides to utilize third party

in addition, VSG has been asked to provide samples of some requests for Qualifications/Requests for

maximum benefit of operations for City Center.

options. VSG has been asked with providing a recommendation to the city that would yield

Based on our research, related to the City's current management structure, the interest from the local and business community and the studies and analyses of third party management.

that any government employees and contractors will maintain offices at City Center.

rooms to the office space that would be available to local businesses for lease. Our report assumes

As of the production date of this report, we acknowledge these are considerations to add

Product, for use of identification, the venue, parking garage, and associated outdoor space

construction. For approximately 1,100 vehicles, outdoor spaces, as well as a retail

box theater, meeting space, and government offices, there is also a multi-purpose parking place.

part of the Sandy Springs City Center, the facility encompasses a parking garage, and associated

and describe potential management options for a new multi-purpose venue being constructed as

Venue Solutions Group (VSG) has been engaged by the City of Sandy Springs, Georgia to identify

Purpose
EXHIBIT B.

Feedback from these venues on potential contractual terms is found in Exhibit C.

Finally, we communicated with our (4) existing performing arts centers/venues:
The Tennessee Performing Arts Center in Nashville, TN; The Stirling Center in Stirling, TX; The Fox Theatres, Portland Center for the Performing Arts in Portland, OR; and The Strand Center in Strand/Long Branch, NJ.

We spoke with two (2) of the largest commercial property management firms in the Allen market to determine their interest in the project and any initial thoughts on how they might approach the project.

We requested that the City provide us with utilization and financial information related to each property to ascertain their feasibility. Information received from these institutions on the property’s condition was used to make the feasibility determination.

VENUE

The City Council presentation of the Market Feasibility Study by Johnson Consulting on August 27, 2014

The presentation of the City Council Special City Meeting on July 23, 2014

The Feasibility Study Prepared by Johnson Consulting (dated July 9, 2014)

In addition to our industry experience and knowledge, VSG considered information from several resources as we created this report.

METHODOLOGY
For Theatre and Bouldhead Theatre, Management at Bouldhead Theatre expressed interest. Continued...
With self-operation, a potential organizational structure might be:

- Reorganization and leasing office space would be required.
- Commercial property management experts would increase the services of soliciting.
- The need for a lease for the purpose of leasing no-government businesses, the need for a
  square footage for the commercial office space. If the decision is made to include additional
  expenses, our research indicates a need for a management fee between $0.50 and $0.75 per
  square foot. The funds could be drawn from the commercial property management firm.
- This firm would be responsible for the City's approval and on a monthly basis, the City would
  receive a budget for the City's approval. The City's funding would fall to the commercial
  property management firm. Any major equipment repairs or significant expenditures would be the
  City's responsibility.
- In addition, the management company will also provide this service.
Implementaion

1. Formally establish the City Center Department within the City of Sandy Springs.
2. Identify and employ a Property Manager to oversee the City Center.
3. Determine Stata™ 5.0 2.0 1.0 $0.00
4. Identify and employ a Property Manager to oversee the City Center.
5. Select a site for the City Center's operations and services.

Implementation

- Business partner and guest community experience
- Event scheduling and promotion
- Establish industry reputation in both booking and promoting events

The following outline represents the broader concepts required to self-operate the City Center and we have assumed that the City would operate as a City department. The process would include:

Challenges

- The management fee savings can be utilized for other purposes
- Governmental purchasing power may be greater than that of outright management
- The City can more easily change the focus and mission of the building if it becomes necessary to do so
- Existing associations or co-located organizations or inspectors could be less expensive than outsourcing (e.g., utilizing potential employees)
- City can (re)source needs in the area of space as required
- Complete control of the facility

Benefits
6. City and chosen firm negotiate a management agreement.

5. City reviews information and determines best fit for the facility.

4. Conduct interviews with selected firms, determine each firm’s management philosophy.

3. Process (pricelly)

2. City reviews submitted and selects a pre-determined number of firms with whom to present proposals and other materials relevant to City Center.

1. Develop Request for Qualifications (RFQ) and submit directly to qualified firms and place.

After employing the City Center’s Property Manager, the process for contracting with a commercial property management firm (if desired) would be:

13. Initiate development of all operating protocols and procedures.

12. Create plan for implementing City systems (e.g., accounting, purchasing, personnel)

11. Create plan for implementing City systems and procedures (human resources, accounting, purchasing, maintenance, etc.)

10. Participate in all O&C meetings.

9. Develop budget for first year and approve first-year operating budget.

8. Develop first-year operating budget.

7. If desired, initiate dialogue with commercial property firms and identify their resources.

6. Legal and professional services, job fair, and opening events.

and promotions, temporary office rental & utilities, insurance, office supplies & postage.
Sandy Springs City Center-Management Options

Property management contract to the private management company to administer.

Commercial property management firm. The City may, at its discretion, assign the commercial
operations of the Government Office Space. Delegating with only the components
referred to express (financial, repairs and maintenance, security, etc.) the private management
company could subcontract the work to a commercial property management firm (less could be in
this approach in this area.

private management company. This topic should be addressed, so the City fully understands the

range of $0.05-$0.15 per square foot for the office space. (During proposal evaluation of

private company could subcontract the work to a commercial property management firm (less could be in

supported the operations of the government office space. Delegating with only the components

would not be material surpluses, or concerns. If the private management company chose to

- Provide city with a long term capital expenses plan
- Responsibly itemizes and other incidents on the property
- Managing operations and employee access, general security and the safety functions
- Modertations to the speed based on department/personal needs and
- Managing the government Office space and coordinating moves, alterations, and
- Implementation of asset management and CMMS policies and procedures
- Landscaping, parking, cleaning, etc. for the entire facility
- Providing maintenance and engineering services (HVAC, electrical, plumbing, pest control,
- Paving, sidewalks, sidewalks, sidewalks,
- Developing trend analysis, operating and pre-opening budgets and timelines for operational
- Developing funding strategies and securing funding for capital endeavors
- Scheduling and enrolling all full and part-time staff
- Developing, maintaining and managing the Project/Building. Addressing ADA compliance.
- Booking, scheduling, and serving/in the PAC, black box theater, and meeting

For

management company, something for simplicity. In this scenario, this would be responsible

either a for-profit entity or non-profit. For the purpose of this report, we will utilize the private

company. As a core component in the Government Office Space, it could be

under the City’s management.

Description

Private Management Company
Contract Management of Entire City Center

Scenario 2a
Sandy Springs City - Center Management Options

Sandy Springs City

Center Management Options

For management of the government office between $0.50 and $0.75 per square foot (annually) for management of the government office space, the City can expect to pay an increased fee. In addition to the fee for the public assembly space, the City can expect to pay increased fees. In addition to the management agreement and as previously mentioned, there is an additional fee for the management of the government office space. The increased fees will have a material effect on our financial condition and results of operations. The amount of the increased fee is material to our financial condition and results of operations. It is important to the management and execution of our operating policies and procedures.

A private management company may realize through the

By the potential cost savings of the private management company may realize through private management companies and other means, including the number of community services, the management of the government office space, and other means, such as the number of community services, the management of the government office space, and other means. The City has requested that the contractor based on negotiating processes designed to lower the contract price.

This negotiating process is specifically an agent of the City (either a government department or another entity).

In addition to annual base fees for managing a venue, private management companies also seek.

Subsidies, but encourage possible. Increased component fees will be important to note.

As the more important they may be to the lowering the base management fees. Their fees, they will prefer.

In addition to annual base fees for managing a venue, private management companies also seek.

Subsidies, but encourage possible. Increased component fees will be important to note.

As the more important they may be to the lowering the base management fees. Their fees, they will prefer.
Sandy Springs City Center Management Options

Personal Contract
Streamlined reporting structure to facility ownership; ownership manages one
ability to ask own funds to produce events
less stringent procurement process
Potentially faster decision-making process
increased flexibility in real estate and realtor contracts
in-house training programs (specific to the industry) to develop staff
more flexibility with staff compensation, benefits, and incentives
Greater sharing resources and corporate overhead support
Proven operating policies and procedures
services like ticketing and foodservice
Internal and external network of knowledge/experience and industry best practices

Benefits

Information that may flow between the private management company and the architect and
participants in OAC meetings as necessary, during construction, in order to stay aware of
management or operational issues as they arise. The contract administrator would also
monitor, evaluate, and prepare the budget approval process and will work in conjunction with the
building contractor and the facility owner. He or she will ensure the terms of the contract are being
monitored and the facility owner. This individual will be the liaison between the private
company and the architect. This individual will be familiar with the budgetary approval
process and appreciation of capital requests. It is important that someone from the governing body
operates and strengthens meetings and podium issues and coordinating, and keeping the
goals and objectives of the architect, city officials, and participants. It is此项 key operational and fiscal functions such

Private management solutions typically provide various key operational and fiscal functions such

Body has to find a level of operating expenses in advance

Private management company must levy a higher income tax. The city should the
governing board is responsible for providing the funds necessary to operate the facility. Whether the
year operating budget is the governing board for approval (6 months prior is reasonable). The
Management agreements typically stipulate that the management company submits the next fiscal

applicable benchmarks be met.

The private management company must levy a higher income tax. The city should the
company would assume an unlimited amount of the financial downside. If agreeing to some
level of the size and scope of City Center here, a track record is unlikely to the private management
company to absorb the annual base management fee. Until a

If the city wishes to seek a private management company willing to take financial risk on the
The city should consider more subjective criteria. Our recommendation is that for this scenario the RFP process be utilized. It is possible. This will allow the city to consider more subjective criteria.

Would be awarded the contract.

Committee members score each item in the designated categories. The item with the highest score

and considers the plan and financial strength of the: downtown management association (a) management.

City criteria would comprise a selection committee based on weighted criteria. e.g. management score. In this situation, in lieu of an existing city procedure, a group of individuals representing for example, in which there is a formal scoring system and the selected firm has the highest

for example. In which there is a formal scoring system and the selected firm has the highest

Alternatively, the city could choose to go directly to a request for proposals (RFP) (see Exhibit E).

Implementation

We recommend the following steps to contractually engage a private management company:

1. City identifies a contract administrator who manages this process
2. City issues a request for qualifications (RFQ) (see Exhibit D) for example, submit directly to
3. RFQ reviews submitted and selects a pre-determined number of firms with whom to
4. Conduct interviews with the selected firms; determine each firm’s management philosophy
5. Request from each firm specific information such as financial terms for management
6. City review information and determines best fit for the facility (typically)
7. City and chosen firm negotiate a management agreement

The service themes.

Private management may not have the regulatory experience necessary to efficiently

provide the management. May not have the required experience necessary to effectively

provide the contract that item will require

The more reliant the private management company is e.g. operations are not breakaway or

management owns vs. corporate-owned.

The needs of the owner and needs of private management can conflict e.g. housing

property for ambiguity with regards to contractual responsibility if not addressed properly.

Private needs

Requirements for investment (management fee) of the owner that otherwise could be used for
Commercial Property Management Firm

Contract Management of Entire City Center

Scenario 2b
We recommend the following steps to co-ordinately engender a commercial property management solution:

Implementation

1. City identifies a contract administrator who then manages the process.
2. Develop an agreement for quarter-lease contracts (RFQ). Submit directly to qualified firms and place advertise as necessary by the required. With the RFQ, include all allowable studies, budget, presentations and other materials relevant to city center.
3. City reviews submissions and selects a pre-determined number of firms with whom to proceed (preferably 2).
4. Conduct interviews with the selected firms, determine each firm's management philosophy.

Challenges

- Streamlined reporting structure to facility ownership, ownership manages one person/one contact.
- Ability to ask owners to produce earnings less significant procurement process.
- Potential for faster decision-making process.
- Increased flexibility in negotiating vendor contracts.
- In-house training programs (specific to the industry) to develop staff.
- More flexibility with staff compensation, benefits and incentives.
- Greater sharing of resources and corporate overhead support.
- Procure operating policies and procedures.
- Greater operating cost efficiencies (national purchasing power, better negotiating for services like ticketing and lodgings).
- Greater operating cost efficiencies (national purchasing power, better negotiating for activities like ticketing and lodging).

Benefits

- Internal and external network of knowledge/experience and industry best practices.
-
Our recommendation is that for this scenario, the RFP process be utilized if possible. This will allow
the city to consider more subjective criteria.

would be awarded the contract.
committee member scores each firm in the designated categories. The firm with the highest
score in its submission, and in lieu of an existing City Procurement, a group of individuals representing
for examples, in which there is a formal scoring system and the selected firm has the highest
Alternatively, the city could choose to go directly to a Request for Proposals (RFP) (see Exhibit F).

7. City and chosen firm negotiate a management agreement
6. City reviews information and determines best fit for the facility
5. Request from each firm specific information such as: financial terms for management,
For the entire City Center, or they may use their maintenance staff to perform all minor repair work, the City or Private Management Company(s) for example, the City may choose to manage specific elements (e.g., parks) of the City Center only for those spaces only. The choice is dependent on the scope of responsibilities in the Scenario 3. The Private Management Company would have complete control of the PAC, block, box theatre, and meeting space. They would perform all the tasks described in Scenario 2 (management of the City Center), but for those spaces only.

It is important to note that while the scenario outlined assigns responsibilities to one of two management companies, the City may retain some responsibilities.

**Scenario 3**

**PAC/Meeting/Meeting Space**

Hybrid Management - Self-Operation with Subcontracting

**Description**

Responsibilities include:

- Managing and maintaining public spaces (e.g., parks) for the PAC/Meeting/Meeting Space.
- Providing maintenance and engineering services (HVAC, electrical, plumbing, etc.) for the PAC/Meeting/Meeting Space.
- Developing operating and pre-opening budgets and timeline for the PAC/Meeting/Meeting Space.
- Developing funding strategies and sponsorships/promoting programs.
- Soliciting and managing all full and part-time staff for the PAC/Meeting/Meeting Space.
- Providing bookkeeping, accounting, and general financial services.
- Providing maintenance, equipment, and supplies (e.g., event equipment, audio-visual equipment, etc.) for the PAC/Meeting/Meeting Space.
- Managing and maintaining the parking garage, surrounding area, and common areas.
- Providing security, cleaning, and other support services as needed.
- Managing and maintaining the PAC, block, box theatre, and meeting space.

Under this scenario, the City would maintain responsibility for the ongoing operation and maintenance of the PAC, block, box theatre, and meeting space as described in Scenario 2 (management of the City Center), but for those spaces only.
experience in managing finance functions, establishing metrics to measure performance and accountability in the contract management process. The contract administrator should have
administrators to ensure the terms of each subcontract are met. The other asbestos in the immediate
And as with Scenarios 2 and 20, the City should assign an individual to be the contract

unified approach in the PAC or meeting space. The situation is not unique as long as requirements
be met by either the PAC or other meeting space. If not met, the City would need to schedule the activity when there were no
commercial space available for the meeting.

another example – if the commercial properties from which power was supplied by the

If the City needs to engage a commercial property management firm, there would be a need for

the responsibility of the City (providing that failure isn’t the result of
equipment failure or significant

news media or public perception). Any major equipment failures or significant
could fall to the responsibility of the commercial property firm. The annual lease
could make activities in the government offices. This means that repair and maintenance, utilities and asset

This involves the option exists for the City to hire a commercial property firm to manage the

so there is not duplication of effort. This will require extensive planning, coordination, and

VENUE

Sandy Springs City Center Management Options
In this scenario, a potential organizational structure might be:

- Red indicates a potential supervisory role.
- Green indicates a subordinating role.
- Blue indicates a City Representative role.
Community events vs. corporate events

The needs of the owner and needs of private management can conflict (e.g., hosting events in the management agreement). Potential for ambiguity with regards to contractual responsibility if not addressed properly.

Regulatory investment (management fee) of the owner that otherwise could be used for other purposes.

Challenges

- Sensitivities
- Governmental purchasing power may be greater than that of alternate management
- The City can more easily change the focus and mission of the building if it becomes
- Qualified pool of candidates
- City employees may be more favorably than those of a contractor, and thus a more
- City can more easily change the focus and mission of the building if it becomes
- Current governmental environment and Sandy Springs quality of life appealing to

Office Space (Self-Operated)

- Sheet metal/contractor manages one
- Ability to hire own hands to produce events
- Less stringent procurement process
- Potentially faster decision-making process
- Increased flexibility in negotiating vendor contracts
- In-house training programs (specific to the industry) to develop staff
- More flexibility with staff compensation, benefits, and incentives
- Greater sharing of resources and corporate overhead support
- Proven operating policies and procedures
- Internal and external network of knowledge/experience and industry best practices

Benefits
Implemention

1. Establish a successful grand opening and the City may not have the time and expertise to execute the required tasks to plan and coordinate the successful opening. From now until grand opening, there are other great many tasks that must be accomplished.

2. Additional coordination with private management on how services are allocated.

3. Incentive coordination may be difficult to implement due to municipal government understanding of current best practices may be lacking (will be entirely dependent upon experience and support staff).

4. Limited access to IT, established operating policies, procedures and protocols and 2) Sharing a City department with other departments with likely have logistical and political hurdles.

Office Space (self-operating)

1. Additional coordination with City on how services are allocated.

2. Utilized for management

3. Communication and coordination of the utmost importance when two (2) entities are controlled; the more control that firm will receive, the more required of the private management company (i.e., operate at a break-even or profit margin).
Sandy Spings City Center-Management Options

We recommend the following steps to engage a private management company for the PAC block:

1. **Identify candidates and select a pre-determined number of firms with whom to proceed.**
   - This would be the first round of the process. The City could consider more subjective criteria.

2. **Develop Requests for Qualifications (RFQ) (see Exhibit D)**
   - The RFQs should include all available studies.

3. **Conduct interviews with the selected firms; determine each firm's management philosophy, culture, and general approach to City Center.**

4. **Request from each firm specific information such as financial terms for management.**

5. **Review each firm's proposal in detail, focusing on the criteria outlined in your operating program for City Center.**

6. **Conduct final site visits and select the management firm best for the facility.**

7. **Review all necessary and determine best for the facility.**

8. **Finalize management agreement.**

9. **Participate in all OAC meetings.**

Pursuant to City ordinances, annual reports will be submitted to the public.
Sandy Springs City Center - Management Options

Establishing the mission and vision of City Center will be critical to how the management firm will be selected. The process of managing the expectations of stakeholders can begin; financial rates established and revenue projections maximized.

Before the General Manager arrives, Sandy Springs would send a request to Sandy Springs once or twice a month during this period to develop and develop a sales strategy and sales funnel. It is reasonable to expect the management to be part of the process to develop and develop strategies in all areas, provide input on design (where applicable), marketing materials (including building logos and websites), and developing marketing materials (including building logos and websites). These efforts include developing marketing and marketing materials (including building logos and websites).

It is important to note that engaging the services of a management company does not mean their work begins when the general manager arrives. A management company’s FY begins between 18 and 24 months prior to the opening of City Center. A recommendation to consider Sandy Springs’ proposal (and City Center’s proposal) is on site in Sandy Springs.

Sandy Springs City Center - Mission & Vision

Establishing the mission and vision will be critical to how the management firm will be selected. The process of managing the expectations of stakeholders can begin; financial rates established and revenue projections maximized.

Based on our analysis of the information and taking into account the current structure and environment in which the City operates as well as the predominant interests of local and national organizations to the business of planning the venue, the establishment of the mission and vision of City Center will be critical to how the management firm selects Mexico.

Recommends: This could be a for-profit entity or a non-profit group.

Sandy Springs City Center - Management Company

Sandy Springs would consider the management of the entire City Center to a single management company. We recommend utilizing the City Center’s current general manager as well as the predominant interests of local and national organizations to the business of planning the venue, the establishment of the mission and vision of City Center will be critical to how the management firm selects a firm to engage the services of. The management of the City Center’s current general manager as well as the predominant interests of local and national organizations to the business of planning the venue, the establishment of the mission and vision of City Center will be critical to how the management firm selects a firm to engage the services of.
Below is a list of external resources that Venue Solutions Group utilized for this project:

**EXHIBIT A**
They described their Facility Management service as one that applies to larger organizations with hundreds of thousands of square feet of space. In addition to Property Management, they would buildings (in which there are many tenants). For a governmental entity in the Alternative fee, they charge a fee, which is less than the Alternative fee. They currently provide this service maintenance, repair, security, and leasing of managed space. They often provide the service

The firm described their Property Management service as one that provides cleaning.

They already manage some conference centers where they handle booking, AV, setup, etc., in

7. They will create and update an annual capital budget; it's up to the owners to fund the account.

6. Some owners are willing to share any achieved savings.

5. A property manager earns all operating expenses and funds advanced by the owner. All expenses are net with no markup.

4. The lease for the facility is separate from the management fee. There is separate line item for the management fee.

3. Cut a line for annual funds of $10,000 per building or $15,000 each month.

2. Budget review and approval by owner - (Sandy Springs)

1. Create overall venue budget for the owner; which includes all expenses for the year.

Commercial Property Management Firm Research

EXHIBIT C
Sandy Springs City Center Management Options

CITY CENTER, although they do operate some conference centers that are located within larger complexes.

They could manage the entire City Center and subcontract out the public assembly portion of the complex who maintain a great amount of space (not multiple tenants).

handle other areas such as the mallroom, foodservice, etc. This is geared towards individual
Sandy Springs
City Center

{ Options for Management

October 21, 2014
• Venue Solutions Group
• Project Objectives
• Methodology
• Management Options
• Recommendation
VENUE SOLUTIONS GROUP

VSG is today's premier sports and entertainment facility operations consulting practice

3 Partners with more than 65 years of direct experience in facility planning, startup, management and consulting

Small to Large Municipalities - Universities - Professional Sports Teams
Other Consulting Firms - Private Businesses - Architects
PROJECT OBJECTIVES

- Describe potential management options for City Center
- Recommend an option for management
- Provide sample RFP/RFQ’s for soliciting private management
METHODOLOGY

Institutional Knowledge

Discussions with Commercial Property Management Firms

Discussions with Private Management Firms

Review of City Materials

Discussion with Existing Theaters/PAC’s

RECOMMENDATION
MANAGEMENT OPTIONS

SCENARIO 1

Self Operation
RESPONSIBILITIES

- Booking, scheduling, and servicing events
- Subcontracts: ticketing, catering, cleaning, stagehands
- Soliciting and employing all full and part-time staff
- Developing fundraising strategies and sponsorship/advertising programs
- Developing operating and pre-opening budgets and timeline
- Providing maintenance and engineering services
- Managing the government office space
- Managing pedestrian and employee access, and general security and life safety functions
BENEFITS & CHALLENGES

BENEFITS

• Complete control of the facility
• City can (re)prioritize needs in the office space as required
• Application of existing City services could be less expensive than outsourcing (e.g. utilizing existing landscaping or cleaning personnel or contractors, using City HR representatives for many of the basic functions)
• The City can more easily change the focus and mission of the building
• Governmental purchasing power may be greater
• The management fee savings can be utilized for other purposes
BENEFITS & CHALLENGES

CHALLENGES

- Starting a city department from scratch
- Municipal policies and procedures can create lengthy procedures
- Limited access to
  - 1) established operating policies, procedures and protocols
  - 2) experienced support staff
  - 3) best practices
- Incentive compensation may be difficult to implement due to municipal government compensation structures
- Restrictions on risking City funds to procure and produce events
- Pre-Opening tasks may be beyond City’s capabilities
MANAGEMENT OPTIONS

SCENARIO 2a

Contract Management Using A Private Management Company
RESPONSIBILITIES

• Booking, scheduling, and servicing events
• Subcontracts: ticketing, catering, cleaning, stagehands
• Soliciting and employing all full and part-time staff
• Developing fundraising strategies and sponsorship/advertising programs
• Developing operating and pre-opening budgets and timeline
• Providing maintenance and engineering services
• Managing the government office space
• Managing pedestrian and employee access, and general security and life safety functions

VENUE Solutions group
BENEFITS & CHALLENGES

BENEFITS

- Network of knowledge/experience and industry best practices
- Proven operating policies and procedures
- Greater staffing resources and corporate overhead support
- In-house training programs (specific to the industry) to develop staff
- Increased flexibility in negotiating vendor contracts
- Less stringent procurement process
- Ability to risk own funds to produce events
BENEFITS & CHALLENGES

CHALLENGES

- Requires an investment (management fee)
- The needs of the owner and needs of private management can conflict (e.g. hosting community events vs. corporate events)
- The more required of the private management company (i.e. operate at a breakeven or profit), the more control and incentive fee that firm will require
- Private management may not have the requisite experience necessary to efficiently oversee the government office component of the project
MANAGEMENT OPTIONS

SCENARIO 2b

Contract Management Using A Commercial Property Management Firm
RESPONSIBILITIES

- Booking, scheduling, and servicing events
- Subcontracts: ticketing, catering, cleaning, stagehands
- Soliciting and employing all full and part-time staff
- Developing fundraising strategies and sponsorship/advertising programs
- Developing operating and pre-opening budgets and timeline
- Providing maintenance and engineering services
- Managing the government office space
- Managing pedestrian and employee access, and general security and life safety functions
BENEFITS & CHALLENGES

BENEFITS

- Network of knowledge/experience and industry best practices
- Proven operating policies and procedures
- Greater staffing resources and corporate overhead support
- In-house training programs (specific to the industry) to develop staff
- Increased flexibility in negotiating vendor contracts
- Less stringent procurement process
- Ability to risk own funds to produce events
BENEFITS & CHALLENGES

CHALLENGES

- Requires an investment (management fee)
- The needs of the owner and needs of private management can conflict (e.g. hosting community events vs. corporate events)
- The more required of the private management company (i.e. operate at a breakeven or profit), the more control and incentive fee that firm will require
- Commercial property management firms may not possess the requisite experience necessary to properly execute the booking and sales & marketing of the PAC, black box theater and meeting space should they choose to perform those services "in-house"
MANAGEMENT OPTIONS

SCENARIO 3

Hybrid Management
RESPONSIBILITIES

CITY MANAGES ENTIRE VENUE
- Manages the government office space
- Manages pedestrian and employee access, general security and life safety functions
- Responds to emergencies and incidents on the exterior and within office space
- Provides maintenance and engineering services for entire building

CITY SUBCONTRACTS PUBLIC ASSEMBLY FACILITY (PAF) COMPONENTS
- Booking, scheduling, and servicing events
- Subcontracts: ticketing, catering, cleaning, stagehands
- Soliciting and employing all full and part-time staff for their space
- Develops fundraising strategies and sponsorship/advertising programs
- Develops operating and pre-opening budgets and timeline for their space
BENEFITS & CHALLENGES

BENEFITS

PAC/Theater/Meeting Space

- Network of knowledge/experience and industry best practices
- Proven operating policies and procedures
- Greater staffing resources and corporate overhead support
- In-house training programs (specific to the industry) to develop staff
- Increased flexibility in negotiating vendor contracts
- Less stringent procurement process
- Ability to risk own funds to produce events
BENEFITS & CHALLENGES

BENEFITS

Office Space (if self-operating)

- Complete control of the facility
- City can (re)prioritize needs in the office space as required
- Application of existing City services could be less expensive than outsourcing (e.g. utilizing existing landscaping or cleaning personnel or contractors, using City HR staff for many of the basic functions)
- The City can more easily change the focus and mission of the building
- Governmental purchasing power may be greater
- The management fee savings can be utilized for other purposes
BENEFITS & CHALLENGES

CHALLENGES

PAC/Theater/Meeting Space

- Requires an investment (management fee).
- Potential for ambiguity with regards to contractual responsibility, if not addressed properly in the management agreement.
- The more required of the private management company (i.e. operate at a breakeven or profit), the more control and incentive fee that firm will require.
- Additional coordination with City on how services are allocated.
BENEFITS & CHALLENGES

CHALLENGES

Office Space (if self-operating)

- Starting a city department from scratch
- Limited access to
  - 1) established operating policies, procedures and protocols
  - 2) experienced support staff
  - 3) best practices
- Incentive compensation may be difficult to implement due to municipal government compensation structures
- Pre-Opening tasks may be beyond City’s capabilities
RECOMMENDATION

- Success of current City organizational structure
- Current resources of City of Sandy Springs
- High level of importance placed on the project
- Multiple components associated with the project
- Strong interest from local arts and business organizations
RECOMMENDATION

Scenario 2a
Private Management Firm

- For profit company
- Non-profit organization
RECOMMENDATION
Private Management Firm

City of Sandy Springs
Contract Administrator

Private Management
General Manager

PAC/Theater/Meeting
Space Operations
Office Space
Operations

(Optional)
Commercial Property
Management Firm

Sandy Springs City Center
RECOMMENDATION

Private Management Firm

<table>
<thead>
<tr>
<th>2015</th>
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<td>Develop</td>
<td>Solicit, evaluate, and contract with Private Management</td>
<td>Private Management Remote</td>
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OPTIONS FOR MANAGEMENT

Sandy Springs City Center

FEEDBACK FROM
PRIVATE MANAGEMENT FIRMS

Given the current project circumstances, what is a reasonable set of terms for a standard management fee and incentive agreement?

"A reasonable set of terms for a management fee and incentive agreement for the total project scope, in our estimation, would be in the range of $250K to $475K annually, with an incentive fee equal to the amount of the base fee. If you wish for us to focus on the entertainment and meeting spaces only, fee structures would likely be in the $135-$175k range, plus incentives. The incentive fee could be based upon a number of criteria both qualitative and quantitate."

"...base management fee of $75,000 plus all pre-approved budgeted expenses. If you add the office component to the mix, you may be adding another $10,000 annually..."
FEEDBACK FROM PRIVATE MANAGEMENT FIRMS

If the City wanted the operator to assume the operating risk, what do those terms then become? That is, the City wants to only have to pay the debt service.

• Must be IRS compliant if City using tax exempt bonds for financing.
• Fees are "at risk"
• Penalties in place that commit operator to covering certain losses
• Would depend on the marketability of the theatre/conf center to determine how well it could compete in the general market area

"It would be safe to assume that if a management company is going to assume all operating risk, including losses then they are going to expect to be entitled to the lion's share of any operating profit. Additionally, in order to successfully employ its management and operational strategies, a company would expect to have a relatively free hand in setting reasonable rents, selecting vendors and/or sub-contractors and developing policies and procedures."

"It is unlikely the facility will be profitable unless the operator was granted full discretion to establish rental rates and fees and there was active participation by multiple arts organizations and corporate entities."
How would you "manage" the government office space? Would you use one ops, engineering and cleaning staff for the whole building? Would you contract out any part of that for the offices?

"Would start out handling the office space myself using staff (PT or contractors) that could work both public assembly and office space. It would really depend on the amount of business on the arts side of the facility. In the beginning it would make sense to outsource cleaning until the bookings in the venue were constant enough to add staffing. Initially the TD would also have HVAC skillset for minor ongoing maintenance issues and there would also be a semiannual maintenance contract for HVAC inspection/service."

"The efficiencies of scale realized in utilizing one dedicated staff to handle all of the operational functions of the Project would appear to be the logical choice. This decision, however, has to be considered as part of the terms of the overall Management Agreement, and we would want to do further due diligence on local employment and sub-contractor options, as well as making sure to meet any M/W/DBE goals of the City."

- Flat monthly fee to city to provide general custodial and light maintenance
- This would allow for maximum efficiency with labor used in the theatre and conference center
- Fee would also allow for some small hedge against the risk component of operating the theatre and conference space
FEEDBACK FROM
PRIVATE MANAGEMENT FIRMS

Do you have a suggestion for any kind of hybrid management where some is private management and some is operated by the City?

- We do this sort of hybrid in (city name omitted), where city hall is on back side of the performing arts center, and the two are managed separately.
- Another example is in (city name omitted) where city operates the park in front of the PAC and we operate everything inside.
- If we were to be the operator, I would prefer to operate all of it, charging a reasonable fee to city for their side of the wall.

“We would not suggest a hybrid model for this size and type of facility.”

“We have experience working in a number of scenarios where management responsibilities are shared between different entities. Clearly defining the roles and responsibilities of each party is key to the successful implementation of such a plan. For example, if the City has other office and/or maintenance facilities that might provide economies of scale, utilizing existing City staff to maintain and clean the new office space, we would think the City would want to explore all options prior to focusing on one direction.”
QUESTIONS?