

City of Santa Clarita

Outdoor Amphitheater Feasibility Study
as of July 10, 2018



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Executive Summary

The proposed Santa Clarita Amphitheater aims to primarily serve as a community amenity, as well as a beacon to attract visitors and bolster economic development. The venue would be expected to host around 70 events per year, including community events, innovative partnership series, and national touring concerts. Aside from ticketed and free programming, the amphitheater space would serve as a year-round open space, with access for all to gather, use, and enjoy.

The current and projected demographics of Santa Clarita depict a community primed to use and support a large amphitheater venue such as the one proposed. While the broader LA market is dense with competitors, there is no comparable 3,000 – 6,000 seat venue of this size within a 30 minute drive of Santa Clarita. The ease of access to most of the evaluated sites in Santa Clarita for residents would make the amphitheater a notable option for those looking for entertainment. Visitors from beyond the Santa Clarita Valley are also a focus for future economic growth, and an outdoor amphitheater would expand appeal to this market.

We explored an initial 14 potential sites, reviewing success factors and potential roadblocks to building a successful amphitheater. Our analysis revealed a short list of 5 sites across three locations that are further analyzed in the report – Beale's Cut, two sites at Vulcan, and two sites at Whittaker Bermite. Key space and design requirements for the site and venue are outlined and presented in three potential options, including a range of capital cost estimates based on size, site, and amenities.

We recommend that the amphitheater be owned by the City and operated by an independent not-for-profit specifically formed to manage the venue. The City would provide ongoing annual support of just over \$1.2 million each year, assisting with venue maintenance and occupancy costs associated with the operations, plus \$147,000 to cover maintenance capital spending. Full operating financial projections are underpinned by a flexible financial model created to project the first five years of operations. While earned revenue contributes just over 65% of the \$8.3 million annual budget, additional funding from contributed income – \$1.6 million per year – would be necessary to make the venue sustainable over the long-term and contribute to a lasting positive impact for the City of Santa Clarita.

Process

Process

AEA conducted individual meetings with City officials and employees, as well as study sessions with groups like the Arts Master Plan Committee, the Arts Commission and the Parks, Recreation, and Community Service Commission. The public Arts and Entertainment Summit was held in February to collect input from the wider Santa Clarita community and a follow up survey was available online. Online survey results, feedback and poll results from the Arts and Entertainment Summit, and a complete list of stakeholder interviewees can be found in Appendix A.

Three elements were the primary focus during public and stakeholder consultation: target audience, programs, and important amenities. Feedback was collected regarding these topics to prioritize the Santa Clarita Amphitheater's focus.

- Target Audiences – **Families** and **Young Adults** emerged as the most important audience groups, followed by a focus on other local resident groups (like seniors or empty nesters) and potential visitors.
- Programming Plan – **Concerts**, **Community Events**, **Partnerships**, and **Off-Hour Access** were brought forward as key aspects to fully animating and using the Amphitheater space to its full potential.
- Amenities – Creating a **Flexible/Multi-Use** facility, **Affordability**, ease of **Parking**, and general **Accessibility** are top among the desired amenities for a Santa Clarita Amphitheater.

All of these critical steps have helped determine, test, and narrow the priorities for the concept, programs, audiences, and financial implications which are detailed in the following chapters.

1. Concept Overview

Project Concept and Rationale

Concept

The “Santa Clarita Amphitheater” would be a City-owned, medium-sized outdoor amphitheater that would bring the residents of Santa Clarita together as a community. The Amphitheater would be between 3,000 and 6,000 capacity – large enough to attract national touring artists, and also serve as an anchor performance space for festivals, community celebrations, competitions and family programming. It would also be integrated into its environment so that it could be used year-round as a public park.

The Amphitheater would be operated by a newly formed nonprofit organization, which would create partnerships with for profit commercial producers, major LA arts organizations, and local artists and organizations.

Background

In 2016, the City of Santa Clarita Arts Master Plan emphasized an interest in an outdoor amphitheater, capitalizing on the open space available in the Santa Clarita Valley. The Amphitheater would host performances and could serve as a venue for the City’s Concerts in the Park series, Santa Clarita Marathon, Cowboy Festival, Thursdays@Newhall series, Amgen Tour of California, and other celebrations and events. In addition to hosting local community events, the Amphitheater would serve as a venue for regional and national performers, attracting patrons from throughout the region.

In late 2017, the City of Santa Clarita retained AEA Consulting to explore the feasibility of such a venue – exploring aspects like demand, operating models, design program, capital costs, and risk analysis. The Amphitheatre would aim to work alongside an existing Master Plan for a smaller outdoor theatre at Rivendale, creating a venue at a different scale that would provide a new option for the Santa Clarita arts ecosystem.

Rationale

An outdoor amphitheater would serve as both a vital amenity for residents and an economic stimulator. Santa Clarita has an established, and growing, local arts community, but there is no permanent facility of the proposed scale within the Valley. The popular ‘Concerts in the Park’ series draws upwards of 10,000 people for many performers and is an integral part of the Santa Clarita cultural ecosystem. Yet there are not enough arts and entertainment options within Santa Clarita, so residents (young and older) travel outside of the city in search of cultural options.

As the population grows and demand for community and cultural events increases, an outdoor amphitheater would provide a much needed home for community programs and large-scale gatherings. Not only will an amphitheater keep residents of the Santa Clarita Valley interested in events at home, but, in hosting top-quality performers, draw visitors from the surrounding region to experience the Santa Clarita Valley.

Mission and Vision

Mission

The Santa Clarita Amphitheater would provide space for high quality performing arts, partnerships and community engagement events that would bring residents of all generations together. The Amphitheater would also attract visitors, bolstering the local economy.

Vision

New Opportunities for Programming

Concerts and events that are not currently available in Santa Clarita would be programmed in the Amphitheater. The venue would attract big name performers – Van Halen, instead of a Van Halen cover band. In addition, the site could host festivals of all kinds, athletic events, holiday celebrations, and community initiatives – all are potential programs to further animate the space. There exist several spaces in Santa Clarita for local arts groups, smaller touring acts, and larger, free-form park events, but no space to accommodate larger numbers regularly and effectively. The Amphitheater will alleviate stress on parks and other venues not suited for large crowds and bring new entertainment opportunities.

An Architectural Icon

The Santa Clarita Amphitheater would aim to be a landmark destination – on- and off-season. The architecture of the physical space, integrated with the natural surroundings, could provide the “wow” factor necessary to draw audiences regardless of the specific program. Optimally, it would be fun, relaxed, top-notch – traits that would create a brand not only for the Amphitheater, but for the City itself.

Community Access

Easy community access will be integral to the general acceptance and success of the outdoor venue. Open “park” space for off-peak use, and integrated community programming, are examples of how the Amphitheater can go beyond presenting concerts to engage with the community. An open and welcoming landscape will make the site feel like a unique park for residents to enjoy year round – programs or no programs.

Key Target Audiences

The Santa Clarita Amphitheater would target both residents of, and visitors to, the Santa Clarita Valley, with an emphasis on providing residents a premier entertainment destination and flexible public space.

Families / Intergenerational

Families and intergenerational audiences have emerged as a priority audience segment amongst residents and stakeholders. The Amphitheater needs to be a place where people of all ages can come together and enjoy. Events like the “Concerts in the Park” series and “Cowboy Festival” exemplify the cross generational aspirations for the Amphitheater.

Young Adults

An outdoor amphitheater, high-quality events, concerts, and programs will help reduce the “Young Adult Exodus” from Santa Clarita. Young residents are forced to seek entertainment options outside of Santa Clarita, because there are very few programs targeted towards them. Participation of a young audience is necessary for the vibrancy of a Santa Clarita Amphitheater and can also serve to inspire youth participation in other arts, music, and community events.

Locals + Visitors

In addition to providing residents with a great amenity, an amphitheater affords the potential to attract tourists and visitors for festivals, concerts, series, and other events. A unique setting with great programming can help bolster an attractive brand and perception for the City of Santa Clarita beyond its current residents.



Fixed and open seating at the Miller Outdoor Theater in Houston, Texas provide options for large families, groups of young adults, or single seat patrons.

Programming Plan

The Amphitheater would be optimally programmed for evening events in June through September, with May and October, when nighttime temperatures could dip below 50 degrees, used as additional evening shoulder months for rentals. The Amphitheater also could be programmed for daytime events November through April, when daytime high temperatures are comfortable, ranging from 65 to 74 degrees.

The Amphitheater would develop multiple programming strands, balancing programming that generates revenue with that which requires additional support, addressing both commercial and community interests. The strands would include:

National Touring Concerts + Performers

An agreement with a national concert promoter could anchor the programming of the Amphitheater and provide a source of operational revenue.

Partnerships with Stellar Los Angeles Organizations

Santa Clarita's distance from downtown LA could make the Amphitheater an ideal "run out" location for premiere LA performing arts organizations such as the LA Phil, which has a neighborhood concert series, the LA Opera, which broadcasts live performances at locations throughout LA County, and potentially dance performances from the Music Center, theatre performances from Center Theatre Group, and others.

Curated Series and Festivals

Bringing in well-known artists or arts organizations, which either have current affiliations with Santa Clarita or are discovering it, to curate music, dance, film, comedy, spoken word or more eclectic offerings, could help audiences grow into more adventurous programming. CalArts has indicated an interest in curating such a series or festival (animation).

Community Celebrations, Competitions and Family Programming

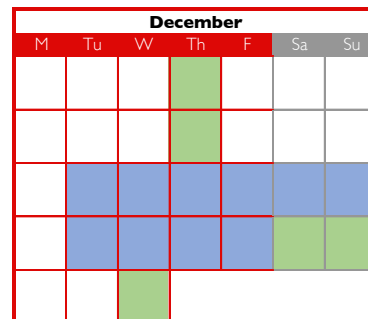
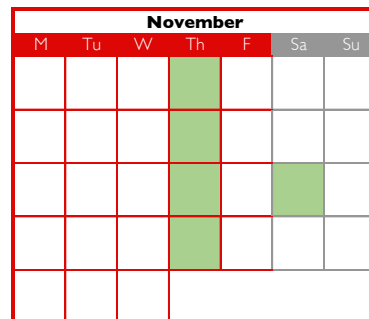
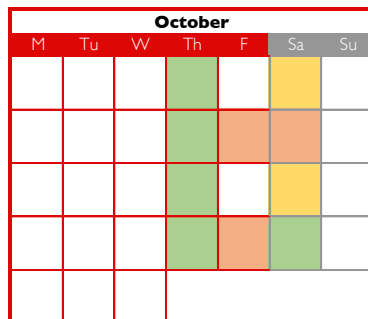
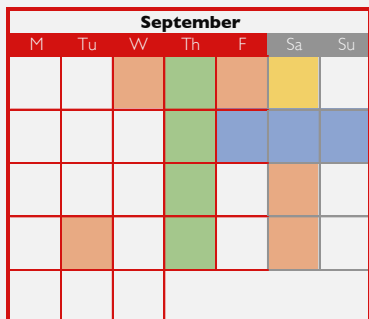
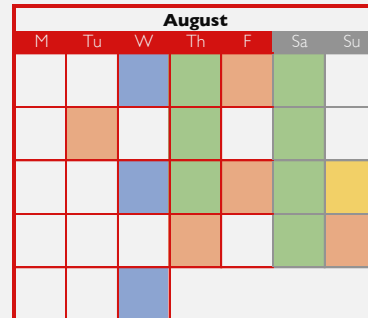
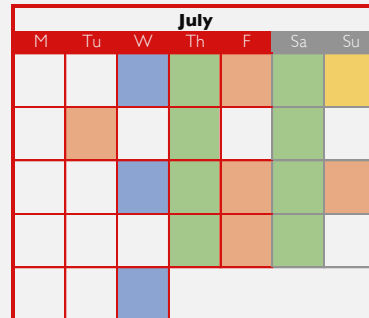
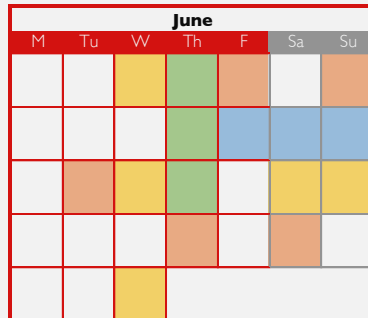
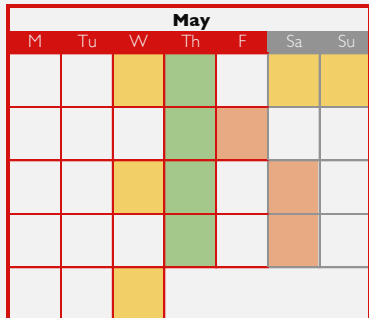
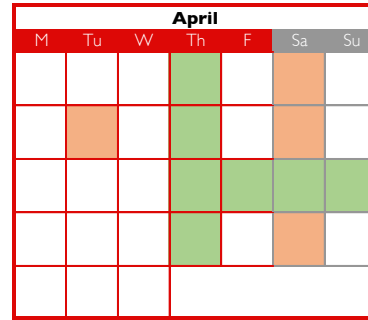
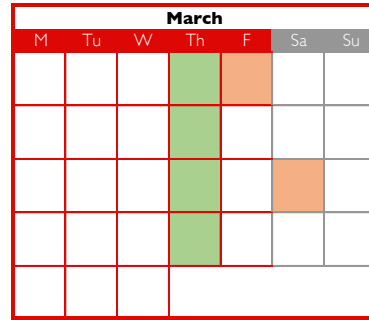
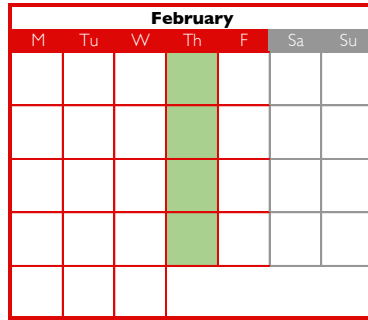
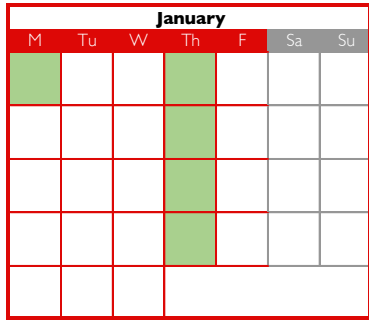
The Amphitheater could provide the perfect location for large scale civic or holiday celebrations, like July 4th, that could become landmark annual events, as well as school band or cheerleading competitions. During winter months, daytime family and participatory events could be held with both performers and a smaller audience on the stage.

Off-Hour Access

Designing the Amphitheater so it can be used as a public park, both for passive and active activities, would ensure that the venue would be just as important to residents who hike, picnic or exercise, as to those who frequent ticketed concerts or events.

Programming: Indicative Calendar

Core Summer Season



- Key
- Touring Concerts
 - Curated Series or Festivals
 - Partnership Events
 - Community Competitions, Celebrations, Family Programming

This indicative calendar outlines a potential flow of use for the Santa Clarita Amphitheater. Open dates are assumed to have off-hour use available to the public and are available for outside rentals / events.

Programming: Potential Partners

Santa Clarita

- UCLA Film-Television Archives
- Disney Studios Ranch
- Concerts in the Park Series
- School Districts
- Civic Organizations
- Local Curatorial Artists and Organizations

Universities

- CalArts
- The Master's University
- College of the Canyons

Los Angeles County

- LA Philharmonic
- Dance at the Music Center
- LA and Long Beach Opera
- Regional Curatorial Artists

Amenities

The physical space surrounding an amphitheater is highly important in creating a usable, memorable location. Successful “placemaking” requires fluid integration and thoughtful layout of visitor amenities. Aside from baseline needs such as restrooms and ADA accessibility, things like flexible-use public spaces, affordability concerns, and unique food and beverage options (food trucks, local restaurants, special amphitheater offerings, etc.) make up some of the key amenity considerations.

Flexible / Multi-Use Space

Even with an active program schedule, much of an amphitheater stage’s life is spent idle during the day. Therefore, it will be important to create a vibrant landscape surrounding the physical stage in order to animate the space during off-peak times. This has been seen in amphitheatres through things like picnic areas, recreation areas, grilling stations, dog parks, hiking and biking trails, etc.

Accessibility

Accessibility should be considered across multiple dimensions. It is critical to create a space that is physically accessible to all. It is also important to ensure that the site is easy to access – the entire experience, from leaving one’s home to returning safely, will be associated with an event at the Santa Clarita Amphitheater.



Live Oak Amphitheatre in Austin, Texas offers a traditional, 3,410 capacity venue geared towards regional and national acts. The Glenn is an open space tailored for everyday use and smaller, local acts. The Glenn offers catering, picnic tables, a beer garden, and volleyball courts and is open all week during the day and during performances.

Amenities (continued)

Affordability

While ticket prices and other factors will be important in the business planning and overall sustainability of the Amphitheater, it is also important to remember that the space is a public amenity and should not cater to any demographic subset. This encompasses charges regarding tickets, food and drink, parking, merchandise, etc.

Food and Beverage Options

Food and beverage income is a significant revenue stream for amphitheaters. Catering for VIP seats, alcohol sales, and concessions are considered basic amenities in most venues. Creative food offerings can help elevate the Santa Clarita Amphitheater experience and status – whether that is manifest through food trucks, local restaurant partnerships, or a venue-specific restaurant.



Summer symphony series at the Koka Booth Amphitheatre in Cary, North Carolina. The Crescent Deck restaurant serves a full menu selection, complementing a smaller, concession selection near the entrance. Picnic baskets can be pre-ordered and certain events allow the audience to bring their own food and drink.

2. Market Overview

Overview

- The general demographic makeup and projected economic trends line up with expected audiences for entertainment and performing arts events. Concertgoers and arts patrons are more likely to have higher education levels and higher income.
- Average per capita income in the Santa Clarita Valley is higher than surrounding regions, education rates are very high, and almost 75% of all households are families, which all point to audiences seeking new, accessible activities for themselves and their families.
- The popularity of offerings already in Santa Clarita (Concerts in the Park series, Thursdays@Newhall, etc.) and the proximity to a plethora of events in LA County suggests a “hungry” and sophisticated audience exists in Santa Clarita.
- The growing diversity of Santa Clarita’s population creates opportunities for an equally diverse roster of events that will fill the venue’s calendar.
- The Santa Clarita tourism market is generally measured against Magic Mountain visitation, which is at an all time high of 3.4 million people per year, suggesting an opportunity to dovetail existing tourist draw into amphitheater attendance.
- There is competition from other outdoor / indoor performing arts venues within a 50 mile radius; however, a dearth of venues within a less than 30 minute drive time creates market opportunity for a mid-sized, state-of-the-art amphitheater that has flexibility to present high drawing concerts and larger community events / gatherings.



**Source: Nielson Scarborough Concertgoer Report, 2012 & National Endowment of the Arts: A Decade of Arts Engagement Survey, 2015*

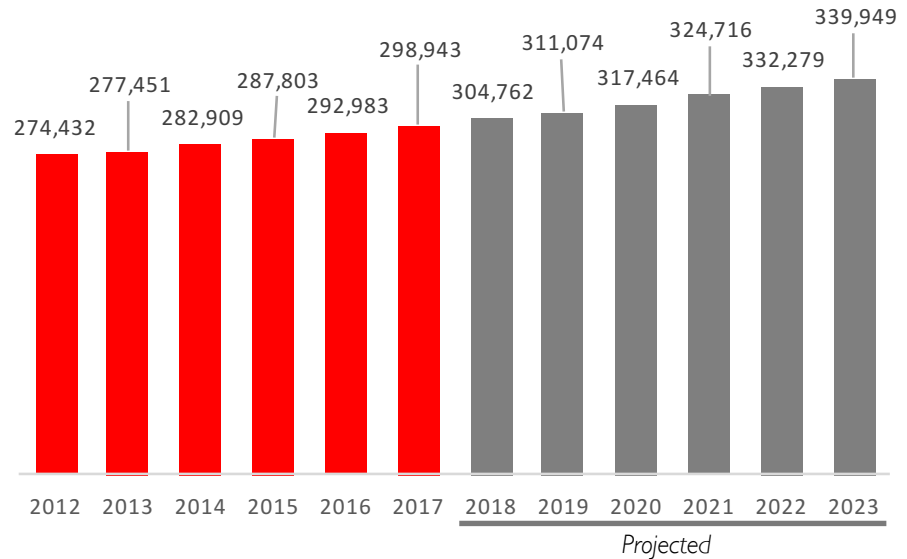
Demographics

Population & Income

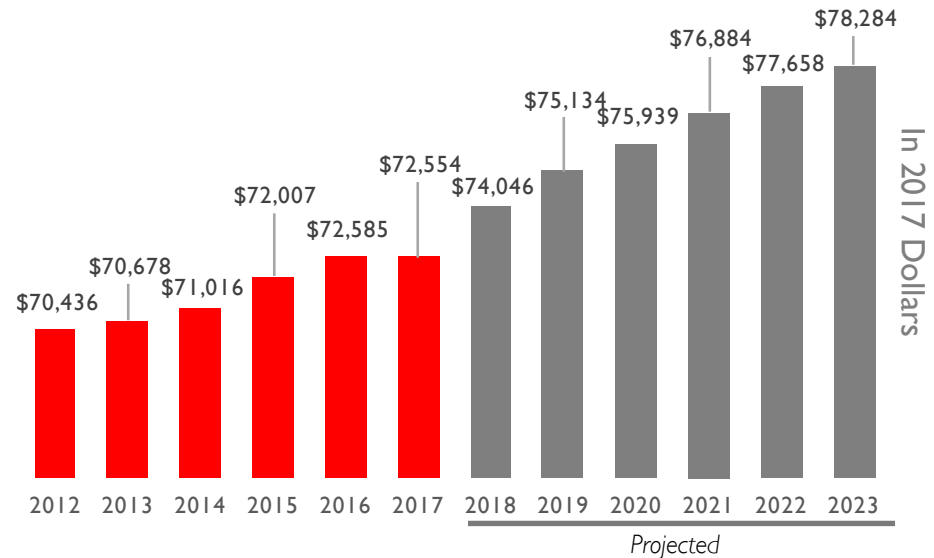
Santa Clarita is affluent and growing. From 2010 to 2017, population in the Santa Clarita Valley has increased from 270,190 to 298,843. The population is expected to continue at an average growth rate of about 2.1% per year.

The 2017 average per capita income of residents in the Santa Clarita Valley is \$72,554. LA County has a per capita income of \$42,042 and the state of California has an average per capita income of \$58,272. Additionally, over 65% of households in the Santa Clarita Valley have a combined income of \$75,000 and above. Per capita income is expected to continue growing at an average rate of 1% per year.

Population Growth



Average Per Capita Income

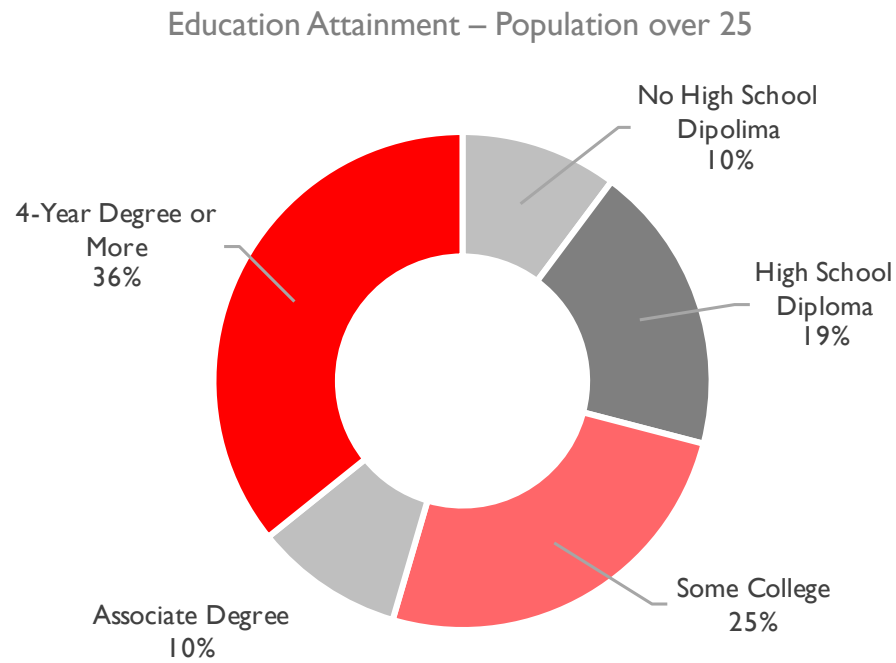


Source: 2018 Santa Clarita Valley Economic Development Council Outlook

Demographics

Education

The Santa Clarita Valley has a highly educated population. Over 70% of the current population has attained “some college,” which includes associate, 4-year degree, and some college experience.



Demographics

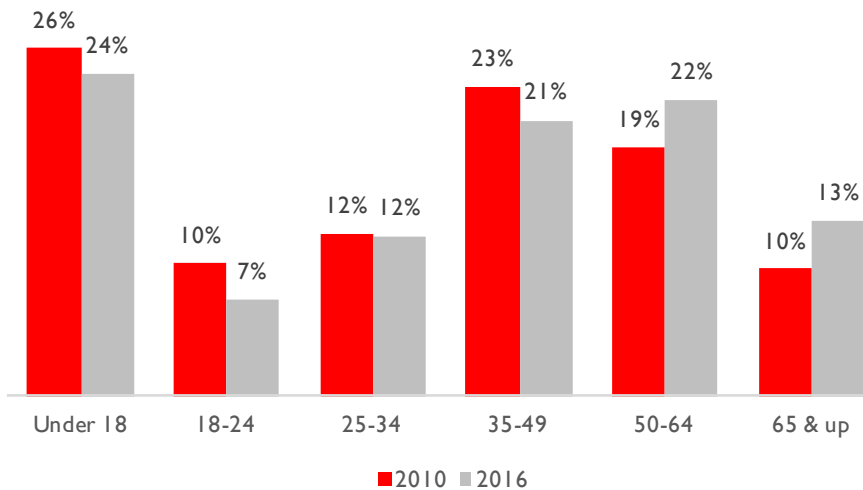
Age

The median age in Santa Clarita has increased from 37.7 in 2010 to 39.7 in 2016.

The 18-24 and 25-44 age groups have declined, suggesting an increasing number of college age and young professionals leaving Santa Clarita. Total population under 50 has decreased from 72% to 65% from 2010 to 2016. The population aged 45-64 has increased over the past ten years.

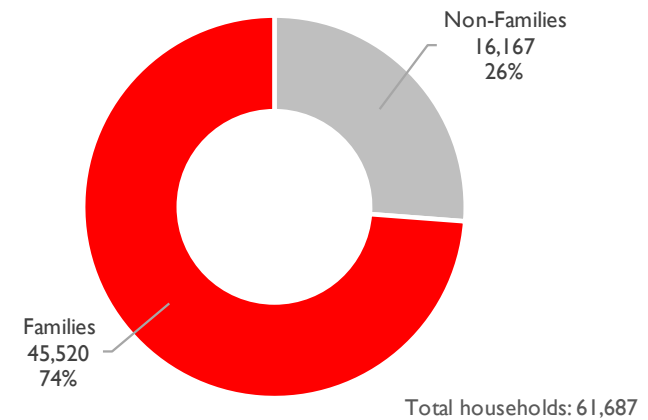
74% of all households in Santa Clarita are families.

Age as % of Total Population



Source: 2010 US Census & 2017 American Community Survey

Household with Families



Source: 2017 US Census American Community Survey



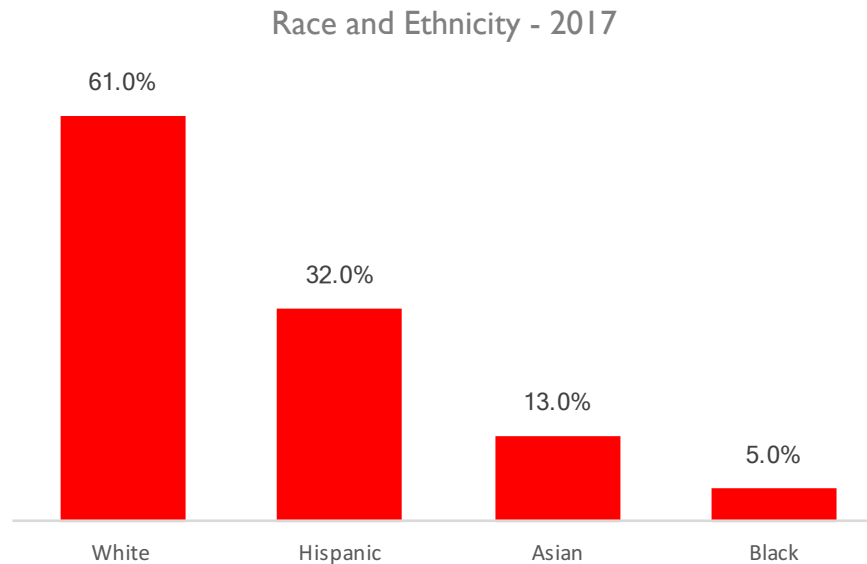
Demographics

Race and Ethnicity

Santa Clarita is an increasingly diverse community.

The two largest racial / ethnic groups identified are White (at 61% of the total population) and Hispanic (at 32% of the total population).

The growing diversity offers the Santa Clarita Amphitheater opportunities to provide targeted programming to keep the Amphitheater fully active and accessible to the entire community.



Note: Does not sum to 100% as many Hispanic individuals are also classified as White, Black, Asian, or other racial category

Tourism Indicators

The Santa Clarita Valley has indicators of a strong visitor economy with a 2017 average hotel occupancy rate of 85%. An additional search on Airbnb for weekend dates in May 2018 showed about 37 available rooms for rent.

Six Flags Magic Mountain theme park is the largest employer in the valley, with a total of 3,200 employees and an estimated 3.4 million visitors in 2017. Magic Mountain recently announced that it will remain open 365 days a year in 2018. Slightly lower occupancy rates in September suggest an opportunity to create programming targeted to visitors that month.

Hotel	# of Rooms
Hyatt Regency Valencia	244
Embassy Suites	156
Courtyard by Marriott	140
Hilton Garden Inn	152
Holiday Inn Express	118
La Quinta Inn & Suites	112
Best Western Valencia Inn	120
Santa Clarita Motel	34
Extended Stay	104
Comfort Suites	101
Residence Inn	90
Fairfield Inn	66
Hampton Inn	128
Super 8	50
Travelodge	54
Total	1,669

Average Hotel Occupancy Rate		
Month	2016	2017
January	88.0%	73.4%
February	94.6%	84.3%
March	95.8%	88.6%
April	n/a	n/a
May	86.7%	84.8%
June	89.6%	91.6%
July	92.7%	90.9%
August	87.9%	88.2%
September	81.6%	84.9%
October	87.8%	n/a
November	85.1%	80.2%
December	77.5%	83.2%
Average	87.9%	85.0%



Source: 2014 Santa Clarita Annual Economic Indicators

Source: Santa Clarita Valley Economic Development Corporation

Tourism Indicators

Location matters – in LA County, analysis shows that most attendees drive no more than 20-30 minutes for arts / cultural events.*

In addition to the Santa Clarita Valley, it is important to note the potential draw from the San Fernando and Antelope Valleys. The population of the San Fernando Valley is estimated to be 1.9 million and has a similar age and racial breakdown to Santa Clarita. The percentage of household income above \$75,000 is significantly lower in the San Fernando Valley.

Although the San Fernando Valley is closer to venue offerings in the City of Los Angeles, Santa Clarita is about equidistant in terms of distance to other large outdoor venues.

For residents of the Antelope Valley, the Santa Clarita venue would be their closest opportunity.

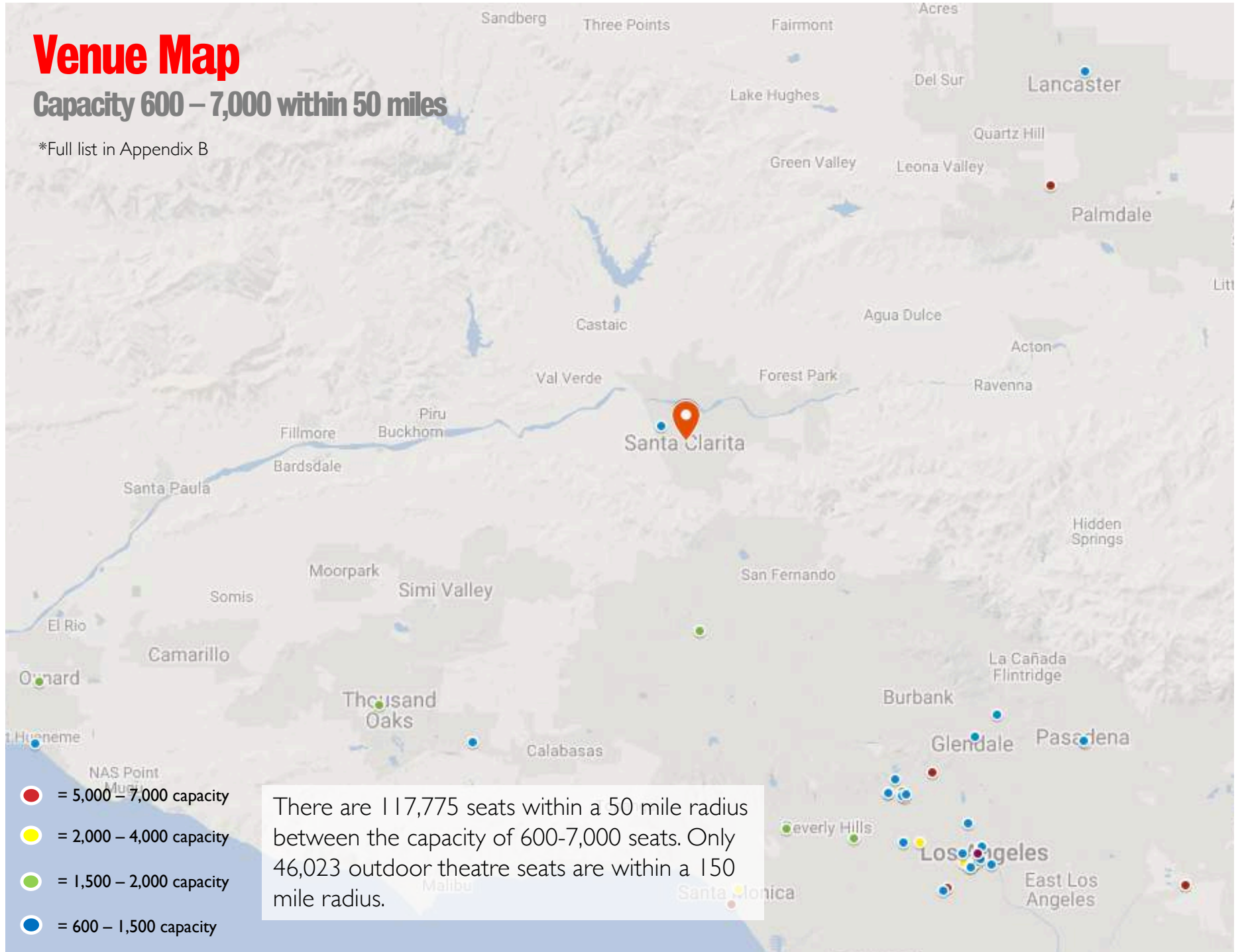


*Based on zip code of ticket purchases in relation to venue

Venue Map

Capacity 600 – 7,000 within 50 miles

*Full list in Appendix B



Regional Outdoor Arts & Entertainment Venues

Large Outdoor Venues with about 1,000 seats or more within about 100 miles

Venue	Miles from Santa Clarita	Capacity	Type of Events	Season	Annual Budget
Starlight Bowl (Burbank)	20	5,000	Concerts- tribute bands	Summer season	n/a
Greek Theatre (Los Angeles / Griffith Park)	23	5,801	Large pop concerts, comedy, festivals	Year round	n/a
Palmdale Amphitheater* (Palmdale)	25	10,000	Concerts, community events, film screenings	Summer season	n/a
John Anson Ford Amphitheatre (Los Angeles / Hollywood Hills)	25	1,180	Concerts, theatre, community events, film, opera, multi-disciplinary	May - October	\$1,420,730
Santa Monica Pier (Santa Monica)	28	4,500	Summer concert series	Summer season	n/a
Pershing Square (Downtown Los Angeles)	29	6,000	Pop concerts, community events, festivals	Concerts - summer season	n/a
Grand Performances (Downtown Los Angeles)	29	5,000	Concerts, community events, holiday celebrations	Summer season (primarily)	\$1,912,310
Libbey Bowl (Ojai)	40	980	Concerts, film, fesitvals, lectures, school concerts, community events	March - November	n/a
Santa Barbara Bowl (Santa Barbara)	65	4,562	Concerts, community events	Summer season	\$5,640,000
Spectrum Amphitheatre (Bakersfield)	70	5,000	Concerts, festivals, community events	March - October	n/a
Redlands Bowl (Redlands)	80	4,000	Concerts, community events, festivals, competitions, musicals	Summer season	\$935,992
Ramona Bowl (Hemet)	107	4,000	Theatre, festivals, concerts, summer youth programs	Summer season	\$571,337



* Not within capacity range, but included due to proximity

Regional Outdoor Arts & Entertainment Venues

Ticket Prices and Capacity

The regional comparators who offer paid ticketed programming are listed below; they range in capacity from about 1,200 to 6,000. The two national benchmarks are larger. Above 5,000 seat capacity venues' programming begins to overlap with larger arenas for big name bands, while smaller capacity venues compete with a multitude of medium (1,000 to 2,000 seat) venues in Los Angeles. A mid-capacity amphitheater of 3,000 seats with the ability to add an additional 3,000 on a lawn would serve Santa Clarita well, attracting top range "indie" talent and other headliner acts that may not fill the largest stadiums.

The market supports an average ticket price of \$49 – with prices ranging from \$36 to \$69, however the ticket prices below don't take free or discounted tickets into account. The Ford Amphitheatre's family programming, for example, is free for those under 12 and only \$5 for adults. The Santa Barbara Bowl has the highest average ticket price.

Venue	Capacity	Avg. Ticket Price	Average Tickets Sold	Average Gross per Show	Avg. Capacity Utilization	Avg. Concerts per Year
Red Rocks	9,525	\$49.29	8,184	\$403,389	86%	67
Koka Booth Amphitheater	7,000	\$40.93	4,425	\$181,115	63%	12
Greek Theatre	5,801	\$56.82	4,601	\$261,429	79%	71
Spectrum Amphitheater	5,000	\$36.43	1,321	\$48,124	26%	6
Cal Coast Credit Union Amphitheatre	4,635	\$41.33	3,267	\$135,025	70%	18
Santa Barbara Bowl	4,563	\$69.77	4,001	\$279,150	88%	37
Vina Robles Amphitheatre	3,018	\$56.53	2,050	\$115,887	68%	29
Ford Amphitheatre	1,180	\$41.68	804	\$33,511	68%	100
Average	5,090	\$49.10	3,582	\$182,204	69%	43



Source: Pollstar 36 Month Averages

3. Site Evaluation

Site Analysis

Key Criteria

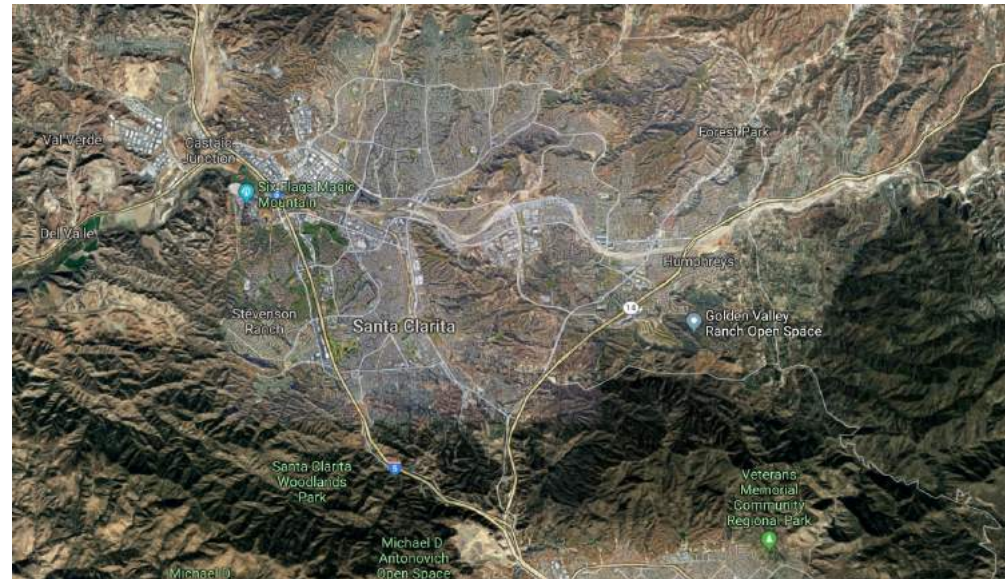
Determining factors in considering the best potential sites for the project fell into two main categories based on consultation feedback and best practice: concept alignment and financial considerations.

Financial Considerations

- The topography provides a natural bowl
- The locations present minimum impact on the environment
- The connection to public utilities is not problematic

Concept Alignment

- The location provides easy access from nearby highways
- The surrounding views of the mountains could be incorporated in designing the platforms around the Amphitheater



Evaluation criteria are broken down further and weighted based on concept and financial significance on page 35.

Sites Considered

Overview

AEA & JSFA visited multiple sites for our initial evaluation. JSFA assessed the conditions in regard to the site geology, planning and zoning, site economy, noise and light pollution, connection to public utilities, potential multi-use, ease of access to the site, parking options, impact on surrounding traffic, alternative transportation options, and iconic architectural features, among other factors.

Site	Issues
Beale's Cut	High potential – considered in more detail
Central Park	Limitations for parking, negative impact on surrounding traffic, noise pollution, and lack of a natural bowl
Gate King	High noise from nearby railroad, lack of infrastructure, and challenging topography
Packard Property	High noise from the nearby freeway, noise pollution affecting the neighboring community, oak trees preservation, and being near to existing performing arts venues
Round Mountain	High level of noise from the nearby freeway, location of power lines, and insufficient size of land due to conflicting interests with the neighboring Santa Clarita Studios
Santa Clarita Sports Complex	Challenges of dual use, parking issues, and lack of a natural bowl
Saugus Speedway	Severe railroad noise and lack of a natural bowl
Smiser Property	Freeway noise and lack of a natural bowl
Towsley Canyon (Rivendale)	Freeway noise and environmental issues such as watershed and fire risk
Vulcan I & II	High potential – considered in more detail
Whitney Canyon	Freeway noise, zoning and potential ownership issues with Santa Monica Mountains Conservancy, and drainage issues
Whittaker Bermite I & II	High potential – considered in more detail

Detailed Site Analysis

Beale's Cut

This total site is approximately 34 acres of land roughly located between the I4 Freeway and Sierra Highway. Currently, the City does not own any part of the site.

Vulcan

This total site is approximately 200 acres of land roughly located south of the I4 Freeway. Currently the site is located in unincorporated Los Angeles County just outside the City of Santa Clarita. The City does not own any part of the site but is considering annexation. AEA & JSFA visited parts of the Vulcan site and came up with two possible locations: Vulcan I & Vulcan II.

According to Michael Linton, Vice President of Properties & Land Development, Western Division for Vulcan Materials Company (Vulcan), Vulcan potentially could do all the earthmoving, ridge stabilization, and water hydrology that would be needed for Vulcan I. Vulcan intends to restore all natural elements of the site, including redirecting the creek to flow to the Santa Clarita River and bridging the site to the other side of the river for easy access.

Whittaker Bermite

This total site is approximately 990 acres of land roughly located north of the I4 Freeway with Soledad Canyon Road to the north, Golden Valley Road to the west and Bouquet Canyon Road to the east. Currently, the City owns the ridge above the railroad. AEA & JSFA visited parts of Whittaker Bermite and came up with two possible locations: Whittaker Bermite I & Whittaker Bermite II.

Detailed Site Analysis

Beale's Cut

The site is away from any residential area. However, severe noise from the nearby freeway and highway is heard and noise within an amphitheater would be a major issue.

- The site is close to infrastructure, but power lines would need to be relocated.
- Considering the topography and nature of the land, there's a great potential for incorporating picnic areas, recreation areas, volleyball courts, grilling stations, dog parks, hiking and biking trails, etc. in the design.
- This site is near the 14 Freeway and Sierra Highway, which makes it easily accessible from surrounding areas.
- Given the size of this site, plenty of parking for the proposed Amphitheater could be incorporated into the design.
- The site is far from any railroads and will rely mainly on highways. Traffic can be significantly impacted as the site is only accessible off Sierra Highway.
- Traffic studies should be conducted to determine the size and location of added roads and the potential impact on surrounding traffic.
- In looking at any iconic architectural statement that this site might present, there are the potential for significant views from the site.
- The site is consistent with the natural topography of the area providing a natural bowl that should be adequately shielded from wind. However, due to the steepness of the site, the amount of earth that would need to be moved could negatively impact cost.
- The site is located far away from nearby restaurants.
- Due to the previous industrial land use, there might be some environmental issues to be considered.



Detailed Site Analysis

Vulcan I

This site is approximately 30 acres, surrounded by open space zones. The site is somewhat farther away from Alquist-Priolo fault zone, which makes it a desirable option. If the zoning is changed, light industrial/commercial buildings and parking lots are intended just north of the site; the south, east and west neighboring land is zoned for open space.

- Considering the topography and nature of the land, great potential for incorporating picnic areas, recreation areas, volleyball courts, grilling stations, dog parks, hiking and biking trails, etc. in the design
- Vulcan plans to build a bridge to connect to the other side of the Santa Clarita River for easy access
- Will be near a new proposed train station, and there is the possibility of shuttling from the station
- The site is a few miles from a potential business development with restaurants and a hotel
- Close to power lines and water lines.
- Given the size of this site, plenty of parking for the proposed Amphitheater could be incorporated into the design. It is also possible that parking lots built by Vulcan for its commercial development could be utilized by the Amphitheater, eliminating the need to build separate lots
- The site would rely mainly on existing highways. Traffic studies should be conducted to determine the size and location of added roads and the potential impact on surrounding traffic
- Outstanding features that can be incorporated in the design to create an iconic architectural statement. The site has a nearby creek that could be an aesthetic element and incorporated in the design in the form of water features
- The views are mostly from a higher elevation than the site. The site is consistent with the natural topography of the area, providing a natural bowl that should be adequately shielded from wind.
- The previous land use does not present any environmental issues. There is no toxic waste to be considered.
- Due to a high water table Vulcan intends to re-grade the site to bring it back to its natural state



Detailed Site Analysis

Vulcan II

This site is approximately 80 acres, surrounded by open space zones. The site is farther away from Alquist-Priolo fault zone, which makes it a desirable option. This site and the area surrounding it are currently zoned as open space, and it is envisioned that it would remain so.

- This site is farther away from the portion of site that is intended to be developed for commercial use and is therefore farther away from public utilities
- Considering the topography and nature of the land, there is great potential for incorporating picnic areas, recreation areas, volleyball courts, grilling stations, dog parks, hiking and biking trails, etc. in the design
- Given the size of this site, plenty of parking for the proposed Amphitheater could be incorporated into the design
- The closest access route to the site would be through an existing residential area, however a longer access route could be provided through the proposed commercial development – in which case access comments discussed for Vulcan I above would apply (bridges, proximity to train station and parking)
- Traffic studies should be conducted to determine the size and location of added roads and the potential impact on surrounding traffic
- The views are mostly from a higher elevation than the site, reducing the opportunity for any iconic architectural statement . The site is consistent with the natural topography of the area providing a natural bowl that should be adequately shielded from wind
- The site is in the open space, and there are no environmental issues that should be considered

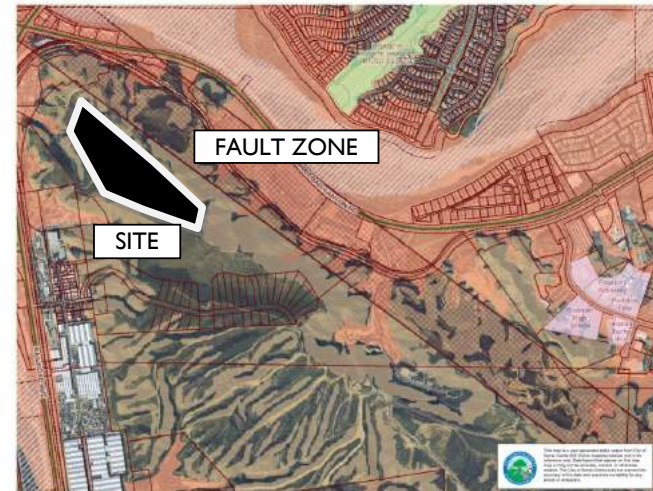


Detailed Site Analysis

Whittaker Bermite I

This site is approximately 40 acres, in very close proximity to the Alquist-Priolo fault zone, resulting in potential damage due to earth movement due to earthquakes, and making it a less desirable option. Further, according to the concept plan of the area, there is a potential residential area just south of the site. Considering the nature of the proposed project, there would be considerable challenges to resolve noise pollution and light pollution to the neighboring residential area

- Far away from public utilities and would take awhile before the area would be developed
- Considering the topography and nature of the land, there's great potential for incorporating picnic areas, recreation areas, volleyball courts, grilling stations, dog parks, hiking and biking trails, etc. in the design
- According to the concept plan of the area, there is a potential extension of Via Princessa as a major artery to the site. Currently the site is not near any freeways, but it is assumed that the site would be developed to be easily accessible from surrounding highways
- Given the size of this site, plenty of parking for the proposed Amphitheater could be incorporated into the design and some of the parking at the nearby metro link station might be utilized
- The location of the site presents the possibility of a shuttle service from the nearby metro link station.
- Traffic studies should be conducted to determine the size and location of added roads and the potential impact on surrounding traffic
- The views are mostly from a higher elevation than the site, reducing the opportunity for an iconic architectural statement. The site is consistent with the natural topography of the area providing a natural bowl that should be adequately shielded from wind.
- Centrally located – patrons could drive to nearby restaurants and other businesses that could lead to future economic development.
- The site is in the open space and there are no environmental issues that should be considered



Detailed Site Analysis

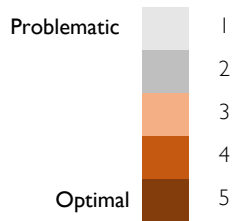
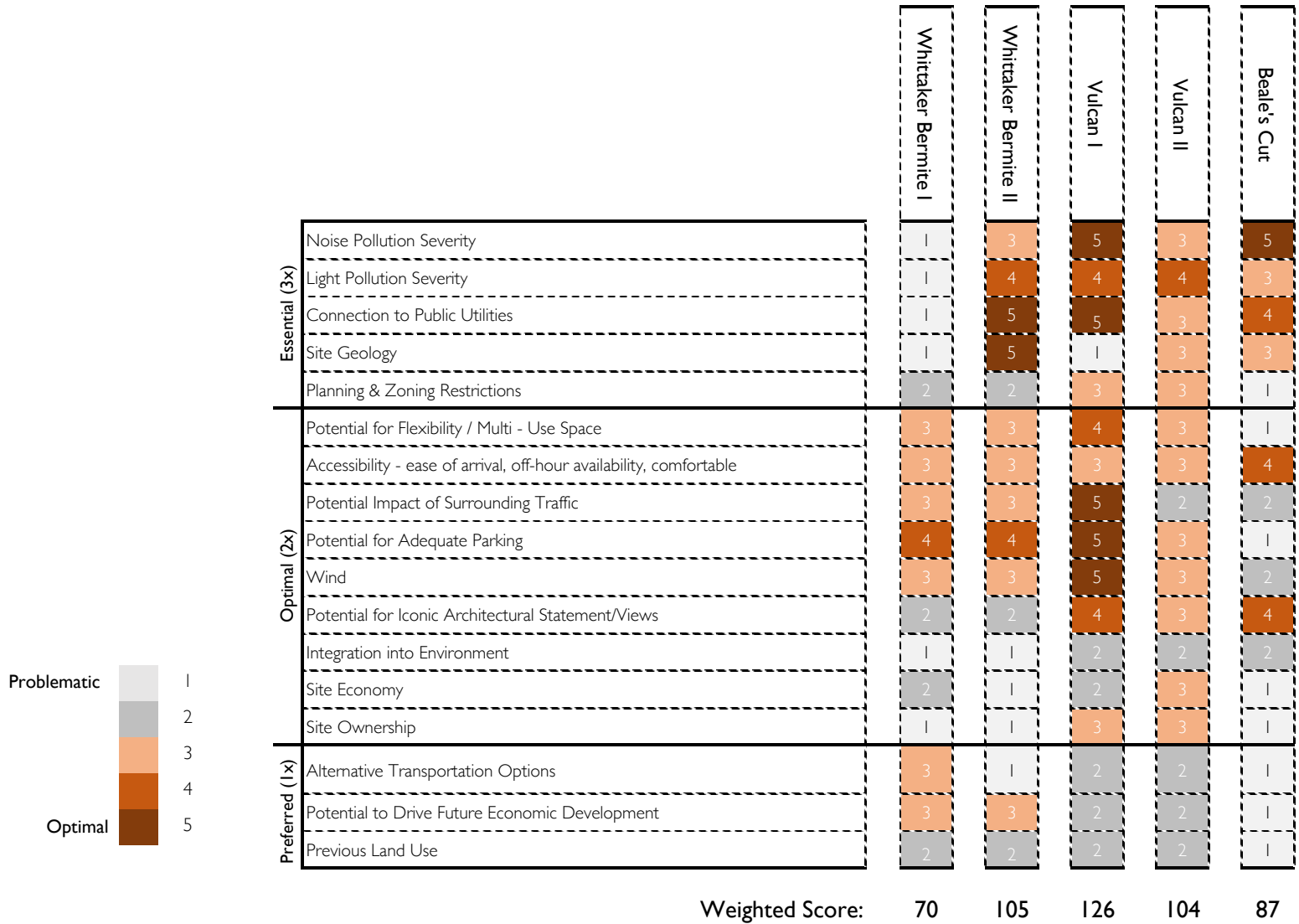
Whittaker Bermite II

This site is approximately 30 acres, and farther away from the Alquist-Priolo fault zone, which makes it a more desirable option. According to the concept plan of the area, there is no indication of any residential areas that are in close proximity to the site, and therefore, noise pollution and light pollution should not be an issue.

- This site is close to power lines and water lines, which is an advantage in comparison to Whittaker Bermite I
- Considering the topography and nature of the land, there is great potential for incorporating picnic areas, recreation areas, volleyball courts, grilling stations, dog parks, hiking and biking trails, etc. in the design
- This site is near Sierra Highway, Golden Valley Road and the 14 Freeway, which makes it easily accessible from surrounding areas
- Far from any railroads and would rely mainly on highways and the 14 Freeway; however, the site is centrally located and patrons could drive to nearby restaurants and other businesses that could lead to future economic development
- Given the size of this site, plenty of parking for the proposed Amphitheater could be incorporated into the design
- Traffic studies should be conducted to determine the size and location of added roads and the potential impact on surrounding traffic
- The views are mostly from a higher elevation than the site, reducing any iconic architectural statement. The site is consistent with the natural topography of the area providing a natural bowl that should be adequately shielded from wind
- Due to the previous land use as oilfield, there are environmental issues to be considered. The site would need to be cleaned up from the oil extraction practice



Site Evaluation Matrix



4. Capital Project: Design Program and Projected Costs

Amphitheater Capital Project

Variable Options

Three options are outlined, ranging from the minimum required to create an amphitheater with 3,000 fixed seats to a fully realized facility with 3,000 fixed seats and additional seating for 3,000 on a knoll.

It is possible to “mix and match” elements from these three program options depending on the activities that are deemed most important – key variables impacting cost include site preparation, seating capacity, and the type of parking. Further decisions will be required by the City to arrive at an optimal program and budget.

Planning for 30 acres for the site would be appropriate in order to allow for sufficient buffer to adjacent developed areas. Some sites potentially could offer considerable savings over others based on geological site preparation requirements; another major variable would be access to existing parking or other alternative transportation already in place versus needing to create additional parking. There are also different options for sun shades and production capability.

Amphitheater Capital Project

Points for Consideration

Some points to consider when evaluating the budget estimates:

- Budget figures include all general contractor's markups, sound and lighting equipment necessary for performances, as well as furniture and fixtures.
- Figures here include hard and soft costs. Soft costs cover an additional 25%, including architectural and engineering fees, an environmental impact report, inspections, tests, movable furniture, movable fixtures, movable equipment, legal fees, pre- and post-construction expenses, permits and taxes, insurance, etc.
- These numbers do not include land acquisition cost.
- Since the starting date of construction is unknown, the budget is stated at today's prices and should be escalated at 5% per year to the mid-point of construction.

Overview of Key Spaces

Public-Facing

- Seating Bowl + Casual Seating on Grass Knoll
- Picnic Areas
- Concessions Area
- Merchandise / Retail Kiosks
- Box Office
- Public Restrooms
- Parking

Artist & Production

- Stage and Side Stages
- Provision for Quality Technical Systems – Mixing Station, Control Area, Speaker Towers, and Lighting Positions
- Dressing Rooms + Performers' Restrooms
- Green Room
- Administrative & Maintenance Offices
- Break Area + Lockers (for crew and ushers)
- Loading Dock (able to accommodate larger trailers & tour buses)
- Storage

And Other Potential Spaces...

- Orchestra Pit
- Workspace (Scene / Prop / Costume Shops)

Option 1

Program Draft

3,000 fixed seats
 Total project area:
 174,829 sf +/- (4 acres)

Suitable for Vulcan I site.
 This option assumes site will have re-grading that is ready to build on, and off-site parking is provided.

Activities not included: Rigging*, Orchestra Pit, Scene Shop, Scene Storage, Prop Shop, Prop Storage, Costume Shop, Costume Storage, Knoll for Additional Audience Seating & Sun Shades.

Note: A theatrical rigging system, is a system of rope lines, blocks (pulleys), counterweights and related devices within a theater that enables a stage crew to fly (hoist) quickly, quietly and safely components such as curtains, lights, scenery, effects and, sometimes, people.

Constructed Enclosed & Open Activity Spaces

Activity	number	factor	required area sf +/-
Stage & Side Stages with Roof	50	100	5,000
Audience Bowl	3,000	10 sf per	30,000
Box Office	1	1,250	1,250
House Manager	1	400	400
Concession Areas	2	1,500	3,000
Gift Shop	1	300	300
Women's Restrooms (63 stalls)	1	2,500	2,500
Men's Restrooms (33 stalls)	1	1,500	1,500
Performers Dressing Rooms / Restrooms	2	1,000	2,000
Green Room	1	400	400
Technical Director's Office	1	150	150
Maintenance & Operation Office	1	250	250
Sound Mixing Station	1	600	600
Control Area	1	300	300
Lighting Positions	1	400	400
Speaker Towers	1	400	400
Total Net Area			48,450 sf
Grossing Factor (circulation, wall thickness, mechanical, electrical & utilities)			1.33
Total Gross Area			64,439 gsf

Hardscape

Activity	number	factor	required area sf +/-
Audience Drop-off Zone	2	2,000	4,000
Audience Pick-up Zone	2	2,000	4,000
Loading Zone	1	10,000	10,000
Total Net Area			18,000 sf
Grossing Factor			1.33
Total Gross Area			23,940 gsf

Open Area

Activity	number	factor	required area sf +/-
Picnic Areas / Open Areas / Shade	3,000	15	45,000
Retention Basins	4	5,000	20,000
Total Net Area			65,000 sf
Grossing Factor			1.33
Total Gross Area			86,450 gsf



Option 1

Budget Estimate

Construction Type	Activity	Area gsf	\$ / gsf	Total Cost
Without Rigging	Stage & Side Stages with Roof	6,650	\$350	\$2,327,500
No Sun Shade	Audience Bowl	39,900	\$100	\$3,990,000
B (NO ROOF)	Sound Mixing Station	798		
B (NO ROOF)	Control Area	399		
B (NO ROOF)	Lighting Positions	532		
B (NO ROOF)	Speaker Towers	352		
Subtotal B (No Roof)		2,081	\$200	\$416,200
Subtotal				\$6,733,700
A (LOW ROOF)	Box Office	1,662.5		
A (LOW ROOF)	House Manager	532		
A (LOW ROOF)	Concession Areas	3,990		
A (LOW ROOF)	Gift Shop	399		
A (LOW ROOF)	Women's Restrooms (63 stalls)	3,325		
A (LOW ROOF)	Men's Restrooms (33 stalls)	1,995		
A (LOW ROOF)	Performers Dressing Rooms / Restrooms	2,660		
A (LOW ROOF)	Green Room	532		
A (LOW ROOF)	Technical Director's Office	199.5		
A (LOW ROOF)	Maintenance & Operation Office	332.5		
Subtotal A (Low Roof)		15,628	\$400	\$6,251,000
No Knoll	OPEN AREA (landscaping)	86,450	\$15	\$1,296,750
	HARDSCAPE	23,940	\$40	\$957,600
Total				\$15,239,050
Total Cost + 12% contingency				\$17,067,736
Total Cost + 25% soft cost				\$21,334,670



Option 1B

Program Draft

3,000 fixed seats
 3,000 seating on knoll
 Total project area:
 254,629 sf +/- (6 acres)
 Suitable for Vulcan I site.
 This option assumes site will have re-grading that is ready to build on, and off-site parking is provided.

Activities not included: Rigging*, Orchestra Pit, Scene Shop, Scene Storage, Prop Shop, Prop Storage, Costume Shop, Costume Storage.

Note: A theatrical rigging system, is a system of rope lines, blocks (pulleys), counterweights and related devices within a theater that enables a stage crew to fly (hoist) quickly, quietly and safely components such as curtains, lights, scenery, effects and, sometimes, people.



Constructed Enclosed & Open Activity Spaces

Activity	number	factor	required area sf +/-
Stage & Side Stages with Roof	50	100	5,000
Audience Bowl	3,000	10 sf per	30,000
Box Office	1	1,250	1,250
House Manager	1	400	400
Concession Areas	2	1,500	3,000
Gift Shop	1	300	300
Women's Restrooms (63 stalls)	1	2,500	2,500
Men's Restrooms (33 stalls)	1	1,500	1,500
Performers Dressing Rooms / Restrooms	2	1,000	2,000
Green Room	1	400	400
Technical Director's Office	1	150	150
Maintenance & Operation Office	1	250	250
Sound Mixing Station	1	600	600
Control Area	1	300	300
Lighting Positions	1	400	400
Speaker Towers	1	400	400
Total Net Area			48,450 sf
Grossing Factor (circulation, wall thickness, mechanical, electrical & utilities)			1.33
Total Gross Area			64,439 gsf

Hardscape

Activity	number	factor	required area sf +/-
Audience Drop-off Zone	2	2,000	4,000
Audience Pick-up Zone	2	2,000	4,000
Loading Zone	1	10,000	10,000
Total Net Area			18,000 sf
Grossing Factor			1.33
Total Gross Area			23,940 gsf

Open Area

Activity	number	factor	required area sf +/-
Picnic Areas / Open Areas / Shade	3,000	15	45,000
Audience Reclining on Knoll	3,000	20	60,000
Retention Basins	4	5,000	20,000
Total Net Area			125,000 sf
Grossing Factor			1.33
Total Gross Area			166,250 gsf

Option 1B

Budget Estimate

Construction Type	Activity	Area gsf	\$ / gsf	Total Cost
Without Rigging	Stage & Side Stages with Roof	6,650	\$350	\$2,327,500
100% Sun Shade	Audience Bowl	39,900	\$213	\$8,498,700
B (NO ROOF)	Sound Mixing Station	798		
B (NO ROOF)	Control Area	399		
B (NO ROOF)	Lighting Positions	532		
B (NO ROOF)	Speaker Towers	352		
Subtotal B (No Roof)		2,081	\$200	\$416,200
Subtotal				\$11,242,400
A (LOW ROOF)	Box Office	1,662.5		
A (LOW ROOF)	House Manager	532		
A (LOW ROOF)	Concession Areas	3,990		
A (LOW ROOF)	Gift Shop	399		
A (LOW ROOF)	Women's Restrooms (63 stalls)	3,325		
A (LOW ROOF)	Men's Restrooms (33 stalls)	1,995		
A (LOW ROOF)	Performers Dressing Rooms / Restrooms	2,660		
A (LOW ROOF)	Green Room	532		
A (LOW ROOF)	Technical Director's Office	199.5		
A (LOW ROOF)	Maintenance & Operation Office	332.5		
Subtotal A (Low Roof)		15,628	\$400	\$6,251,000
Knoll for 3,000 add'l audience	*OPEN AREA (landscaping)	166,250	\$15	\$2,493,750
	*HARDSCAPE	23,940	\$40	\$957,600
Total				\$20,944,750
Total Cost + 12% contingency				\$23,458,120
Total Cost + 25% soft cost				\$29,322,650



Option 2

Program Draft

3,000 fixed seats, plus
 3,000 seating on knoll
 Total project area:
 827,927 sf +/- (19 acres)

Suitable for Whittaker
 Bermite I, Vulcan I &
 Beale's Cut Sites

Includes partial sun shades,
 orchestra pit, rigging & film
 equipment, on-site tandem
 parking* and cost of geological
 preparation of land.

Activities not included: Scene Shop,
 Scene Storage, Prop Shop, Prop
 Storage, Costume Shop &
 Costume Storage

*Notes: In tandem parking two
 parking spaces are right behind each
 other so one car can park behind
 another*

*Portable restroom modules to be
 provided when knoll seating used*

*Cost of geological prep of land will
 vary across sites*

Constructed Enclosed & Open Activity Spaces

Activity	number	factor	required area sf +/-
Stage & Side Stages	50	100	5,000
Audience Bowl	3,000	10 sf per	30,000
Orchestra Pit / Area	1	600	600
Box Office	1	1,250	1,250
House Manager	1	400	400
Concession Areas	2	1,500	3,000
Gift Shop	1	300	300
Women's Restrooms (63 stalls)	1	2,500	2,500
Men's Restrooms (33 stalls)	1	1,500	1,500
Performers Dressing Rooms / Restrooms	2	1,000	2,000
Green Room	1	400	400
Technical Director's Office	1	150	150
Maintenance & Operation Office	1	250	250
Sound Mixing Station	1	600	600
Control Area	1	300	300
Lighting Positions	1	400	400
Speaker Towers	1	400	400
Total Net Area			49,050 sf
Grossing Factor (circulation, wall thickness, mechanical, electrical & utilities)			1.33
Total Gross Area			65,237 gsf



Option 2

Program Draft (continued)

Parking

Activity	number	factor	required stalls	required area sf +/- (220 sf per)
Audience Parking (Tandem in Lots)	6,000	3.0	2,000	440,000
Admin / M&O Performers Parking	120	2.0	60	18,000
Total Net Area				458,000 sf
Grossing Factor				1.25
Total Gross Area				572,500 gsf

Hardscape

Activity	number	factor	required area sf +/-
Audience Drop-off Zone	2	2,000	4,000
Audience Pick-up Zone	2	2,000	4,000
Loading Zone	1	10,000	10,000
Total Net Area			18,000 sf
Grossing Factor			1.33
Total Gross Area			23,940 gsf

Open Area

Activity	number	factor	required area sf +/-
Picnic Areas / Open Areas / Shade	3,000	15	45,000
Audience Reclining on Knoll	3,000	20	60,000
Retention Basins	4	5,000	20,000
Total Net Area			125,000 sf
Grossing Factor			1.33
Total Gross Area			166,250 gsf

Option 2

Budget Estimate

Construction Type	Activity	Area gsf	\$ / gsf	Total Cost
With rigging & film equipment	Stage & Side Stages with Roof	6,650	\$650	\$4,322,500
25% Sun Shade	Audience Bowl	9,975	\$213	\$2,124,675
75% No Sun Shade	Audience Bowl	29,925	\$100	\$2,992,500
Sun Shade	Orchestra Pit / Area	798	\$213	\$169,974
B (NO ROOF)	Sound Mixing Station	798		
B (NO ROOF)	Control Area	399		
B (NO ROOF)	Lighting Positions	532		
B (NO ROOF)	Speaker Towers	352		
Subtotal B (No Roof)		2,081	\$200	\$416,200
Subtotal				\$10,025,849
A (LOW ROOF)	Box Office	1,662.5		
A (LOW ROOF)	House Manager	532		
A (LOW ROOF)	Concession Areas	3,990		
A (LOW ROOF)	Gift Shop	399		
A (LOW ROOF)	Women's Restrooms (63 stalls)	3,325		
A (LOW ROOF)	Men's Restrooms (33 stalls)	1,995		
A (LOW ROOF)	Performers Dressing Rooms / Restrooms	2,660		
A (LOW ROOF)	Green Room	532		
A (LOW ROOF)	Technical Director's Office	199.5		
A (LOW ROOF)	Maintenance & Operation Office	332.5		
Subtotal A (Low Roof)		15,628	\$400	\$6,251,000
Knoll for 3,000 add'l audience	* OPEN AREA (landscaping)	166,250	\$15	\$2,493,750
	* HARDSCAPE	23,940	\$40	\$957,600
2,000 on-site tandem parking	* PARKING	572,500	\$30	\$17,175,000
Total				\$36,903,199
Total Cost + 12% Contingency				\$41,331,583
Total Cost + 25% soft cost				\$51,664,479

Option 3

Program Draft

3,000 fixed seats, plus
 3,000 seating on knoll
 Total project area:
 1,036,040 sf +/- (24 acres)

Suitable for Whittaker
 Bermite I & II, Vulcan I & II,
 and Beale's Cut sites

Includes full sun shades, orchestra pit,
 film equipment, scene shop & storage,
 prop shop & storage, costume shop &
 storage, on-site parallel parking, and
 cost of geological preparation of land.

*Note: Cost of geological prep of land will
 vary across sites*

Constructed Enclosed & Open Activity Spaces

Activity	number	factor	required area sf +/-
Stage & Side Stages	50	100	5,000
Audience Bowl	3,000	10 sf per	30,000
Orchestra Pit / Area	1	600	600
Box Office	1	1,250	1,250
House Manager	1	400	400
Concession Areas	2	1,500	3,000
Gift Shop	1	300	300
Women's Restrooms (for 3,0000 fixed seats + 3,000 knoll seating)	1	3,500	2,500
Men's Restrooms (for 3,0000 fixed seats + 3,000 knoll seating)	1	2,400	1,500
Performers Dressing Rooms / Restrooms	2	1,000	2,000
Green Room	1	400	400
Technical Director's Office	1	150	150
Maintenance & Operation Office	1	250	250
Costume Shop	1	800	800
Costume Storage & Laundry	1	300	300
Scene Shop	1	1,500	1,500
Scene Storage	1	500	500
Prop Shop	1	800	800
Prop Storage	1	300	300
Sound Mixing Station	1	600	600
Control Area	1	300	300
Lighting Positions	1	400	400
Speaker Towers	1	400	400
Total Net Area			55,150 sf
Grossing Factor (circulation, wall thickness, mechanical, electrical & utilities)			1.33
Total Gross Area			73,350 gsf

Option 3

Program Draft (continued)

Parking

Activity	number	factor	required stalls	required area sf +/- (300 sf per)
Audience Parking (Parallel in Lots)	6,000	3.0	2,000	600,000
Admin / M&O Performers Parking	120	2.0	60	18,000
Total Net Area				618,000 sf
Grossing Factor				1.25
Total Gross Area				772,500 gsf

Hardscape

Activity	number	factor	required area sf +/-
Audience Drop-off Zone	2	2,000	4,000
Audience Pick-up Zone	2	2,000	4,000
Loading Zone	1	10,000	10,000
Total Net Area			18,000 sf
Grossing Factor			1.33
Total Gross Area			23,940 gsf

Open Area

Activity	number	factor	required area sf +/-
Picnic Areas / Open Areas / Shade	3,000	15	45,000
Audience Reclining on Knoll	3,000	20	60,000
Retention Basins	4	5,000	20,000
Total Net Area			125,000 sf
Grossing Factor			1.33
Total Gross Area			166,250 gsf

Option 3

Budget Estimate

Construction Type	Activity	Area gsf	\$ / gsf	Total Cost
With rigging & film equipment	Stage & Side Stages with Roof	6,650	\$650	\$4,322,500
100% Sun Shade	Audience Bowl	39,900	\$213	\$8,498,700
Sun Shade	Orchestra Pit / Area	798	\$213	\$169,974
B (NO ROOF)	Sound Mixing Station	798		
B (NO ROOF)	Control Area	399		
B (NO ROOF)	Lighting Positions	532		
B (NO ROOF)	Speaker Towers	352		
Subtotal B (No Roof)		2,081	\$200	\$416,200
Subtotal				\$13,407,374
A (LOW ROOF)	Box Office	1,662.5		
A (LOW ROOF)	House Manager	532		
A (LOW ROOF)	Concession Areas	3,990		
A (LOW ROOF)	Gift Shop	399		
A (LOW ROOF)	Women's Restrooms (for 3,000 fixed seats + 3,000 knoll seating)	4,655		
A (LOW ROOF)	Men's Restrooms (for 3,000 fixed seats + 3,000 knoll seating)	3,192		
A (LOW ROOF)	Performers Dressing Rooms / Restrooms	2,660		
A (LOW ROOF)	Green Room	532		
A (LOW ROOF)	Technical Director's Office	199.5		
A (LOW ROOF)	Maintenance & Operation Office	332.5		
A (LOW ROOF)	Costume Shop	1,064		
A (LOW ROOF)	Costume Storage & Laundry	399		
Subtotal A (Low Roof)		19,618	\$400	\$7,847,000
A1 (HI ROOF)	Scene Shop	1,995		
A1 (HI ROOF)	Scene Storage	665		
A1 (HI ROOF)	Prop Shop	1,064		
A1 (HI ROOF)	Prop Storage	399		
Subtotal A1 (Hi Roof)		4,123	\$550	\$2,267,650
Knoll for 3,000 add'l audience	* OPEN AREA (landscaping)	166,250	\$15	\$2,493,750
	* HARDSCAPE	23,940	\$40	\$957,600
2,000 on-site parallel parking	* PARKING	772,500	\$30	\$23,175,000
Total				\$50,148,374
Total Cost + 12% contingency				\$56,166,179
Total Cost + 25% soft cost				\$70,207,724

5. Organizational Development Plan

Governance

After consideration of different governance options that range from the City operating the facility to leasing it to a commercial entity, examples of which can be found in Appendix C, we recommend that the Amphitheater be owned by the City of Santa Clarita, which would be responsible for its ongoing capital maintenance and core occupancy costs, and be operated by an independent, not-for-profit 501(c)(3) organization to be formed. As an independent entity, the nonprofit would have freedom to program the venue with minimal political concerns. It would also free the Amphitheatre to acquire services without having to fully utilize governmental procurement procedures. Finally, it would be able to raise funds from private sources to help support programs.

City of Santa Clarita

The City would be the owner of the venue, and in that capacity be responsible for ongoing capital maintenance needs and core occupancy costs, including utilities, janitorial, security, and other services. The City would execute a long-term lease with the operating not-for-profit organization outlining programmatic expectations, as well as allowable ticket and parking prices. However, it would maintain control over the asset and ensure it would be used for the benefit of City and its people.

The Executive Director and COO of the organization would work closely with the City Council, City Manager's office and various City departments, as well as the Arts Commission, to ensure appropriate alignment of the management of the venue with City priorities.

Operating not-for-profit

A not-for-profit, 501(c)(3), organization would be formed to program, market, raise contributed funds, and execute the operations.

The not-for-profit would be governed by an independent board of individuals drawn from the civic, corporate, educational and philanthropic sectors. The role of the board would be to ensure the venue delivers on its mission by providing long-term vision and strategic guidance; oversee the fiduciary aspects of the venue and make sure it has the resources to carry out its mission; and appoint and review the performance of the Executive Director. An organization of this size would typically have approximately 20 – 30 board members; precise details of the board structure will need to be worked out closer to formation.

Human Resources Needs

All full-time employees would be employed directly by the not-for-profit organization, though the cost of 6.5 FTE would be paid for by the city’s contribution.

Based on the active programming plans, visitation levels, amount of contributed income needed, and the projected size, the Amphitheater would need to be supported day-to-day by a staff of 16.5 full-time equivalent employees at stabilization, of which 10 would be paid for by the operating not-for-profit. For further staffing variabilities, see page 74.

The leadership team would be comprised of three individuals reporting to the Executive Director. Beyond the Executive Director, these would include:

- COO & Director of Administration
- Director of Programming
- Director of External Affairs

Employees would be organized into three departments under each of these directors.

Food and beverage services, security and maintenance would be contracted out, with employees supplied by an outsourced vendor; therefore, any salaries and benefits associated with these individuals would not be the responsibility of the venue.

<u>Leadership</u>	<u>FTE</u>
Executive Director	1.0
COO & Director of Administration	1.0
Director of Programming / Head Talent Buyer	1.0
Director of External Affairs	1.0
<u>External Affairs</u>	
Sponsorship Assistant	1.0
Marketing Assistant	1.0
Development Manager	1.0
Development Assistant	1.0
<u>Operations</u>	
Event Manager	1.0
Box Office Manager	1.0
Box Office Assistant Manager	1.0
Technical Director	1.0
Venue Assistant	1.0
IT Manager	0.5
Front of House Manager	1.0
Head of Security	1.0
<u>Programming</u>	
Assistant Talent Buyer	1.0
Total	16.5



Human Resources Needs

Hiring Timeline

Nonprofit formed upon green light of project

- CEO / Executive Director – Search begun as soon as initial board of nonprofit is formed
- COO / Director of Administration – Beginning of construction process
- Director of Programming – 2 years prior to opening
- Director of External Affairs – 2 years prior to opening
- Additional Development Staff – 1.5 years prior to opening
- Additional Booking Staff – 1 year prior to opening
- Additional Marketing Staff – 1 year prior to opening
- Operations & Program Staff – 6 months prior to opening
- Visitor Services & Building Staff – 3 month prior to opening

Operations

Facilities Management

While the City will own the venue and provide core operating costs, the facility's management will be overseen on a day-to-day basis by staff of the operating 501c3 organization. This will require close coordination with City stakeholders as well as the hiring of maintenance and building staff with experience in operating a major amphitheater venue. We would recommend regular, scheduled checks with City staff to ensure upkeep is meeting desired requirements and that the venue is equipped and ready to be utilized for all appropriate uses.

Admissions & Ticketing

While most events will likely be ticketed, the 501c3 organization will need to work closely with the City and other partners to determine appropriate means to ensure access to Santa Clarita residents, particularly during non-event hours.

An outside ticketing services provider (e.g. Ticketmaster, Ticketfly, etc.) may be used to provide back-end support for box office staff.

Utilization, Partnerships, and Rentals

The Amphitheater is planned to be open 350 days a year, closed two weeks per year for required maintenance.

As discussed in Chapter 1, the Amphitheater may seek to forge one or a number of partnerships with other programming entities. Event scheduling will need to be coordinated between core Amphitheater uses (including those by partners) and potential rental uses that will generate income for the governing organization. These calendars and date usage should be governed by clear agreements between the City, 501c3 organization and any relevant partners, taking into account required lead time and core programming goals.

When outside users rent the facility for private events, they will be responsible for all additional costs incurred related to the event, such as catering, additional security, equipment rentals, additional event staffing, and special technological and event requirements.

Outsourced Operations

Janitorial

The Amphitheater would outsource janitorial staff to an outside vendor. This is an area where in-house staff may work just as well as outsourced personnel – though outsourcing can provide ease of management and potentially cost less to employ.

Security

It is also suggested that the Amphitheater outsource security staff. While there is some merit to keeping these in-house and utilizing security personnel as “visitor service” roles, outsourcing could bring down costs and minimize any additional logistics, such as training, that bringing on security staff might necessitate.

Food and Beverage

Given the challenges associated with running food and beverage activities and the know-how necessary to ensure its success, AEA recommends that food and beverage at the Amphitheater be run by an outsourced restaurant operator, ideally an entity that already has brand equity and would therefore draw in visitors in itself.

This operator could also run any catering for special events at the Amphitheater, although it may not necessarily be an exclusive catering provider. A small number of key providers could provide options to rental users, while still ensuring familiarity with the venue and the desired goals for quality. Note that in discussions with event planners, many said their clients liked having a list of catering options provided by the venue – but they often still tend to bring in their own catering options for food for an additional fee.

6. Projected Operating Financials

Methodology & Key Assumptions

At the heart of AEA's exercise is the creation of a flexible financial model in Excel that AEA and the City of Santa Clarita team can use to test potential operating assumptions and their impact on the bottom line. In order to develop this model – and the assumptions that underpin it – we:

- reviewed materials provided by the City of Santa Clarita;
- spoke with key constituents and public officials;
- visited potential sites to gather more information and ensure parameters were understood; and
- tested all assumptions provided by comparing data to benchmarks with similar programming profiles or in the Southern California market – where no assumptions were provided, we used a similar benchmarking process to create assumptions for the model (benchmarks used are listed on the following pages).

The modeling is underpinned by the following global assumptions:

- All figures are in 2018 dollars; inflation is excluded in order to focus on underlying impacts of business drivers.
- Building opens to use in 2023. The amphitheater will be open 350 days per year; other areas will be available for use seven days per week (though actual use will vary as indicated on the following pages).
- The third year of operations (2025) is considered the “stable year” – visitation reaches normalized levels after an opening year “bounce” and all post-opening issues with building operations are worked through.
- Event income and expense assumptions are based on an Amphitheater that has the ability to expand its capacity from 3,000 to 6,000 with the inclusion of a grassy knoll seating area. Larger events – sell out concerts and festivals – that use the 6,000 capacity make up 32% of projected events, while the remaining 68% are modeled on a 3,000 seat capacity. (*Financial impacts of a non-flexible 3,000 seat venue are outlined on page 75.*)

Summary of Projected Financial Results

Consolidated Income Statement

	2023	2024	2025	2026	2027
Ticket Sales	\$ 3,861.0	\$ 3,861.0	\$ 3,861.0	\$ 3,861.0	\$ 3,861.0
Ticketing Charge Rebates	245.7	245.7	245.7	245.7	245.7
Facility Fees	491.4	491.4	491.4	491.4	491.4
Food & Beverage	354.2	354.2	354.2	354.2	354.2
Merchandise	79.4	79.4	79.4	79.4	79.4
Broadcast Rights	98.3	98.3	98.3	98.3	98.3
Event Sponsorships	120.0	120.0	120.0	120.0	120.0
Event Income	\$ 5,250.0	\$ 5,250.0	\$ 5,250.0	\$ 5,250.0	\$ 5,250.0
Venue Sponsorship Income	240.0	240.0	240.0	240.0	240.0
Total Income	\$ 5,490.0	\$ 5,490.0	\$ 5,490.0	\$ 5,490.0	\$ 5,490.0
% Growth	NM	0.0%	0.0%	0.0%	0.0%
Total Event Expenses	\$ 5,535.1	\$ 5,535.1	\$ 5,535.1	\$ 5,535.1	\$ 5,535.1
Salaries	1,230.0	1,230.0	1,230.0	1,230.0	1,230.0
Taxes & Benefits	463.1	463.1	463.1	463.1	463.1
Other G&A	1,252.9	1,166.2	1,079.5	1,079.5	1,079.5
Total G&A Expense	2,946.0	2,859.3	2,772.6	2,772.6	2,772.6
Total Expenses	\$ 8,481.1	\$ 8,394.4	\$ 8,307.8	\$ 8,307.8	\$ 8,307.8
Operating EBITDA	\$ (2,991.2)	\$ (2,904.5)	\$ (2,817.8)	\$ (2,817.8)	\$ (2,817.8)
Occupancy Contribution from City	\$ 1,291.5	\$ 1,254.9	\$ 1,218.2	\$ 1,218.2	\$ 1,218.2
Capital Expenditures from City*	\$ 146.7	\$ 146.7	\$ 146.7	\$ 146.7	\$ 146.7
Surplus / (Gap) of 501c3	\$ (1,699.6)	\$ (1,649.6)	\$ (1,599.6)	\$ (1,599.6)	\$ (1,599.6)

In a stable operating year, the Santa Clarita Amphitheater is projected to have a total operating EBITDA (earnings before income tax, depreciation, and amortization) gap of **\$2,817,800**. After an expected annual contribution from the City, the managing 501c3 entity will have an EBITDA of **\$1,599,600**.

Major income and expense drivers include items such as: ticket charge rebates – a per ticket return fee provided by the venue ticketing service, G&A expenses – covering everything from utility costs, to office supplies, to janitorial costs.

All expense and revenue items are detailed in the following section.

*Note: Capital expenditures otherwise excluded from operating costs.

Projected Attendance

Based on benchmark average attendance rates, the expected event attendance capacity is averaged at 65% for all concerts and events. Of the total events, 23 are expected to be held with an expanded 6,000 capacity, while the remaining 50 events are held in a 3,000 capacity setting.

An average 5% of tickets per event are counted as comp / free tickets, for a total of 9,450 annual comp tickets.

The annual expected attendance for events at the Santa Clarita Amphitheater is **196,650**.

Annual Attendance	2023
Concerts	76,050
Partnership	23,400
Community	64,350
Festival	23,400
Comp Tickets	9,450
Event Attendance	196,650
Total Visitation	196,650

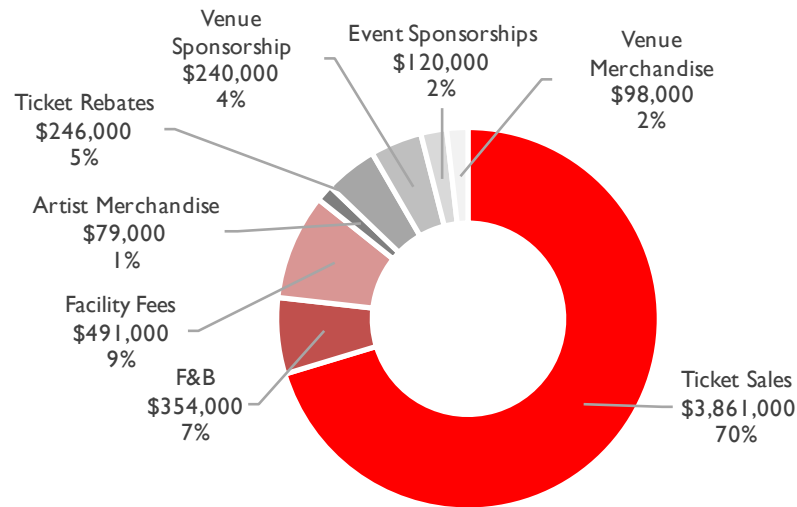
Summary of Projected Financial Results

Earned Revenue

The stable year “baseline” operating earned income is projected to be **\$5,490,000**. This is predominantly derived from ticketed events and food and beverage income. Facility fees, merchandise, and ticket rebates make up other significant income streams.

Additional revenue streams include venue and event sponsorship opportunities and venue merchandise sales.

Beyond the projected annual contributions from the City of Santa Clarita (discussed further in Operating Expenses), **\$1,599,600** will have to be raised through individual contributed income.



Projected Financial Results

Key Operating Revenue Assumptions

Ticket Sales

An average expected attendance capacity has been set at 65% for each event – averaging 2,100 attendees (including comped tickets) for small capacity events, and 4,200 for expanded capacity events. Ticket prices have been set at the following average prices based on benchmark research and market experience.

Average Event Ticket Prices	
Touring Concerts (3,000 cap.)	\$ 40
Touring Concerts (6,000 cap.)	\$ 30
Partnership Events	\$ 20
Community Events	Free
Festivals	\$ 30

See Slide 25 for more Benchmark details

Facility Fees & Ticketing Fee Rebates

The base projected facility fee has been set at \$4.00 per ticket, in line with standard commercial venue facility fees. A rebate of the ticketing service charge from the ticket service providers fee has been assumed at \$2.00 per ticket sold. While deal structures vary for different ticket operators, a \$2.00 rebate is average for a larger ticketing service operator like Ticketmaster. Facility fees account for **\$491,400** of annual income and ticketing fee rebates account for **\$245,700**. Although not included, a parking fee could be included as part of the an overall service charges to bring in higher fees and help pay for the upkeep of the venue.

Projected Financial Results

Key Operating Revenue Assumptions

Food and Beverage

We have assumed various average spend rates depending on the type of event. Touring concerts and partnership events have been assumed at an average spend rate of \$10 per person. Of this, 20% of revenue goes to the Amphitheater as the F&B operations will be contracted to an outside servicer. Note that specific returns on F&B services vary depending on the precise provider – 20%, however, reflects a typical rate for contracted F&B services at similar venues.

Community Events have a lower expected spend rate, as it is assumed patrons might bring their own picnics, or otherwise not be as inclined to pay for F&B as Community Events are free. Festival events last longer, and are potentially tailored to F&B offerings, therefore the average spend rate is increased to \$15 per person.

Across the various event types, F&B accounts for about **\$354,200** of annual revenue.

F&B	Average Spend per Person	Annual Income
Touring Concerts	\$10	\$163,800
Partnership Events	\$10	\$50,400
Community Events	\$5	\$64,350
Festivals	\$15	\$75,600

Merchandise

Artist and specific event merchandise income during events assumes a 20% return to the venue from the vendor / owner of the intellectual property on the merchandise. Gross revenues are \$1 to \$3 per person average, depending on the type of event. Venue merchandise – Santa Clarita branded shirts, hats, 'koozies', etc. – pay 100% of revenue to the venue as it will be the owner of the intellectual property rights of Santa Clarita branded materials. With the programming projections, there will be around 196,000 total annual visitors who account for a **\$177,700** revenue stream from event merchandise.

Projected Financial Results

Key Operating Revenue Assumptions

Venue Sponsorship

Overall venue sponsorship opportunities provide for additional earned revenue through outlets like beer, wine and spirits sponsors, and water/soda sponsors. While the amount of income gained from sponsorships will vary based on the City and Amphitheater's willingness to offer branding opportunities, we have assumed a baseline sponsorship income of **\$240,000**. Projected venue sponsorship is broken into the following categories: Soft Drink & Water (\$75,000), Beer (\$150,000), Wine & Spirits (\$75,000).

The sale of venue naming rights are not included in our projections, but represent an additional opportunity to consider. Specific returns vary depending on the venue offering – these can take the form of multi-year deals to brand the theater name and can add significant additional income to the revenue stream. However, Santa Clarita will need to balance any naming rights deals with civic goals for the venue. Most naming deals now have defined time limits.

Event Sponsorship

Some events at the Amphitheater are projected to receive local or regional sponsorship support. Partnership Events are projected to receive an average of \$5,000 of sponsorship support per event, while Festivals are projected to receive around \$10,000 per event. Event sponsorship income accounts for **\$120,000** of total annual income.

Summary of Projected Financial Results

Operating Expenses

	(\$ in 000s)					
	2023	2024	2025	2026	2027	
By the stable operating year, projected operating costs for the Santa Clarita Amphitheater are \$8,307,800 .						
It is projected that the City of Santa Clarita will contribute \$1,218,200 annually for the operations and maintenance of the amphitheater, plus an additional \$146,700 to cover capital expenditures. After this and other earned income, there remains a gap of \$1,599,600 that will need to be raised through contributed income.						
The majority of expenses comes from event expenses, followed by staffing.						
Event Expenses						
Concerts	2,934.9	2,934.9	2,934.9	2,934.9	2,934.9	
Partnership	773.5	773.5	773.5	773.5	773.5	
Community	710.9	710.9	710.9	710.9	710.9	
Festival	1,115.8	1,115.8	1,115.8	1,115.8	1,115.8	
Total Event Expenses	\$ 5,535.1	\$ 5,535.1	\$ 5,535.1	\$ 5,535.1	\$ 5,535.1	
General & Administrative Expenses						
Salaries	1,230.0	1,230.0	1,230.0	1,230.0	1,230.0	
Payroll Taxes	94.1	94.1	94.1	94.1	94.1	
Benefits	369.0	369.0	369.0	369.0	369.0	
Utilities	73.3	73.3	73.3	73.3	73.3	
Insurance	110.0	110.0	110.0	110.0	110.0	
Security (Systems & Overhead)	73.3	73.3	73.3	73.3	73.3	
Janitorial	146.5	146.5	146.5	146.5	146.5	
Annual Maintenance	92.9	92.9	92.9	92.9	92.9	
Maintenance Overhead	146.7	110.0	73.3	73.3	73.3	
General Marketing	300.0	250.0	200.0	200.0	200.0	
General Development	100.0	100.0	100.0	100.0	100.0	
Supplies	100.0	100.0	100.0	100.0	100.0	
Outside Services	50.0	50.0	50.0	50.0	50.0	
Accounting & Other Professional Fee	50.0	50.0	50.0	50.0	50.0	
Miscellaneous	10.0	10.0	10.0	10.0	10.0	
Total G&A Expense	\$ 2,946.0	\$ 2,859.3	\$ 2,772.6	\$ 2,772.6	\$ 2,772.6	
Total Expense	\$ 8,481.1	\$ 8,394.4	\$ 8,307.8	\$ 8,307.8	\$ 8,307.8	

Projected Financial Results

Key Expense Assumptions

Event Expenses: \$5,535,100

Event expenses make up the majority of annual expenses for the amphitheater. Event staffing and artist performance fees constitute the majority of each event expense. Each event's assumptions are calculated within an event-specific *pro forma* (details for each *pro forma* are in the detailed financial model created for this project, delivered separately). These include specific event expenses at varying levels, but includes the following event expense drivers:

- Talent fees
- Stagehands
- Box office staff
- Retail staff
- Sound & lighting personnel and rentals
- Front of house staff
- Security
- COGS (venue merchandise)
- Marketing
- Insurance
- Miscellaneous administrative

Touring Concerts Annual Expense: \$2,934,900

The largest single expense for touring concerts is the fee to performers that equals 70% – 75% of each event's ticket income. This is followed by show labor and marketing expenses.

Partnership Events Annual Expense: \$773,500

Primary expenses for Partnership Events include an average production expense of \$35,000 per event. Depending on the size of event or partnership agreement, this number can fluctuate, but represents an average event expense based on community event benchmarks.

Community Events Annual Expense: \$710,900

Community Events have a lower production expense, as they are assumed to be providing local arts groups or organizations opportunities and support to utilize the Santa Clarita amphitheater. As these events are not ticketed, they operate at a significant loss.

Festivals Annual Expense: \$1,115,800

Although festivals are not a significant portion of annual programming numbers, they present large production costs – and potential income. Primary expense drivers include production expenses, event insurance, marketing, and event labor.



Projected Financial Results

Key Expense Assumptions

Base Salaries: \$1,230,000

HR costs have been detailed below and include a venue operations team as well as the employees associated with the 501c3 management organization to be formed.

Of the total HR cost, it is expected that the City of Santa Clarita will cover the following employee salaries – as they are included in venue maintenance and operations:

- Event Manager
- Box Office Manager
- Box Office Asst. Manager
- Venue Assistant
- IT Manager
- Front of House Manager
- Head of Security

<u>Leadership</u>	<u>Salary (000s)</u>	<u>FTE</u>
Executive Director	125.0	1.0
COO & Director of Administration	110.0	1.0
Director of Programming / Head Talent Buyer	110.0	1.0
Director of External Affairs	100.0	1.0
<u>External Affairs</u>		
Sponsorship Assistant	65.0	1.0
Marketing Assistant	65.0	1.0
Development Manager	90.0	1.0
Development Assistant	65.0	1.0
<u>Operations</u>		
Event Manager	75.0	1.0
Box Office Manager	80.0	1.0
Box Office Assistant Manager	30.0	1.0
Technical Director	85.0	1.0
Venue Assistant	30.0	1.0
IT Manager	20.0	0.5
Front of House Manager	60.0	1.0
Head of Security	60.0	1.0
<u>Programming</u>		
Assistant Talent Buyer	60.0	1.0
Total	\$ 1,230.0	16.5

Taxes & Benefits: \$463,100

We based assumptions around taxes and benefits on benchmark research. Payroll taxes have been set at 7.65% of salary and fringe benefits have been set at 30% of salaries.



Projected Financial Results

Key Expense Assumptions

Utilities

Utility assumptions are projected at a rate of \$1.00 per square foot of the constructed area of the Amphitheater per year. Because the Amphitheater is projected for programming beyond just a summer season, we have assumed a utility cost slightly higher than the benchmark average.

Amphitheater	Annual Utilities Cost	Capacity
Miller Outdoor Theater	\$53,042	6,200
Ramona Bowl	\$39,753	5,400
Levitt Shell	\$66,190	3,500
<i>Median</i>	\$53,042	\$5,400
<i>Average</i>	\$52,995	\$5,033
Santa Clarita Amphitheater	\$73,300	3,000

Insurance

Insurance expenses have been projected at \$1.50 per square foot per year. The benchmark cohort median is about 1% of the venue’s total budget, which aligns with the Santa Clarita Amphitheater rate.

Amphitheater	Annual Insurance Costs	Budget	Insurance as % of Budget
Santa Barbara Bowl	\$103,166	\$5,640,544	2%
Levitt Shell	\$14,158	\$1,280,464	1%
Santa Monica Pier	\$18,774	\$1,898,236	1%
Grand Performance	\$34,423	\$1,912,310	2%
Ramona Bowl	\$35,270	\$571,337	6%
Redlands Bowl	\$1,751	\$143,624	1%
Miller Theater	\$10,052	\$2,930,412	0.3%
<i>Median</i>	\$18,774		1%
<i>Average</i>	\$31,085		2%
Santa Clarita Amphitheater	\$110,000	\$8,307,800	1%



Projected Financial Results

Key Expense Assumptions

Security

Security overhead expense – which constitutes a basic venue security system – has been projected at a per square foot rate of \$1.00 per year, totaling **\$73,300** annually. Event security expenses have been included in specific event *pro formas* and are not included in the Security Overhead line expense.

Janitorial

Annual janitorial rates are assumed at an annual expense of **\$146,533**, similar to a benchmark average of amphitheater janitorial costs.

Facility Maintenance & Maintenance Overhead

Annual facility maintenance costs have been assumed based on an per seat benchmark rate of \$31 per seat – calculated at fixed capacity of 3,000. The baseline annual facility maintenance expense totals **\$92,900**.

Additionally, an average maintenance overhead cost of **\$73,300** has been assumed on a per square foot rate of \$1.00 per square foot during a stable year.

Office Supplies

Annual supply expense has been assumed as a percentage of total budget, based on total costs at benchmark references. Annual supplies account for about **\$100,000** per year, or about 1% of total annual budget.

Amphitheater	Annual Supplies Costs	Budget
Santa Barbara Bowl	\$115,735	\$5,640,544
Miller Outdoor Theater	\$89,490	\$2,297,838
<i>Median</i>	\$102,613	
<i>Average</i>	\$102,613	
Santa Clarita Amphitheater	\$100,000	\$8,307,800



Projected Financial Results

Key Expense Assumptions

General Marketing

Aside from specific event marketing expenses, expenses for general venue marketing have been projected at **\$200,000** per year. This accounts for general advertisements, venue signage, promotions, etc. This number is in addition to a per event marketing expense included in each event's *pro forma*. The total annual marketing spend, including event marketing, is **\$441,213**.

General Development

As contributed income and individual contributions will be a significant aspect of the Amphitheater's operating model, an additional expense of **\$100,000** for development has been factored in. This expense could cover a variety of things, from outreach to patron communication to annual gala events.

Other Expenses

Other expenses including accounting services, other outside services, and miscellaneous expenses. These total an annual average expense of **\$110,000**.

Capital Expenditures

Capital expenditures have been factored in at an assumed rate of \$2.00 per net square foot, for a total of **\$147,000**. This ratio is based on a typical rates at performing arts venues.

Summary of Projected Financial Results

501c3 Surplus / (Gap)

City of Santa Clarita Support

Of the total operating budget, the City of Santa Clarita is expected to cover the following operating, maintenance, and salary expenses for the facility:

- Utilities - \$73,300
- Insurance - \$110,000
- Security Overhead - \$73,300
- Janitorial - \$146,500
- Annual Maintenance & Maintenance Overhead - \$166,270
- Supplies - \$100,000
- Accounting & Other Professional Fees - \$50,000
- Miscellaneous - \$10,000
- Associated salaries and benefits - \$488,800

Total operating support: **\$1,218,200**

Plus capital expenditures of **\$146,700**

Total annual support from City: **\$1,364,900**

Operating Gap

Before the contribution from the City, the total venue EBITDA (Earnings before Interest, Taxes, Depreciation, and Amortization) is projected at \$(2,817,800), which means that after the operating contribution from the City of Santa Clarita, there remains an operating gap of **\$(1,599,600)**.

This would need to be met through contributed income from the managing 501c3 entity. This contributed income requirement constitutes about 20% of the projected operating budget, which is below benchmark organizations, and lower as a total number than benchmarks such as the Santa Barbara Bowl and the Miller Outdoor Theater (further benchmarks in Appendix).

The projected level of annual contributed income is lower than some benchmarks due to the history of arts fundraising in Santa Clarita and an expected ramp up period. Over time, the Amphitheater can help develop a culture of robust philanthropic giving in Santa Clarita to support the arts.

7. Funding Model & Key Challenges

Funding Model

Capital

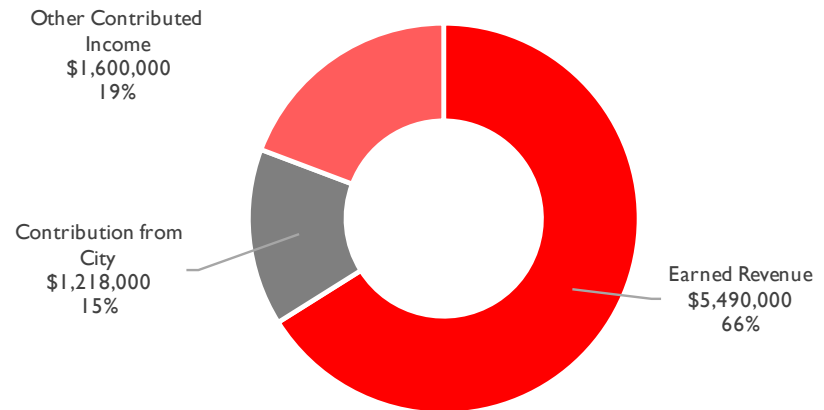
It is AEA's understanding that should this project be approved, the City will allocate the necessary resources, either through the general fund or another funding mechanism, to build it as it does for other municipal facilities, parks, and libraries.

Note that an assessment of foundation or other potential private contributions toward the capital project would require a more detailed fundraising feasibility study, beyond the scope of this project.

Operating

To help manage risk, the operating not-for-profit should be prepared to match the City's initial allocation for annual occupancy costs at least 1:1 through earned and contributed income (in the projected financials, earned income is over 5x the city's allocation for occupancy costs). Over the long-term, the City should expect to maintain its contribution to the 501c3 budget, but aim to reduce its contribution on a percentage basis as the 501c3 entity grows and strengthens.

Income Distribution



Key Challenges

Formation of New Not-for-profit

Creation of a new organization from scratch is never easy, but it also presents the opportunity to establish a strong initial vision and philanthropic leadership.

Quality of Management / Strong Leadership

The success of the Amphitheater will rely heavily on the leadership and full-time efforts of a group of dedicated individuals. Ensuring a best-in-class experience requires experienced, intelligent people who lead with understanding and integrity. Bringing these people onboard the team is a critical component to maintaining credibility and trust with the broad range of stakeholders involved.

In particular, the value of a strong leader who will be a full-time champion for the project cannot be overstated. This person will need to merge experience with capital projects, fundraising, design, management, and the Santa Clarita community. This specialized skill set, coupled with the increasingly tight labor market at present, means that finding the right person will require a thoughtful search process and the allocation of sufficient resources.

World-Class Programming

The quality of the programming – in particular in the schedule of main events – will be critical to attract visitors, especially repeat visitors. There needs to be sufficient resources invested in the content development and delivery strategy – engaging artists that relate to the community’s needs and respond to visitor behaviors and expectations.

Similarly, the programming plan must be meshed with the goals for the Amphitheater. For example, if the desire for the venue is to attract visitors outside of typical event hours, other activities must be set up across the site to attract visitation throughout the open hours. This may mean complementing programming schedule with other timed activities – performances, classes, and lectures – as well as hosting other informal activities.

Key Challenges

Marketing

High quality programming needs to be supported with a robust, multi-channel marketing strategy for both the Amphitheater in general, and specific programs and events. The marketing strategy should include the approach to institutional branding; social media; media/press relations; advertising; group sales; and venue hire promotion.

Audience Development

The venue is envisioned as a project to enhance the city and the lives of Santa Clarita residents. It will therefore be critical to invest in audience development – engaging and responding to Amphitheater users to nurture long-term relationships and support sustained, repeat visitation. As opposed to a 'tick-the-box' experience, the Amphitheater should, over time, become woven into the fabric of Santa Clarita and into people's lives.

Need for Contributed Income

Individual donors from the Santa Clarita Valley community represent a particular opportunity for the Amphitheater, and a sophisticated campaign should be developed to target potential benefactors. Charitable contributions from individuals often make up 25% or more of not-for-profit budgets for arts organizations in the United States.

Key Financial Variabilities

Community Programming

Currently, community targeted programs make up 23% of total programs – they are also loss generating, accounting for a loss of approximately \$25,000 per event. At the current level of programming, the total loss for community programs is \$403,827. Reducing the amount of free, community programs will lower the income gap – a reduction of 10 events will reduce the gap by \$250,000. However, this will also change the accessibility of the venue to residents, as ticketed programs will become the primary means of entry for events.

Attendance

An average attendance rate of 65% capacity for all events has been assumed for the "Base" case scenario – while this assumption fits with benchmarks, it can vary depending on quality of shows/performers, frequency of events, and ease of access for residents. If attendance utilization declines across the board to 55% attendance, the net gap increases by about \$500,000. If attendance utilization is higher at 80% of capacity, the income gap decreases by \$600,000.

Parking

Currently, income from parking is not included in the revenue assumptions. However, depending on the number of available parking spaces, parking could be a significant income generator. It is our understanding that most venues in Santa Clarita now have free parking. Parking income, however, could cover costs of maintenance of the venue and park elements, and could be structured as a fee added within ticket prices. If a 'parking service fee' of \$1.50 were added into ticket charges, this would generate \$226,800 of income. However, this opportunity needs to be evaluated in light of total ticket costs, as ticket prices might reach a level that is too high for residents to sustain.

Ticket Pricing

Base ticket price assumptions (without service fees) have been set at the average benchmark level of \$40 for a single concert ticket. Larger events that include the grassy knoll average a ticket price of \$30-\$40, assuming that lawn tickets are significantly cheaper than fixed seats. Partnerships programs average \$20 per event, and community events are assumed to be free.

Raising all ticket prices by 10% or decreasing them by 10% would change earned income by +/- \$386,000.

Key Financial Variabilities

Staffing

Current staffing levels are based on the overall ambition and scope of the proposed Santa Clarita Amphitheater. Compared to other regional benchmarks, the Santa Clarita Amphitheater will operate beyond a traditional “summer season” and will have the ability to host about 200,000 people annually. Additionally, the Amphitheater concept depicts a facility that can be used daily, as a park/open space for residents – expanding capacity needs from traditional, event only performance spaces. Each of the three departments has been evaluated and is adequately staffed according to the department’s projected impact.

External Affairs

- For the expected \$1.6 annual contributed income, a three person development team (including Director of External Affairs) is a lean, yet plausible number. These employees manage everything from memberships to grant writing to fundraising events.
- Sponsorships and Marketing are staffed according to the level of projected return. If Sponsorships are to become a more significant part of the Amphitheater's income, additional support may be needed.

Operations

- The majority of operations staff will be covered by the City's contribution and are related to day-to-day operation and upkeep of the Amphitheater facility. Positions like Front of House Manager and Head of Security will serve as the ongoing lead and event day point person for contracted concessions and security services.

Programming

- Programming staff is responsible for booking concerts, arranging outside performances/partnerships, and coordinating with the City to produce community events. The Director of Programming / Head Talent Buyer will be a critical hire for the Amphitheater as it demands a person with deep knowledge and connections to continuously attract top level performers and partners.

Key Financial Variabilities

Venue Capacity

The projected income and expenses are based on a mix of events that use a 3,000 and 6,000 capacity. 23 larger events are expected to use a 6,000 seat capacity, which amplifies the expenses and ticket income. The remaining 50 projected events would use the fixed-seat 3,000 capacity.

If all events were held in a 3,000 capacity venue, the income and expenses would be the following:

	Fixed 3,000 Capacity	Flexible 6,000 Capacity
Total Income	\$ 4,473.8	\$ 5,490.0
Total Expenses	\$ 7,467.8	\$ 8,307.8
Operating EBITDA	\$ (2,994.1)	\$ (2,817.8)
Contributed Income Need	\$ 1,775.9	\$ 1,599.6

As seen above, the reduction in projected income for a fixed 3,000 fixed seat capacity would be slightly greater than the reduction in expenses, creating a need for increased contributed income to balance the budget: **\$(176,300)**. In a 3,000 fixed capacity, some event expenses drop because the overall scale of the events reduces – production costs are less, artist fees are smaller, and marketing expenses decline. However, the majority of event expenses remain similar in either capacity (sound, lighting, box office, etc.) Building costs remain the same as they are based on the hard infrastructure of the 3,000 seat amphitheater, not a grassy knoll. HR expenses also would not be reduced by scaling down, as each position deals with a core element of the amphitheater’s operation, regardless of three or six thousand seats.

In summary: The 6,000 capacity seating scenario does not increase annual operational expenses while providing much more flexibility for programming far into the future, but would require additional up front capital investment to build.

Appendix

Appendix A

Consultation List

Stakeholders Consulted

- Laurene Weste, Mayor
- Marsha McLean, Mayor Pro Tem
- Bob Kellar, Councilmember
- Cameron Smyth, Councilmember
- Bill Miranda, Councilmember
- Ken Striplin, City Manager
- Frank Oviedo, Assistant City Manager
- Phil Lantis, Arts and Event Manager
- City Department Directors (Public Works, Community Services, Neighborhood Services, Administrative Services)
- Arts Master Plan Stakeholder Committee
- Arts Commissioners
- Parks, Recreation, and Community Service Commissioners
- Key City Staff from Arts, Event, Economic Development, Parks, and Communications

- Ravi Rajan, California Institute of the Arts
- Ingrid Blanco, D’Wilfri DanceArt & Entertainment
- Patsy Ayala, State Senator Scott Wilk’s Office
- Antonio Pascua, Gawad Kalinga USA
- Zony Gordon, Fil-Am Association

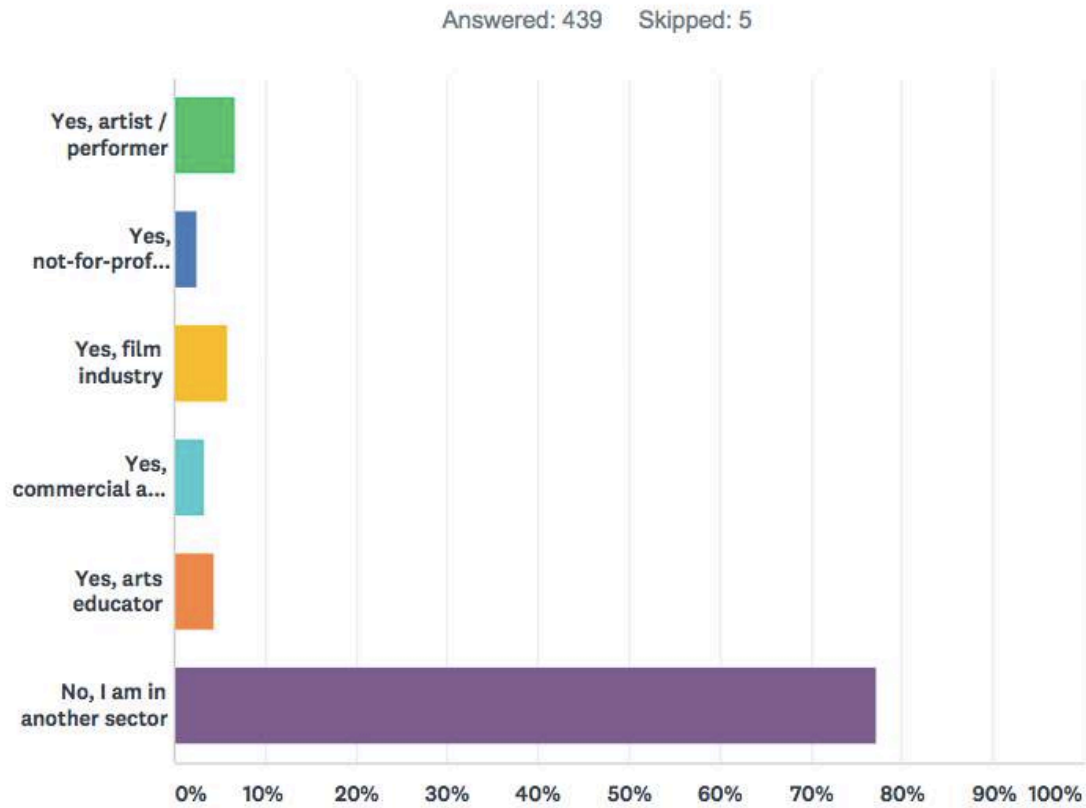
Study Sessions

- Arts Master Plan Committee – January 10, 2018
- Parks, Recreation, and Community Service Commissioners & Arts Commissioners Joint Study Session – January 11, 2018
- Arts and Entertainment Summit – February 21, 2018

Appendix A

Survey Responses

Q: Are you employed in the arts?

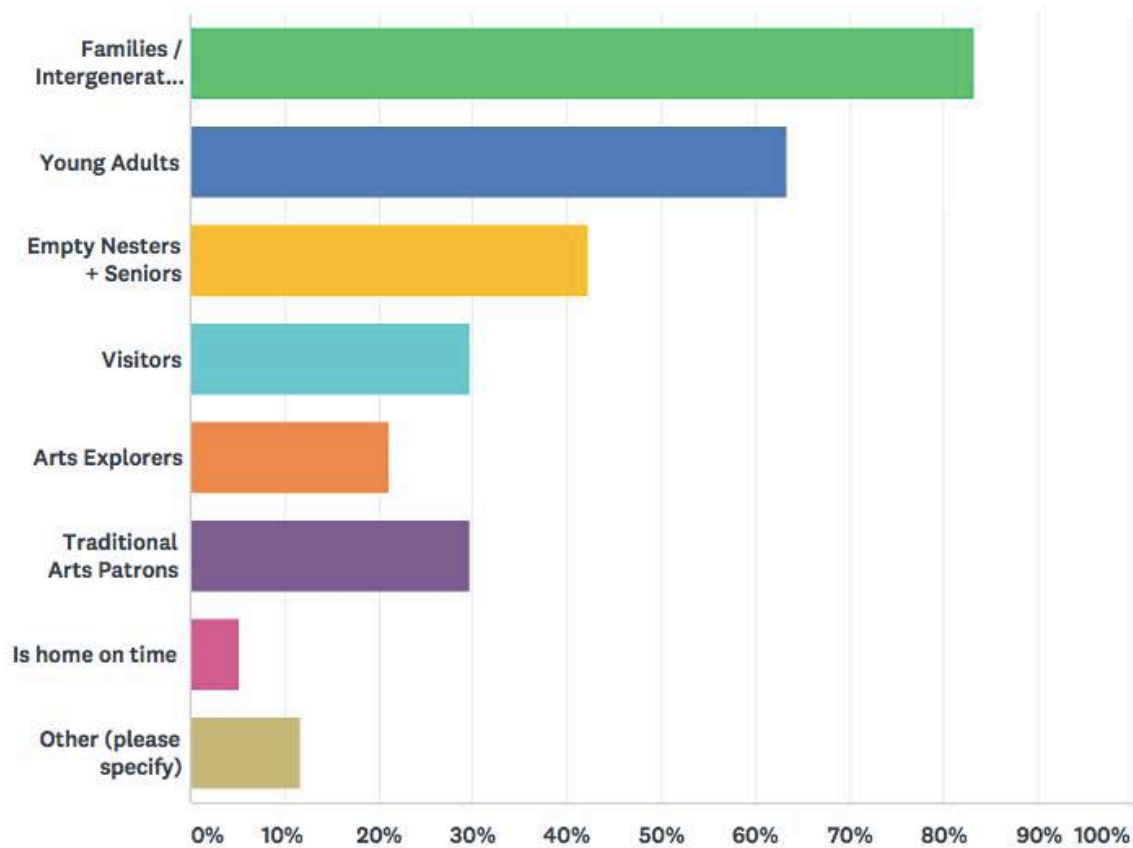


Appendix A

Survey Responses

Q: Programs can be targeted to a number of different groups. Which audiences do you feel are most important to be targeted at an amphitheater? (pick top 3)

Answered: 434 Skipped: 10

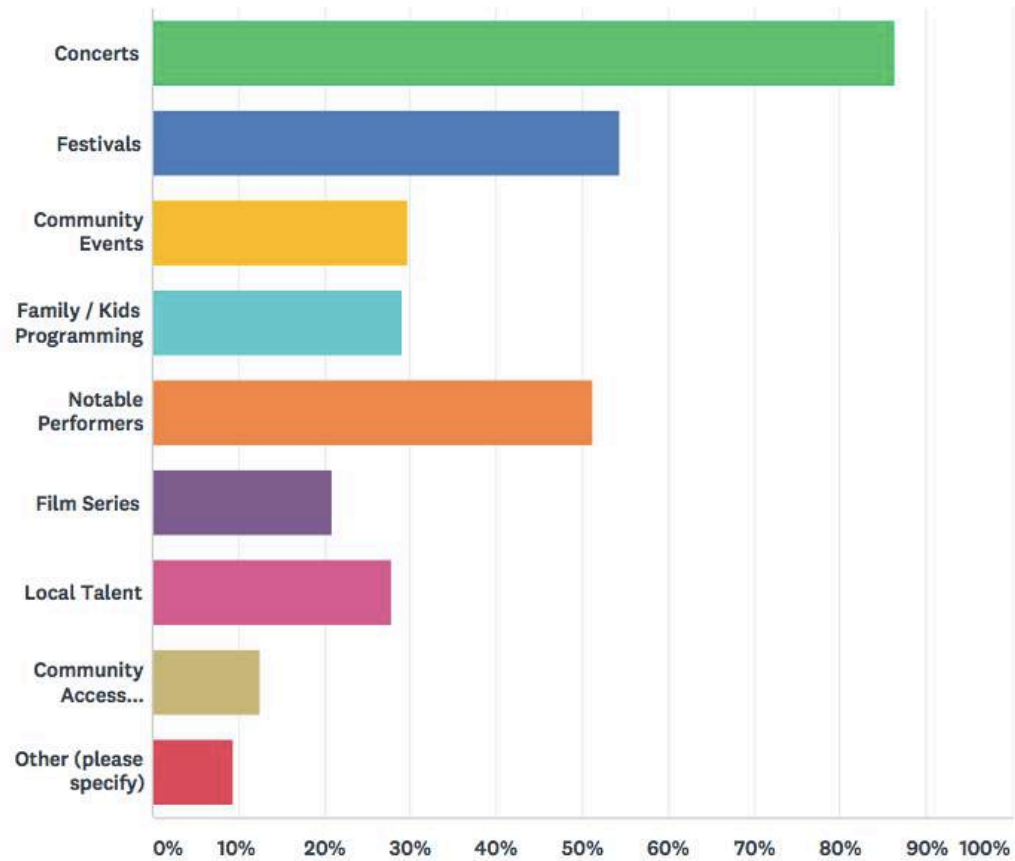


Appendix A

Survey Responses

Q: Which program types would be most exciting to you at an amphitheater? (pick top 3)

Answered: 437 Skipped: 7

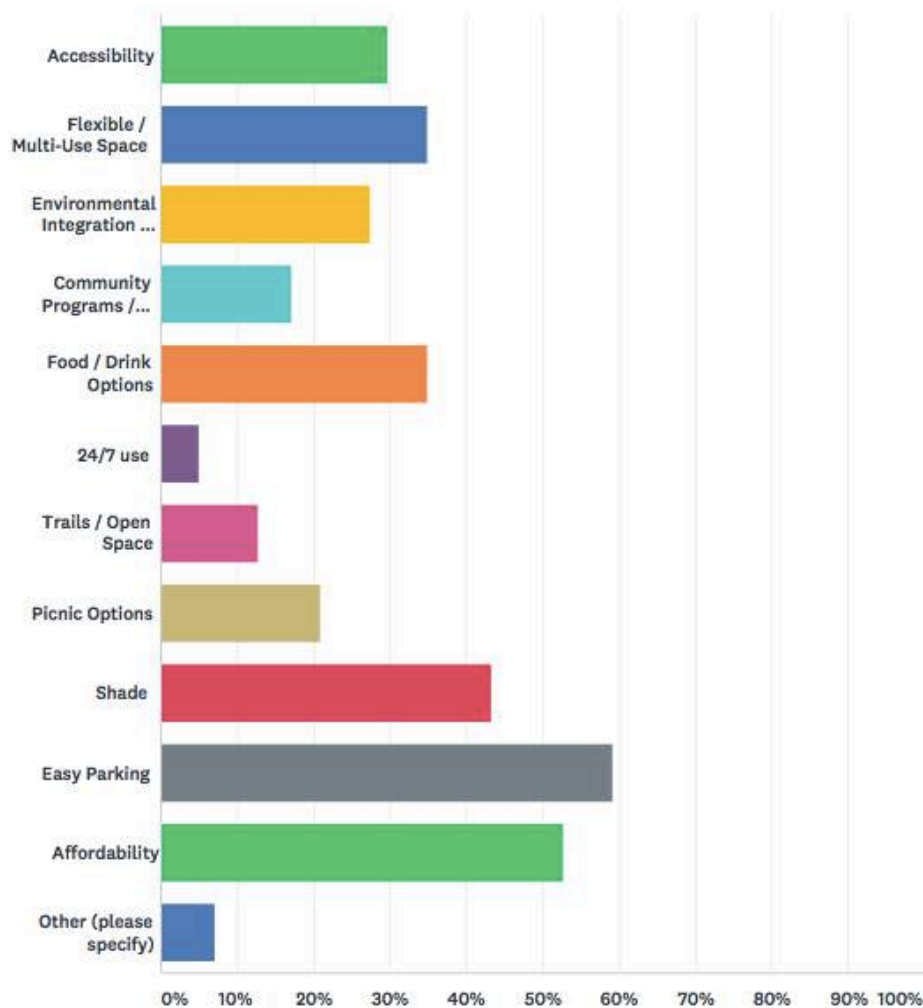


Appendix A

Survey Responses

Q: What amenities are most important to you? (pick top 3)

Answered: 438 Skipped: 6

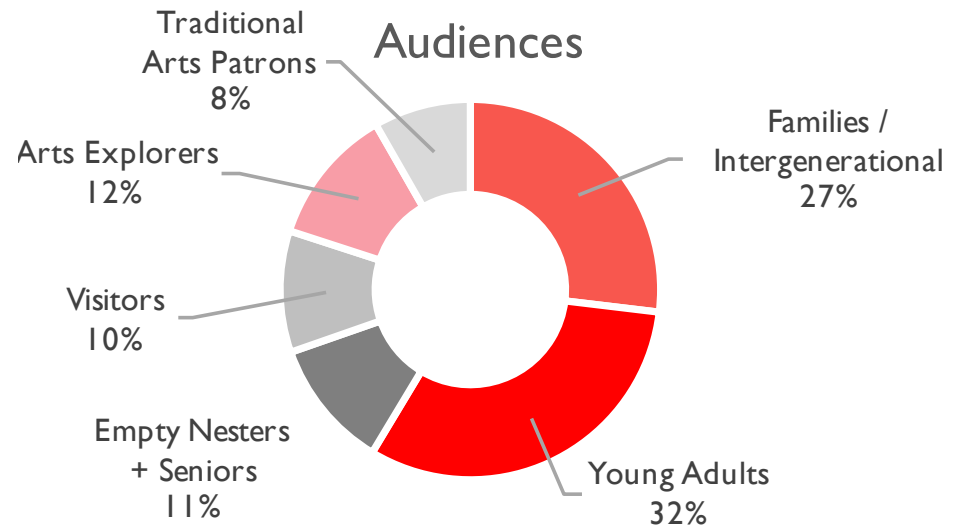


Appendix A

Arts & Entertainment Summit Responses

Roundtable Topic 1: Which Audiences Are Most Important?

While some categories might overlap slightly, *Young Adults (32%)*, *Families (27%)*, and *Arts Explorers (12%)* – those who are interested in new, arts experiences – emerged as the 3 most important audiences according to the survey.



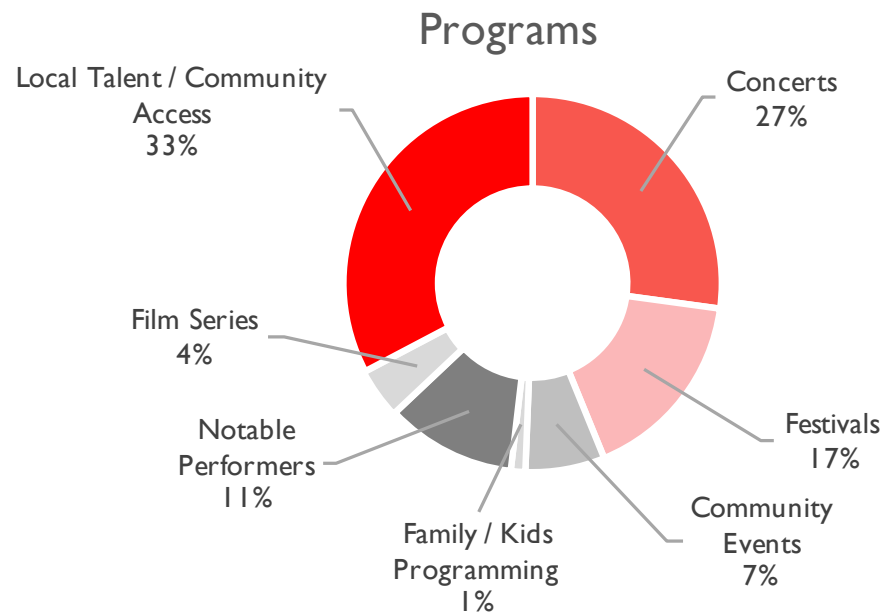
Appendix A

Arts & Entertainment Summit Responses

Roundtable Topic 1: What Programs Are Most Exciting?

Local talent, community access, and community events emerged as the most exciting program amongst survey participants, with a combined percentage of 40% of all votes. This would include things like school competitions, education concerts, off-hour access, and public programs.

Concerts emerged as the second most intriguing program with 27% of the vote (38% when combined with “Notable Performers”) Finally, **Festivals** came in as the third most exciting programming possibility with 17%.



Appendix A

Arts & Entertainment Summit Responses

Roundtable Topic 2: What Community Activities Should Be Integrated?

In a free response section asking about community activities, Celebrations & Festivals, Local Art & Performances, and Concerts were the most frequently mentioned. Repeatedly mentioned aspects include:

- "B Stage" concept that would serve smaller, local talent and festival purposes
- Holiday celebrations
- Shakespeare festival, local band festivals, 4th of July festival
- Movie nights



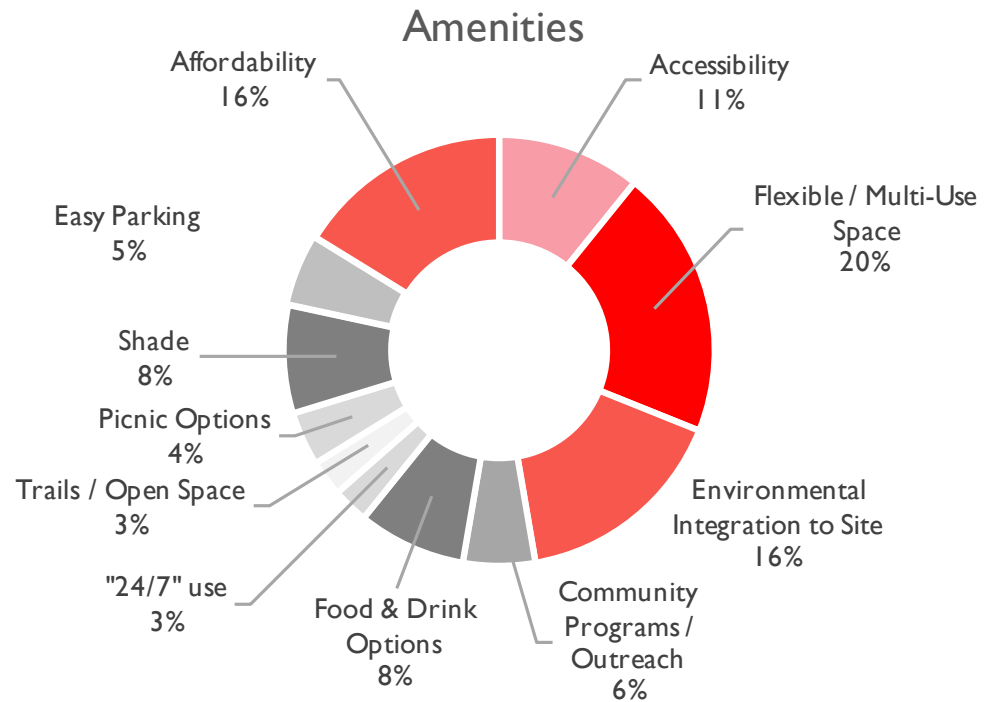
4th of July at Koka Booth Amphitheatre

Appendix A

Arts & Entertainment Summit Responses

Roundtable Topic 3: What Amenities Are Important?

Among many, the amenities that stood out in a primary poll were *Flexibility / Multi-Use (20%), Affordability (16%), Environmental Integration (16%), and Accessibility (11%)*.



Appendix B

Venue Scan – Venues within 50 miles / capacity 500 – 7,000

	Venue	Type	Capacity	Location
1	Shrine Auditorium	Auditorium / Theatre	6,300	Los Angeles
2	Pershing Square Outdoor Concert & Event Center	Amphitheatre	6,000	Los Angeles
3	Pico Rivera Sports Arena	Arena	6,000	Pico Rivera
4	Greek Theatre	Amphitheatre	5,801	Los Angeles
5	Shrine Expo Hall	Amphitheatre	5,000	Los Angeles
6	Grand Performances	Amphitheatre	5,000	Los Angeles
7	Santa Monica Pier	Amphitheatre	4,500	Los Angeles
8	Hollywood Palladium	Auditorium / Theatre	3,700	Hollywood
9	Dolby Theatre	Auditorium / Theatre	3,320	Hollywood
10	Dorothy Chandler Pavilion	Auditorium / Theatre	3,156	Los Angeles
11	Terrace Theater	Auditorium / Theatre	3,051	Long Beach
12	Pasadena Civic Auditorium	Auditorium / Theatre	2,997	Pasadena
13	Pantages Theatre	Auditorium / Theatre	2,720	Los Angeles
14	The Novo	Auditorium / Theatre	2,356	Los Angeles
15	The Wilton	Club	2,300	Los Angeles
16	Walt Disney Concert Hall	Auditorium / Theatre	2,252	Los Angeles
17	Ahmanson Theatre	Auditorium / Theatre	2,109	Los Angeles
18	UCLA Ackerman Grand Ballroom	Auditorium / Theatre	2,000	Los Angeles
19	Orpheum Theatre	Auditorium / Theatre	1,970	Los Angeles
20	Saban Theatre	Auditorium / Theatre	1,893	Beverly Hills
21	Royce Hall Auditorium	Auditorium / Theatre	1,836	Los Angeles
22	Fred Kavli Theatre	Auditorium / Theatre	1,800	Thousand Oaks
23	Cerritos Center for the Performing Arts	Auditorium / Theatre	1,800	Cerritos
24	Valley Performing Arts Center	Auditorium / Theatre	1,690	Northridge
25	The Theatre at Ace Hotel	Auditorium / Theatre	1,647	Los Angeles
26	Oxnard Performing Arts and Convention Center	Auditorium / Theatre	1,604	Oxnard
27	The Avalon	Auditorium / Theatre	1,500	Los Angeles

Appendix B

Venue Scan – Venues within 50 miles / capacity 500 – 7,000

	Venue	Type	Capacity	Location
28	Exchange LA	Club	1,500	Los Angeles
29	The Belasco Theater	Auditorium / Theatre	1,500	Los Angeles
30	Redondo Beach Performing Arts Center	Auditorium / Theatre	1,457	Redondo Beach
31	Alex Theatre	Auditorium / Theatre	1,413	Glendale
32	The Montalban	Auditorium / Theatre	1,375	Los Angeles
33	Mayan Theatre	Club	1,300	Los Angeles
34	Oceanview Pavilion	Club	1,300	Port Hueneme
35	The Canyon	Club	1,270	Agoura Hills
36	Wilshire Ebell Theatre	Auditorium / Theatre	1,270	Los Angeles
37	La Mirada Theatre	Auditorium / Theatre	1,251	La Mirada
38	Bovard Auditorium	Auditorium / Theatre	1,235	Los Angeles
39	The Fonda Theatre	Club	1,200	Los Angeles
40	The Rose	Auditorium / Theatre	1,200	Pasadena
41	The Container Yard	Club	1,200	Los Angeles
42	Centinela Valley Center for the Arts	Auditorium / Theatre	1,200	Lawndale
43	Majestic Ventura Theater	Club	1,200	Ventura
44	Ford Theatres	Amphitheatre	1,180	Los Angeles
45	The Regent Theater	Club	1,130	Los Angeles
46	Glendale Civic Auditorium	Auditorium / Theatre	1,100	Glendale
47	Hard Rock Café	Club	1,000	Universal City
48	The Conga Room	Club	1,000	Los Angeles
49	Libbey Bowl	Amphitheatre	973	Ojai
50	Hard Rock Café	Club	900	Los Angeles
51	Santa Clarita Performing Arts Center	Auditorium / Theatre	886	Santa Clarita
52	Beverly O'Neill Theater	Auditorium / Theatre	825	Long Beach

Appendix B

Venue Scan – Venues within 50 miles / capacity 500 – 7,000

	Venue	Type	Capacity	Location
53	Lancaster Performing Arts Center	Auditorium / Theatre	794	Lancaster
54	El Rey Theatre	Club	771	Los Angeles
55	Mark Taper Forum	Auditorium / Theatre	738	Los Angeles
56	EchoPlex	Club	680	Los Angeles
57	Teragram Ballroom	Club	625	Los Angeles
58	iHeartRadio Theater Los Angeles	Auditorium / Theatre	560	Burbank
59	The Broad	Auditorium / Theatre	500	Los Angeles
60	Gil Cates Theater	Auditorium / Theatre	512	Santa Monica
61	Plaza del Sol Performance Hall	Auditorium / Theatre	500	Northridge
62	The Roxy Theatre	Club	500	West Hollywood
63	Whisky A Go Go	Club	500	West Hollywood
64	Troubadour	Club	500	West Hollywood
65	Bram Goldsmith Theater	Auditorium / Theatre	500	Beverly Hills
66	Bootleg Theater	Auditorium / Theatre	500	Los Angeles
67	Lodge Room	Club	500	Los Angeles
68	Discovery Venture	Club	500	Ventura



Note: Palmdale Amphitheater also studied, but not included in this list because of 10,000 capacity. See page 23 for information.

Appendix B

Other Benchmarks

Venue	Contributed Income	Budget
Santa Barbara Bowl	\$2,815,625	\$5,640,544
Santa Monica Pier	\$525,940	\$1,898,236
Redlands Bowl	\$867,864	\$935,992
Levitt Shell*	\$2,019,313	\$1,280,464
Grand Performances	\$546,300	\$1,912,310
Miller Outdoor Theater	\$2,923,561	\$2,297,838
	<i>Average</i>	<i>\$1,616,434</i>
	<i>Median</i>	<i>\$1,443,589</i>
Santa Clarita Amphitheater	\$1,599,600	\$8,307,800

* Some contributed income figures include capital or other non-operating fundraising, increasing fundraising as a percentage of budget over 100%

Appendix C

Operational Models at Comparable Venues



Santa Barbara Bowl

- Operated by the Santa Barbara Bowl Foundation (501c3), exclusive promoter Goldenvoice, and AXS ticketing services
- About 35 commercial concerts during summer season, with occasional community and educational performances
- \$1 per ticket goes towards educational outreach
- Pre and post concert gathering areas with food and beverage, and merchandise offerings



Greek Theatre

- Owned by City of Los Angeles and managed by SMG event services
- About 70 commercial concerts annually
- \$5 facility fee per ticket sold
- 20% merchandise fee to theatre
- Rental commercial performance fee is \$25,000 + expenses / \$7,500 for community events

Appendix C

Operational Models at Comparable Venues



John Anson Ford Amphitheatre

- Owned and operated by LA County, in-house promotion, co-promotion, and rentals / annual support from 501c3
- About 100 events annually, including the core partnership program that enables LA County-based arts organization to produce in the venue and retain ticket income
- \$2.50 per ticket facility fee
- 20% merchandise fee to theatre
- Commercial rental fee is \$5,000 + \$1 per ticket sold / \$4,000 for nonprofit rentals



Red Rocks Amphitheatre

- Owned by City of Denver, operated by Aramark Entertainment Services / Promotes in-house, co-promotes, and rentals
- About 70 commercial concerts per year
- \$7,500 rental rate + 11% of sales