



SANDY SPRINGS

CITY CLERK'S OFFICE

PUBLIC FACILITIES AUTHORITY

Rusty Paul, Chair
Andy Bauman
Tibby DeJulio
Melody Kelley
Melissa Mular
John Paulson
Jody Reichel

Tuesday, May 2, 2023

Special Called Meeting

6:00 PM

The Sandy Springs Public Facilities Authority Meeting will be held in the Studio Theatre at Sandy Springs City Hall (1 Galambos Way, Sandy Springs, GA 30328).

Live-stream: www.SandySpringsGA.gov/stream

I. Call to Order - Chairperson Rusty Paul

II. Roll Call - Secretary

III. Approval of Meeting Agenda

IV. Approval of Meeting Minutes

PFA2023-006 February 7, 2023 Public Facilities Authority Meeting Minutes

V. New Business

PFA2023-007 Request for Public Facilities Authority Consideration to Authorize the Public Facilities Authority General Manager to Set and Approve the Rates Necessary to Operate the Performing Arts Center
(Presented by Michael Pauken, Interim Executive Director)

VI. Adjournment

*Individuals with disabilities who require certain accommodations in order to allow them to observe and/or participate in a public meeting, or who have questions regarding the accessibility of the meeting or facilities should contact the City Clerk at 770-730-5600 promptly for assistance.
The City will make reasonable accommodations for those persons.*

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SANDY SPRINGS

CITY CLERK'S OFFICE

TO: Members of the Public Facilities Authority

FROM: Michael Pauken, Interim Executive Director

DATE: April 20, 2023 Submission for the May 2, 2023 Public Facilities Authority Meeting

ITEM: Request for Public Facilities Authority Consideration to Authorize the Public Facilities Authority General Manager to Set and Approve the Rates Necessary to Operate the Performing Arts Center

Recommendation:

City Staff recommends the Members of the City of Sandy Springs Public Facilities Authority (Authority) to authorize the General Manager to set and approve the rates necessary to operate the Performing Arts Center (PAC).

Background:

Since the PAC began operations in 2018, the Authority has approved and adopted all rental rates, ticket fees, and membership fees based on City Staff recommendations. These rates and fees have not changed since 2019, which has caused the PAC to fall behind industry standards and market rates.

Discussion:

The performing arts and hospitality industry, as well as the economic climate, is constantly evolving, requiring City Staff to regularly analyze current conditions and prepare for immediate or upcoming threats to the successful operation of the PAC. More recently, the COVID-19 pandemic created new obstacles, increasing the cost of goods, labor shortages, and economic uncertainties which impacted consumer behavior. To continue effectively operating the PAC and providing the best possible services and products in a competitive manner, these rates and fees must be adjusted as efficiently as possible. Giving the General Manager the authority to set and approve these rates, including rental rates, ticket fees, and membership fees, will not only improve efficiency but also provide the flexibility needed to react appropriately to market conditions and changing trends in the industry.

Financial Impact:

There is no financial impact.

Alternatives:

The Authority continues to set and approve all rental rates, ticket fees, and membership fees.

Review:

Caroline Galvin, Executive Project Manager	Created/Initiated - 4/21/2023
Dave Wells, Director of Facilities/Capital Construction and Building Operations	Approved - 4/21/2023
Len Housley, Assistant City Manager	Approved - 4/24/2023
Toni Carlisle, Chief Financial Officer	Approved - 4/24/2023
Dan Lee, City Attorney	Approved - 4/24/2023
Eden Freeman, City Manager	Final Approval - 4/28/2023

Attachments:

- 1. PAC Resolution
- 2. 2023-05-02_PFA Presentation

**A RESOLUTION AUTHORIZING THE GENERAL MANAGER OF THE PUBLIC FACILITIES
AUTHORITY TO SET AND APPROVE THE RATES NECESSARY TO OPERATE THE
PERFORMING ARTS CENTER**

WHEREAS, the City of Sandy Springs Public Facilities Authority (“Authority”) owns certain property at the development known as “City Springs”, which includes the Sandy Springs Performing Arts Center (“PAC”); and

WHEREAS, the Authority has previously adopted policies to govern the maintenance, use, and operation of the facilities at City Springs; and

WHEREAS, City staff have reviewed operations and conducted research regarding rental rates to be charged for the use of PAC facilities; and

WHEREAS, in the more than (3) three years that the PAC has been in operation, City staff has determined certain categories of users should be charged rental rates based on the technical requirements of their usage and other costs to the City, and have made their recommendation to the Authority;

WHEREAS, the Authority has set and authorized the rates for the use of the PAC in three categories of use: ticket fees, membership fees and rental rates.

WHEREAS, the operation of the PAC in all three categories of use require that the City operation allow for quicker and a more flexible ability to manage the rates without taking the changes before the Authority;

WHEREAS, the Authority has determined that it is in the best interest of the PAC operation to authorize the General Manager to adjust the rates as best promotes the best use of the facility and efficiencies of the operation.

NOW, THEREFORE, BE IT RESOLVED by the members of the City of Sandy Springs Public Facilities Authority that the General Manager shall be authorized to set and approve the rates necessary to operate the PAC.

The General Manager and the Attorney for the Authority are hereby authorized to take such actions as may be deemed necessary to effectuate the intent of this Resolution.

RESOLVED this the 2nd day of May 2023.

APPROVED:

Russel K. Paul, Chairman

Attest:

Raquel D. Gonzalez, City Clerk
{SEAL}

Performing Arts Center Fees

May 2, 2023



SANDY SPRINGS™

GEORGIA

Adjustments to Rental Rates, Ticket Fees, and Membership Fees

- The performing arts and hospitality industry is constantly evolving
 - Labor shortages, increase of cost of goods, economic impacts on customer behaviors, etc.
- City staff regularly analyze current conditions and rates based on usage and costs to the City
- Giving the General Manager authority to set and approve the rates necessary to operating the Performing Arts Center will allow quicker responses and more flexibility

City Springs Membership Program

Situation Analysis

- Current memberships
 - Expire 1 year after purchase (rather than expiring at the same time)
 - Include vague, difficult-to-fulfill, or unused benefits
 - Discounts to CityBar, event tickets, and camps/classes
 - Recognition in “Quarterly Program”
 - Complimentary tickets to select performances
 - Membership campaigns are limited, and benefits not communicated well
 - Increase participation through communication frequency/quality, organized and well-timed annual campaigns, new level options

Proposed Levels and Benefits

<p>\$500</p>	<p>Two-day Advance Ticket Sales* Invitation for Two to City Green Live Terrace Parties (6) Early Access to Buy Tables at City Green Live and Concerts by the Springs Recognition on City Springs Website Invitation for (2) to ParkView Lounge at all City Springs Presentations* Complimentary Glass of Bubbly From Our Partners at The Select*#</p>			
<p>\$1,000</p>	<p>Bring (2) Friends to ParkView Lounge at (1) Show* Complimentary Garage Parking at (1) City Springs Presentation - 1 Vehicle* Invitation for (2) to a Chef's Table Events Exclusive Backstage Tour, by appointment</p>	<p>IMPRESARIO</p>		
<p>\$2,500</p>	<p>Recognition on City Springs Digital Displays Bring 2 Friends to ParkView Lounge at 5 Additional City Springs Presentation Shows* Complimentary Valet Service for Up to 4 shows - 1 Vehicle* (1) Additional Invitation for 2 to Chef's Table Event Complimentary Engraved Brick on City Springs Walkway Ticket Concierge Service: Access to Box Office Manager Complimentary Engraved Brick on City Springs Walkway Ticket Concierge Service: Access to Box Office Manager</p>	<p>DIRECTOR</p>		
<p>\$5,000</p>	<p>(2) Additional Complimentary Valet Service at City Springs Presentations - 1 Vehicle* (1) Additional Invitation for 2 to Chef's Table Event Complimentary Engraved Seat-back Plaque on a Byers Theatre Seat</p>		<p>PRODUCER</p>	<p>ANGEL</p>

* = at City Springs-presented performing events only
 # = has been previously arranged with The Select

Ticket Fees

Background

- Most concert venues have sliding service charges based on the face value of the ticket
- Many non-profit arts organizations have flat per ticket fees
- SSPAC controls its ticketing system and has the capability of creating a flexible model so that the variety of users of the facility remain comparable to their competitive set
- For in-house presented concerts, SSPAC can earn more revenue from ticket fees while remaining comfortably below the high fees at competing Live Nation and AEG venues

Venue Comparison

PFM Ticketing Fees

(PPAC/VETS - Providence, RI and BB Mann - Ft Myers, FL)
Ticketing System - Paciolan

Ticket Price	Service Fee
\$0 - \$15.99	\$3.00
\$16 - \$29.99	\$5.00
\$30 - \$49.99	\$6.00
\$50 - \$64.99	\$7.00
\$65 - \$79.99	\$8.00
\$80 - \$99.99	\$9.00
\$100 - \$124.99	\$15.00
\$125 - \$149.99	\$20.00
\$150+	TBD

PPAC/VETS Facility Fee = \$4.00

North Shore Center for the Performing Arts - Skokie, IL

Ticketing System - Ticketmaster (as of September 2022)

Ticket Fee	Service Fee
Up to \$19.99	\$3.00*
\$20 - \$29.99	\$4.00*
\$30 - \$39.99	\$5.00*
\$40 - \$49.99	\$6.00*
\$50 - \$59.99	\$7.00*
\$60 - \$69.99	\$8.00*
\$70 - \$79.99	\$9.00*
\$80 - \$89.99	\$10.00*
\$90 - \$99.99	\$11.00*
\$100 - \$109.99	\$12.00*
\$110 +	Variable/TBD

*plus \$4.50 per order charge

NFP Producing Organization - \$6.00 per ticket plus \$4.50 per order

Facility Fee - \$2.00 per ticket in main hall

Proposed Ticket Fees

Ticket Price	Service Fee (per ticket)
Up to \$20.00	\$2.00
\$20.01 to \$30.00	\$3.00
\$30.01 to \$40.00	\$4.00
\$40.01 to \$50.00	\$5.00
\$50.01 to \$60.00	\$6.00
\$60.01 to \$70.00	\$7.00
\$70.01 to \$80.00	\$8.00
\$80.01 to \$90.00	\$9.00
\$90.01 +	\$10.00
NFP Producing Arts Organization Flat Fee	\$5.00
Facility Fee: Increase \$0.50 to \$3.00 per ticket	

Rental Rates

Market Rate Comparison

- Rental rates have not changed since 2019
 - Industry standard is an annual increases of 3-5%
- Expenses continue to rise for all operations of the department
 - 35% increase in contractual labor charges
 - Up to 45% increase in cost of goods
- Other Venues have raised their rates by 3-5% annually
 - Cobb Performing Arts +3-5%
 - Mercedes Benz Stadium +8-12%
 - Westin Hotel +3-10% (planning another +10% for 2023)
 - Fox Theater +3-5%
 - Georgia International Convention Center +3-5%
 - 2021 - 15% increase coming out of the pandemic
 - Next increase scheduled for 2024 at 5%
 - Live Nation Venues Nationwide (Tabernacle, Buckhead Theater, Roxy) +3-5%

Proposed Rental Rate Increase

- Commercial Rental Rates – increase by 9% starting July 1, 2023
 - Overall price adjustment to ~3% yearly average (below the market, keeping competitive and offering the lowest rate increase in the area)
- Non-Profit Rates - continue to offer a 30% discount from the Commercial Rates
- Presenting Partner rates - continue to discount 35% from our Non-Profit Rates

Proposed Rental Rate Increase – FY 2024

Byers Theatre Rental Rates

Event Type/Space	Current Rental Rates						Proposed Rental Rates					
	Commercial		Non-profit		Presenting Partner		Commercial		Non-profit		Presenting Partner	
	Mon-Thu	Fri-Sun	Mon-Thu	Fri-Sun	Mon-Thu	Fri-Sun	Mon-Thu	Fri-Sun	Mon-Thu	Fri-Sun	Mon-Thu	Fri-Sun
Ticketed Event Day (1 Performance)	\$6,400	\$8,000	\$4,480	\$5,600	\$2,912	\$3,640	\$6,975	\$8,720	\$4,880	\$6,100	\$3,175	\$3,970
Ticketed Event Day (2 Performances)	\$8,000	\$10,000	\$5,600	\$7,000	\$3,640	\$4,550	\$8,720	\$10,900	\$6,100	\$7,630	\$3,970	\$4,960
Non-Ticketed Event Day	\$5,600	\$7,000	\$3,920	\$4,900	\$2,548	\$3,185	\$6,100	\$7,630	\$4,275	\$5,340	\$2,775	\$3,470
Non-Performance/Tech Day	\$2,800	\$3,500	\$1,960	\$2,450	\$1,274	\$1,593	\$3,050	\$3,815	\$2,135	\$2,670	\$1,390	\$1,735
Dark Day- No Space Access	\$960	\$1,200	\$672	\$840	\$437	\$546	\$1,045	\$1,310	\$730	\$915	\$475	\$595
Byers Lobby (for exclusivity)	\$1,600	\$2,000	\$1,120	\$1,400	\$728	\$910	\$1,745	\$2,180	\$1,220	\$1,525	\$795	\$990
Rehearsal Room (for exclusivity)	\$520	\$650	\$364	\$455	\$237	\$296	\$565	\$710	\$400	\$495	\$260	\$325
ParkView Lounge (for exclusivity)	\$520	\$650	\$364	\$455	\$237	\$296	\$565	\$710	\$400	\$495	\$260	\$325

Studio Theatre Rental Rates

Event Type/Space	Current Rental Rates						Proposed Rental Rates					
	Commercial		Non-profit		Presenting Partner		Commercial		Non-profit		Presenting Partner	
	Mon-Thu	Fri-Sun	Mon-Thu	Fri-Sun	Mon-Thu	Fri-Sun	Mon-Thu	Fri-Sun	Mon-Thu	Fri-Sun	Mon-Thu	Fri-Sun
Ticketed Event Day (1 Performance)	\$4,000	\$5,000	\$2,800	\$3,500	\$1,820	\$2,275	\$4,360	\$5,450	\$3,050	\$3,815	\$1,985	\$2,475
Ticketed Event Day (2 Performance)	\$5,760	\$7,200	\$4,032	\$5,040	\$2,621	\$3,276	\$6,280	\$7,850	\$4,395	\$5,495	\$2,855	\$3,570
Non-Ticketed Event Day	\$3,200	\$4,000	\$2,240	\$2,800	\$1,456	\$1,820	\$3,490	\$4,360	\$2,440	\$3,050	\$1,590	\$1,985
Non-Performance/Tech Day	\$2,000	\$2,500	\$1,400	\$1,750	\$910	\$1,137	\$2,180	\$2,725	\$1,525	\$1,910	\$995	\$1,240
Dark Day - No Space Access	\$520	\$650	\$364	\$455	\$237	\$296	\$570	\$710	\$400	\$495	\$260	\$325
Studio Lobby (Exclusive Use)	\$1,200	\$1,500	\$840	\$1,050	\$546	\$682	\$1,310	\$1,635	\$915	\$1,145	\$595	\$745

Proposed Rental Rate Increase – FY 2024

Conference Center Rental Rates

Event Type/Space	Current Rental Rates						Proposed Rental Rates					
	Commercial		Non-profit		Presenting Partner		Commercial		Non-profit		Presenting Partner	
	Mon-Thu	Fri-Sun	Mon-Thu	Fri-Sun	Mon-Thu	Fri-Sun	Mon-Thu	Fri-Sun	Mon-Thu	Fri-Sun	Mon-Thu	Fri-Sun
Terrace Meeting Room	\$1,200	\$1,500	\$840	\$1,050	\$546	\$682	\$1,310	\$1,635	\$915	\$1,145	\$595	\$745
1/3 Terrace Meeting Rm (1 Section)	\$800	\$1,000	\$560	\$700	\$364	\$455	\$875	\$1,090	\$610	\$765	\$395	\$495
2/3 Terrace Meeting Rm (2 Section)	\$960	\$1,200	\$672	\$840	\$437	\$546	\$1,045	\$1,310	\$730	\$915	\$475	\$595
City View Terrace	\$800	\$1,000	\$560	\$700	\$364	\$455	\$875	\$1,090	\$610	\$765	\$395	\$495
Meeting Room A, B & C (1 st hour)*	\$150	\$150	\$150	\$150	\$150	\$150	\$165	\$165	\$165	\$165	\$165	\$165
Meeting Room D & E (1 st hour)*	\$75	\$75	\$75	\$75	\$75	\$75	\$80	\$80	\$80	\$80	\$80	\$80
Meeting Room A-E(additional hours)*	\$35	\$35	\$35	\$35	\$35	\$35	\$40	\$40	\$40	\$40	\$40	\$40
City Green (per 4 hours)*	\$800	\$1,000	\$800	\$1,000	\$800	\$1,000	\$1,000	\$1,500	\$1,000	\$1,500	\$1,000	\$1,500
City Green Additional Hours*	\$250	\$300	\$250	\$300	\$250	\$300	\$300	\$400	\$300	\$400	\$300	\$400

*Non-profit rates not available for these spaces

Proposed Rental Rate Increase – FY 2024

CityBar. Rental Rates

Event Type/Space	Current Rental Rates					
	Commercial		Non-profit		Presenting Partner	
	Mon-Thu	Fri-Sun	Mon-Thu	Fri-Sun	Mon-Thu	Fri-Sun
CityBar Only	\$1,600	\$2,000	\$1,280	\$1,600	\$832	\$1,040
CityBar + 1 Theater Space	\$1,200	\$1,500	\$960	\$1,200	\$624	\$780
CityBar + 2 Theater Spaces	\$800	\$1,000	\$640	\$800	\$416	\$520

Event Type/Space	Proposed Rental Rates					
	Commercial		Non-profit		Presenting Partner	
	Mon-Thu	Fri-Sun	Mon-Thu	Fri-Sun	Mon-Thu	Fri-Sun
CityBar Only	\$1,000	\$1,200	\$700	\$840	\$455	\$545
CityBar + 1 Theater Space	\$800	\$1,000	\$560	\$700	\$365	\$455
CityBar + 2 Theater Spaces	\$600	\$800	\$420	\$560	\$275	\$365

Heritage Sandy Springs Rental Rates

Event Type/Space	Current Rental Rates					
	Commercial		Non-profit		Presenting Partner	
	Mon-Thu	Fri-Sun	Mon-Thu	Fri-Sun	Mon-Thu	Fri-Sun
Entertainment Lawn (per hour)*	\$250	\$300	\$250	\$300	\$250	\$300
Entertainment Lawn (4hr block)*	\$800	\$1,000	\$800	\$1,000	\$800	\$1,000

Event Type/Space	Proposed Rental Rates					
	Commercial		Non-profit		Presenting Partner	
	Mon-Thu	Fri-Sun	Mon-Thu	Fri-Sun	Mon-Thu	Fri-Sun
Entertainment Lawn (per hour)*	\$275	\$325	\$275	\$325	\$275	\$325
Entertainment Lawn (4hr block)*	\$870	\$1,090	\$870	\$1,090	\$870	\$1,090

*Non-profit rates not available for these spaces

