



BOARD OF DIRECTORS AGENDA REPORT

MEETING DATE: **MARCH 23, 2023** ITEM: **8C**

SUBJECT: **Vote on Whether or Not to Approve Recommendation to Move Pacific Amphitheatre Projects Up on the List of Master Site Plan Projects**

DATE: March 17, 2023

FROM: Michele Richards, CEO

PRESENTATION BY: Michele Richards, CEO

Action Item

BACKGROUND

At the February 2023 Board of Directors meeting, Director La Belle requested an agenda item be included for the March 2023 meeting to discuss a recommendation to re-order the list of master site plan projects in order to move the Pacific Amphitheatre phase sooner in the priority.

The Board of Directors approved the current list of projects at the January 2023 Board meeting. Currently, there are four other master site plan projects ahead of the Pacific Amphitheatre projects:

1. additional restrooms (Phase 2)
2. new Century Barn at Centennial Farm (Phase 3A)
3. new multipurpose education center to support Centennial Farm and Heroes Hall (Phase 3B)
4. exhibit building additions (Phase 4)

The priority order was based on an assessment conducted by staff which considered the following criteria:

- Safety/security
- Net revenue potential/budget relieving
- Community support
- Brand enhancement
- Cost of project and cash flow

Based on those criteria, the following information provides additional background for the Board to use to consider re-ordering the master site plan projects.

Phase 2: Additional Restrooms (\$7.7M)

- Currently the available restrooms on the fairgrounds are inadequate to support the number of guests who attend the OC Fair each year and some larger year-round events.
- Additional restroom trailers must be rented each year to fulfill the need at a cost of approximately \$266,500 per year.
- Restrooms are a need that directly impacts the guest experience and the guest's length of stay.

Phase 3A: New Century Barn (\$3.7M)

- The Century Barn was scheduled to be replaced in 2016. Construction estimates at the time far exceeded the budget for the project and it was put on hold.
- The Maintenance Department has continued to make needed repairs to Century Barn.
- The barn houses multiple farm animals including cows and pigs.
- Lack of a permanent replacement poses an injury risk to animals housed in the barn.
- Centennial Farm welcomes approximately 100,000 visitors throughout the year free of charge. In addition, the farm is included in the visits from over one million guests during the annual OC Fair.

Phase 3B: New Multipurpose Education Center (\$11M)

- This phase calls for the demolition of Building 15 which was previously used for storage, exhibits during the fair, and classroom demonstrations during Jr. Farmer Tours at Centennial Farm. Because Building 15 can no longer be used as classroom space, staff has had to eliminate some educational programming elements and create outdoor classroom space, not always ideal during inclement weather.
- Demand for agriculture related classes for the public at Centennial Farm is high; most classes sell out.
- Indoor space at Heroes Hall is inadequate for events, lectures, presentations and other educational programming free to the public.
- The new multipurpose education center would provide much-needed educational and event space for Heroes Hall and Centennial Farm, along with additional storage area for use by the OC Wine Society and staff.
- The new multipurpose education center would also include an outdoor kitchen and greenhouse to support the educational programming at Centennial Farm and Heroes Hall.
- Heroes Hall and Centennial Farm combined welcome approximately 130,000 visitors throughout the year in addition to the over one million guests who visit during the annual OC Fair.
- The new multipurpose education center could also be rented to outside event promoters for additional revenue.

Phase 4: Exhibit Building Additions (\$3M)

- Storage space in the exhibit buildings is inadequate for current needs of event promoters and staff.
- The exhibit building additions would create a more aesthetically pleasing entrance design for “back” of buildings making the buildings more appealing to event promoters.
- The exhibit building additions would increase the rentability of exhibit buildings.
- Revenues from the year-round event rental business were \$8M in 2019, \$4.5M in 2021 and \$7.35M in 2022. Projected net proceeds for 2023 are \$8.5M.

Phase 5A: Pacific Amphitheatre Box Office/Outside Plaza Upgrades (\$9.3M)

- The current Box Office and outside plaza are in need of upgrading to better serve the public during the summer concert season.
- Restroom upgrades would directly impact the guest experience.
- The Box Office is in need of a proper meeting room space and employee break area.
- The Pacific Amphitheatre welcomes approximately 175,000 guests per year, depending on the number of concerts each season.
- 50% of the 75 performances at the amphitheatre in 2019, 2021 and 2022 were either sell outs or near sell outs with at least 85% of capacity.

Phase 5B: Pacific Amphitheatre Structural Upgrades (\$13.5M)

- New signage at the Pacific Amphitheatre would assist guests with easier wayfinding during the summer concert season.
- Replacement sound walls would continue to maintain mandated sound compliance during concerts.
- Many cemented areas of the amphitheatre are cracking and have had to be repaired by our Maintenance Department, creating a temporary improvement in aesthetics and safety.
- Upgrading the landscaping would create a more pleasing guest experience for those attending concerts during the summer season.
- Revenues from the Pacific Amphitheatre were \$11.1M in 2019, \$6.7M in 2021 and \$12M in 2022.

RECOMMENDATION

The Board of Directors should consider the information above along with each project's connection with the 32nd DAA's mission and vision, then decide if the previously approved priority list of Master Site Plan projects should be amended to include the two Pacific Amphitheatre projects in an earlier phase.