

CIVIC CORE COMMITTEE PRESENTATION

3:00 p.m., November 14, 2022

San Diego Downtown Public Library

PRESENTERS: Carol Wallace, President & CEO, San Diego Theatres
Kelly Bargabos, CFO Consultant, San Diego Theatres
Abigail Buell, VP, Strategy & Business Development, San Diego Theatres

Presenter, Sections & Corresponding Slides:

Introduction & Timeline, Carol Wallace:	Slides 1-5
Economic & Community Impact, Kelly Bargabos:	Slides 6-12
Building on Success, Abigail Buell:	Slides 13-16
Planning for the Future, Carol Wallace:	Slides 17- 23
Questions?	Final Slide 24

PRESENTATION SCRIPT

SLIDE 1: COVER SLIDE

START: CAROL WALLACE

“Good Afternoon, everyone.

It is a pleasure to be here today.

I am Carol Wallace, President and CEO of San Diego Theatres.

Joining me today to present are Kelly Bargabos, San Diego Theatres CFO Consultant and Abigail Buell, San Diego Theatres VP, Strategy and Business Development.

SLIDE 2: Presentation Overview

“Our presentation is designed to provide a high-level overview of essential information about the Civic Theatre.

I will touch on important dates relevant to the Civic Theatres operations and share a bit about the mission of San Diego Theatres.

Kelly will focus on important metrics about the Civic and give you a bit of background on how it is utilized.

Abby will talk about our programming and development plans that build on the Civic Theatres’ fifty years of success.

I will wrap up with a brief overview of renovation plans from the in early 2000s (2004) to be exact.

We will conclude with enough time for any questions you may have.

SLIDE 3: Timeline

To highlight a few milestones of how the theatre has been managed and operated since its opening in 1965.

For nearly three decades, the City of San Diego managed the Civic Theatre as a City department before transferring management of the Civic Theatre and the San Diego Concourse to the San Diego Convention Center Corporation in 1993.

The Convention Center Corporation operated the Civic Theatre until creating San Diego Theatres, a non-profit subsidiary of the Corporation in 2003.

At that time, San Diego Theatres assumed management of the Civic Theatre.

As you can see on this timeline, in 1996, a facility maintenance fee was added to each ticket sold for the Civic Theatre.

That revenue has been used to provide more than \$14 million in facility improvements.

In 2008, San Diego Theatres assumed operations and management of the historic Balboa Theatre.

In 2011, San Diego Theatres became an independent non-profit.

Finally, in 2012, San Diego Theatres entered in a 50-year lease with the City of San Diego to manage and operate the Civic Theatre. That lease contemplated a renovation of the Civic Theatre.

SLIDE 4: Our Mission

“At San Diego Theatres, our mission of delivering exceptional performing arts and educational experiences, fostering collaboration, and building strong partnership that help bring the performing arts to the widest audience.

Our purpose is to create moments that matter.

We accomplish this by managing, marketing, and operating the Civic and Balboa Theatres.

SLIDE 5: Partners in Success

“Before handing off the presentation to Kelly, I wanted to acknowledge the strong and collaborative partnership San Diego Theatres has had for over 30 years with labor.

We have agreements with five labor organizations reflected here on this slide.

Our success is a shared success and is only possible when everyone is focused on the mission.

Now, Kelly will provide key metrics the Civic Theatres’ performance

TRANSITION SLIDE 6: Carol takes seat, Kelly rises and the remote is handed off from Carol to Kelly.

SLIDE 7: By the Numbers

START: KELLY BARGABOS

SLIDE 7: BY THE NUMBERS

Thank you, Carol.

I'd like to take a few moments and dive into the numbers of the Civic Theatre.

And I want to start by saying, although the team at SDT manages both the Balboa and Civic, the numbers and metrics I'm going to share are for the Civic Theatre only.

This slide shows a 5-year trend from FY19 through the current year, and you can see that on Average the CT earns about \$7M in Revenue—which consists of Rental and staffing fees that we charge our clients, as well as commissions earned on every ticket sold.

The largest category of expense by far is labor and benefits followed by the cost of maintaining the venue with utilities, insurance, and other maintenance costs.

In FY19 the CT generated a \$1M of profit, and I'm pleased to say that after a few tough years the theatre will be profitable again this year.

The obvious glitch in the trend of course is the Covid 19 pandemic and its devastating impact to businesses like ours.

The CT was shut down in 2020 and stayed that way for 18 months.

Covid relief funds and a skeleton crew of talented people were able to secure a financially sound future for the Civic, and it was successfully reopened in the fall of 2021.

You can see here that in this fiscal year, we will exceed the number of performances that we had pre-Covid.

SLIDE 8: BEHIND THE NUMBERS

Behind the traditional numbers on the P&L are the event-related metrics.

The fiscal year is from July through June, and you can see that the theatre is full and occupied 70% of the time. 256 days of the year the theatre is booked, not only for performances but also to allow our clients time to load in, load out and rehearse.

350,000 people attend 200 performances at the theatre each year.

All of this generates \$25M in tickets sales for our partners.

And the one metric we take most seriously is that we employ 235 workers, both directly and with third party staffing agencies to pull off these events these 200 performances each year and pay \$5M in wages.

Our employees come from all over San Diego including Mexico.

SLIDE 9: DEMOGRAPHICS

Included in the 350,000 guests that attend each year are single ticket buyers, which means they are outside of the Broadway or Opera Subscription/Member base and buy tickets directly to shows from San Diego Theatres.

Our data from TM confirms that we can reach a broad and diverse audience with varying levels of income and education.

SLIDE 10: COMMUNITY IMPACT

When it comes to partnership, we are very proud of our affiliation and service to our nonprofit partners.

27% of our events are in this category and we can support these organizations who do the most important work in our community by offering a **discounted rate on our facility rental and other services.** [KB1]

SLIDE 11: MOMENTS THAT MATTER

The partnerships, non-profit and commercial, that we've developed over the years allow us to bring almost every Genre of Performing Arts to the Civic Theatre.

Broadway is by far the largest right now with 70% of our performances and attendees coming to see shows like The Lion King or Hamilton or Pretty woman.

While Broadway owns the biggest numbers and % of performances, we are the home of the San Diego Opera, and the Ballet (Nutcracker) has performed at the CT for over 50 years.

We host the La Jolla Music Society and culturally relevant shows with the most popular comedians and recording artists of the day, like Jerry Seinfeld, Joe Koi and Lenny Kravitz

We also partner with the community and are proud to host graduations and events like the Spring Sing, which is the Spring concert for Our Lady of Peace all-girls school.

SLIDE 12: REGIONAL ECONOMIC IMPACT

Finally, all of this activity and business at the Civic Theatre and with our partners, has a ripple effect beyond the walls of the theatre.

It is estimated that the people who come to downtown San Diego to see a show drive spending of \$19M in our region, which creates 529 FTE jobs in the community, and generates \$12M in Household income for families, and \$2M in local and state government revenue.

Abigail will now share a vision for how we build on this success.

TRANSITION SLIDE 13: Kelly hands control to Abby.

START: ABBY

SLIDE 14: Legacy

Let me ask you, when was the first time you saw Phantom of the Opera?

How about the 5th?

The Civic has providing a space for live entertainment since 1965 and has been home to the San Diego Opera since day 1, Broadway tours have come direct from NYC with their 1st National tours hitting our stage for decades, and other local organizations like San Diego Symphony, La Jolla Music Society, UCSD, SDSU have called the Civic home as well as nationally renowned comedians, musicians, dance companies, have entertained thousands of San Diegans for nearly six decades.

SLIDE 15: Only at the Civic

The Civic Theatre has been the home to a child's first experience of live theatre, to a high schooler's first Pearl Jam Concert, to a couple's wedding anniversary as the marvel at the dancers of Alvin Ailey, to the red-carpet movie premiere of Top Gun: Maverick.

San Diegans would not have had these experiences without the Civic Theatre, and we regularly have audience members come and tell our staff their stories and their lifetime that have been spent at the Civic.

SLIDE 16: Opportunity

"Today, we stand in a moment of opportunity for the core of San Diego's center. As we look toward the future of The Civic Theatre, we can start to envision what a true home

for San Diego's performing arts will look like.

The Civic Theatre could become the centralized hub of performing arts in San Diego, where it could provide local arts organizations with additional resources including funding, marketing as well as the space for multiple different sized theatres in one central location.

The Civic Theatre could feature rehearsal studios and office spaces that would allow our community to share space and ideas under one roof.

The Civic Theatre could be an innovation and educational center for our region's youth.

The Civic Theatre could be a communal space with coffee shops, bars and restaurants that activate the area at all hours of the day.

A downtown Center for the Performing Arts is truly the catalyst that will breathe life back into our civic core.

ABBY ENDS

TRANSITION SLIDE 17: Carol returns.

START: CAROL

SLIDE 17: Carol Intro Slide

“Thank you, Abby and Kelly.

SLIDE 18: Watercolor Slide

Over a six-year period beginning in early 2000's, work was completed on a feasibility study for renovating the Civic.

That work resulted in design drawing which at 100% completion of design development, The next few slides will briefly review what was contemplated at that time

SLIDE 19: Lower Level

This level shows how the renovation will provide new entry points to the Theatre, redesigned seating throughout, and new dressing rooms.

SLIDE 18: The Grand Salon Level

On this floor, the Grand Salon, the plan calls for new terrace entries, expanded reception, new program space and a donor lounge.

SLIDE 19: Mezzanine Level

On the Mezzanine, new space for a rehearsal studio, education space and two new exterior terraces.

SLIDE 20: Balcony Level

And on the Balcony Level, the plans envision new box seating, a lobby and terrace, and much needed improvements to the Theatres' acoustics.

SLIDE 12: Watercolor

We have a great opportunity to build on the success of the Civic Theatre with a renovation.

Last week, our architect shared that to replace the current theatre, which he said had great bones, would cost around \$500 million.

We believe a renovation can be done on the interior of the theatre for about 1/3 of that.

The exterior of the theatre could be redesigned to be consistent with the redevelopment of the Civic Core area.

There is also the potential opportunity to use the air rights above the current footprint of the Civic to add to the overall project.

I want to thank you for your time and attention.

Questions?

END CAROL