

Amphitheater Project Update

Venue Operator Agreement and Budget

April 1, 2025



Background

- **The City is advancing a vision to become a premiere destination for music and entertainment. Important part of the Grow Long Beach Initiative.**
- **The Amphitheater project aims to activate the Queen Mary's shoreside property while longer term planning efforts (i.e., PD6 and PD21) are underway.**
- **The project would establish a large-scale waterfront music venue, creating a revenue generating opportunity for the City and help bolster Tidelands.**
- **Through its Entertainment Strategic Plan, the City will explore creative ways to connect small local businesses to amphitheater patrons through shuttling, wayfinding, and strategic marketing initiatives.**



Market Analysis



- The City engaged AECOM to conduct a market analysis before issuing an RFP to operate the amphitheater.
- The analysis projected strong demand for a temporary amphitheater in Long Beach, specifically near the Queen Mary.
- The Los Angeles metro area, which includes Long Beach, holds a significant share of the national concert market
- The primary market for the amphitheater extends within a 30-mile radius, primarily covering Los Angeles and Orange Counties.
- This area includes key competitor venues such as the Pacific Amphitheater, the Hollywood Bowl, the Greek Theater, and the now closed FivePoint Amphitheater.
- Market analysis indicates a gap in venues with a seating capacity of 10,000 to 12,000, highlighting an opportunity for the proposed amphitheater to meet this demand.

Figure 1. AECOM Analysis - Concert Market

| RANK | RANK CHANGE | MARKET | 2022 REPORTED GROSS |
|------|-------------|--------------------------------|---------------------|
| 1 | 2 | New York | \$796,613,879 |
| 2 | -1 | Las Vegas | \$518,813,927 |
| 3 | -1 | Los Angeles | \$515,075,052 |
| 4 | 1 | Chicago | \$295,681,068 |
| 5 | -1 | San Francisco-Oakland-San Jose | \$276,405,667 |

A seasonality analysis found that the Long Beach Arena and the proposed amphitheater would complement each other, as their peak usages periods are inverse. The Long Beach Arena is primarily used from late Fall to early Spring, while amphitheaters experience their busiest months during the warmer Summer and early Fall.

This dynamic suggests that both venues could work in synergy, allowing Long Beach to expand its year-round music and entertainment offerings.

Figure 3. AECOM Analysis - Percent of Events Hosted by Month

| Month | Seasonality - Percent of Events Hosted by Month - Competitive & Comparable Amphitheaters | | | | | | | |
|-----------|--|------------------------------------|---|-----------------------------------|---|-------------------------------------|----------------------------------|--|
| | Average (Amphitheaters) | Long Beach Arena Long Beach, CA | Pacific Amphitheater Costa Mesa, CA | Hollywood Bowl Los Angeles, CA | FivePoint Amphitheater Irvine, CA | Gorge Amphitheater George, WA | Greek Theater Los Angeles, CA | Shoreline Amphitheater Mountain View, CA |
| January | 0% | 12% | 0% | 0% | 0% | 0% | 0% | 0% |
| February | 0% | 20% | 0% | 0% | 0% | 0% | 0% | 0% |
| March | 0% | 9% | 0% | 0% | 0% | 0% | 0% | 0% |
| April | 1% | 10% | 0% | 1% | 0% | 0% | 3% | 2% |
| May | 6% | 11% | 0% | 3% | 4% | 15% | 9% | 5% |
| June | 10% | 4% | 0% | 11% | 11% | 13% | 12% | 15% |
| July | 28% | 3% | 61% | 25% | 17% | 27% | 16% | 21% |
| August | 27% | 3% | 36% | 29% | 29% | 26% | 22% | 21% |
| September | 17% | 2% | 2% | 19% | 22% | 19% | 19% | 21% |
| October | 9% | 12% | 0% | 10% | 16% | 1% | 15% | 15% |
| November | 1% | 10% | 0% | 2% | 1% | 0% | 2% | 1% |
| December | 0% | 5% | 0% | 0% | 0% | 0% | 0% | 0% |

Source: Polstar - Most recent 36 months available per venue
 Long Beach Arena excluded from overall average

RFP for Amphitheater Operator



- **A Request for Proposals (RFP-ED-24-477) was released in October 2024 to select an operator for a new temporary amphitheater near the Queen Mary.**
- **Six proposals were received and evaluated by a Selection Committee.**
- **Based on the evaluation criteria, the City tentatively selected ASM Global to operate the amphitheater in December 2024.**
- **The operational model was important for the City to minimize impact to adjacent assets (i.e., Queen Mary, Carnival, etc.) and ensure shared success.**
- **Management agreement model is similar to the models used for the Queen Mary and Long Beach Convention & Entertainment Center, which allow the City to oversee adjacent operations and retain control of the site.**
- **This model has enabled the Queen Mary to turn a profit for the first time in 40 years.**

Overview of Pier H Operations and Activities



Scope of Services



The term of the Agreement is five-years with an option to renew for one additional five-year period. City has the ability to terminate the agreement at any time during extension period with six months notice. ASM Global will deliver the following services:

Pre-opening Services

- Pre-construction design review
- Operational and business planning
- Sales and marketing
- Event booking

Amphitheater Management

- Financial management
- Marketing
- Naming rights and sponsorship sales
- Event booking
- Guest services
- Facility maintenance
- Capital planning

Food and Beverage Services

(Provided by SAVOR)

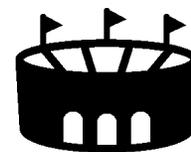
- Concessions operations
- Premium hospitality
- Catering services
- Vendor and subcontractor management

ASM Global/Legends

- ASM Global, which was recently acquired by Legends, is a leading global venue and live experience company.
- The company operates and invests in some of the world's most important stadiums, arenas, convention centers, and theaters.
- ASM Global manages 13 outdoor amphitheaters including The Greek Theater in Los Angeles.
- ASM operates the Long Beach Convention and Entertainment Center



Over 20,000 live events across sports, music, and entertainment



Manages and is a content partner for over 400 venues



Serves 164 million guests annually



Has a presence across five continents

Outdoor Amphitheaters Operated by ASM Global



- 1. Greek Theater (Los Angeles, CA)**
- 2. Pier Six Pavillion (Baltimore, MD)**
- 3. Dignity Health Amphitheater (Bakersfield, CA)**
- 4. Capital Federal Amphitheater (Andover, KS)**
- 5. Champions Square (New Orleans, LA)**
- 6. Davis Park at Founders Landing (Rockford, IL)**
- 7. Empower Federal Credit Union Amphitheater at Lakeview (Syracuse, NY)**
- 8. Jolt Credit Union Event Park (Saginaw, MI)**
- 9. Koka Booth Amphitheater (Cary, NC)**
- 10. McKelligon Canyon Amphitheater (El Paso, TX)**
- 11. Pinewood Bowl Theater (Lincoln, NE)**
- 12. Thunder Ridge Nature Arena (Ridgedale, MO)**
- 13. The Homer Hamilton Amphitheater at Chilhowee Park (Knoxville, TN)**

Summary of Terms



| | |
|--------------------------------------|---|
| Pre-opening Services | The City will reimburse up to \$1.5 million in pre-opening costs to support pre-opening operations, sales, general, and administrative expenses. Includes \$15,000 monthly management fee. |
| Annual Management Fee | After amphitheater opens, the City will pay ASM Global a \$300,000 annual management fee (\$25,000 per month), subject to an annual CPI increase of 3 percent. |
| Naming Rights and Sponsorship | City will receive 82 percent and ASM Global will receive 18 percent of the sale of naming rights; City will receive 80 percent and ASM Global will receive 20 percent of other sponsorships. |
| Food and Beverage Services | SAVOR, ASM Global's F&B business, will provide concession and catering services and will pay the City 52% of gross receipts of general concessions, 15% of gross receipts of catering for lounges, clubs, suites, and 50% of net amounts received from subcontractors |

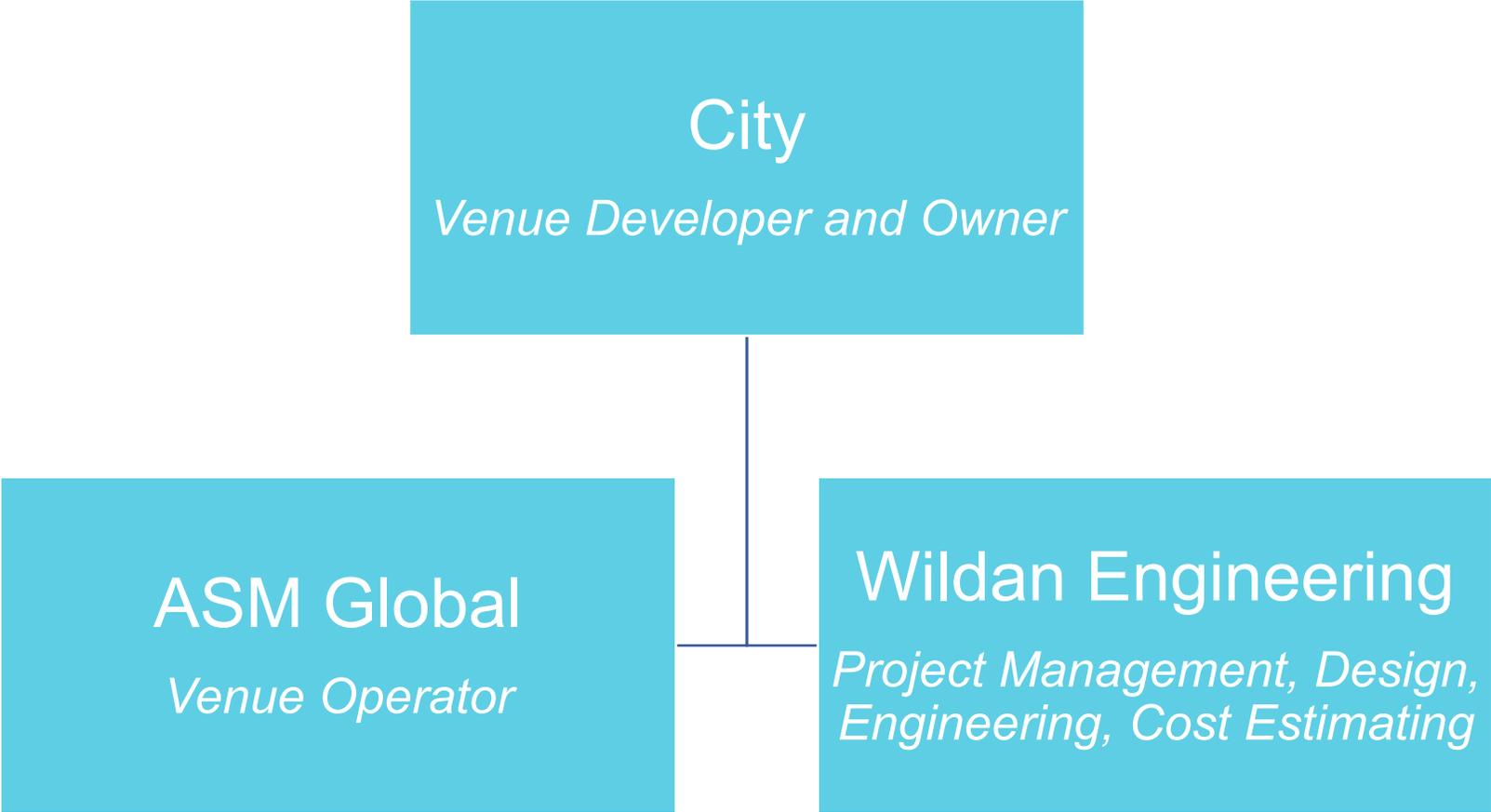
Summary of Terms Continued



| | |
|---|--|
| Annual Budget and Operating Expenses | The City will be responsible for funding all operating expenses, except for food and beverage operations. ASM Global will prepare a proposed annual operating budget for each fiscal year. |
| Capital Contribution | ASM Global will provide a \$1 million capital contribution toward the project which will prioritize food and beverage equipment needs, followed by other FF&E. |
| City and Community Events | ASM Global will work with the City to support current and future events at the amphitheater, including existing music festivals and special events. ASM Global will also make good faith efforts to accommodate City-approved community events and provide services at cost. |

Fiscal Impact

- \$1.5 million in pre-opening expenses from Tidelands Fund to be repaid from future net-operating revenue.
- \$300,000 annual management fee (\$25,000/mo.) w/ CPI, covered by net operating revenue.



Summary of Planned Expenses



The estimated budget for the amphitheater is \$14 million. Approximately \$3-4 million of this will be allocated to parking lot and site improvements, many of which were necessary for safety enhancements, regardless of the amphitheater's construction.

Consulting Services (\$1,248,000)

- Design, construction, and inspection services
- Project management
- Permitting, technical studies, regulatory compliance

Site Improvements (\$3,500,000)

- Asphalt improvements
- Parking lot signing and striping
- Security bollards
- Utilities

FF&E (\$9,252,000)

- Performance stage
- Grandstands and seating
- Artist VIP rooms
- Portable restrooms
- Audio and visual systems
- Lighting, fencing, and shade structures

The following work on the amphitheater development project is expected to be subject to the City's Project Labor Agreement:

- Parking lot improvements
- Installation of grandstands
- Installation of seating
- Installation of fencing and shade structures
- Electrical engineering and wiring

Union labor will be utilized for concert and event operations, including stagehands, electrical and lighting work, and engineering.

An existing agreement between Legends/ASM Global and Unite Here Local 11, will require that F&B concession work at the new venue be subject to a collective bargaining agreement.

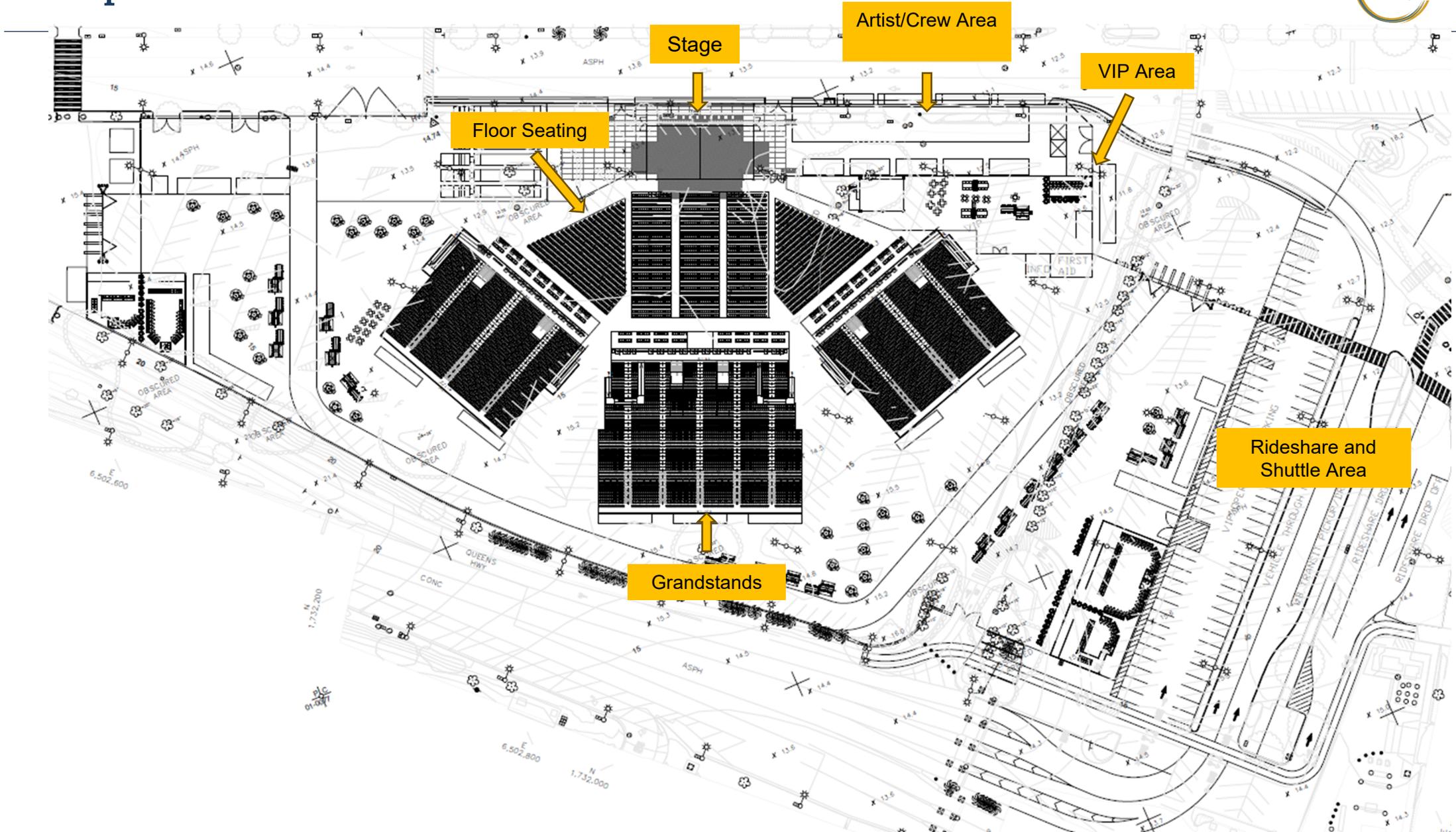
Estimated Project Timeline



| | 2024 | | | 2025 | | | | | | | | | 2026 | | | | | | | | |
|--|------|-----|-----|------|-----|-----|-----|-----|-----|-----|-----|-----|------|-----|-----|-----|-----|-----|-----|-----|-----|
| Task | Oct | Nov | Dec | Jan | Feb | Mar | Apr | May | Jun | Jul | Aug | Sep | Oct | Nov | Dec | Jan | Feb | Mar | Apr | May | Jun |
| Request for Proposals | █ | █ | █ | | | | | | | | | | | | | | | | | | |
| Site Planning and Design | | | █ | █ | █ | █ | █ | █ | | | | | | | | | | | | | |
| Plan Check and City Approvals | | | | | | █ | █ | █ | █ | █ | | | | | | | | | | | |
| ASM Global Pre-opening Planning and Services | | | | | | | █ | █ | █ | █ | █ | █ | █ | █ | █ | █ | █ | █ | | | |
| FF&E Procurement and Installation | | | | | | | █ | █ | █ | █ | █ | █ | █ | █ | █ | █ | █ | | | | |
| Site Improvements/Construction | | | | | | | | | | █ | █ | █ | █ | █ | █ | █ | █ | | | | |
| Start of 2026 Spring Concert Season | | | | | | | | | | | | | | | | | | | █ | | |
| ASM Venue Management (Post-opening) | | | | | | | | | | | | | | | | | | | █ | █ | █ |

**Dates are subject to change*

Conceptual Site Plan



Amphitheater Rendering



- **Estimated Project Cost:** \$14 million, including \$3-4 million for site improvement to enhance safety, access, and visitor experience. These improvements are necessary regardless of amphitheater project.
- **Funding Source:** Tidelands Fund will cover costs and be reimbursed through amphitheater's net operating profit.
- **Revenue and Payoff:** Net profit will come primarily from ticket sales and food/beverage revenue. Depending on performance, the investment payoff period is estimated at 3-5 years. ASM Global projects a five-year net profit of approximately \$12 million.
- **Pre-Opening Events:** Any City-hosted events before the amphitheater is fully operational will require a separate budget request.
- **Tidelands Improvements:** Once capital expenses are paid off, the project is expected to generate net revenue as part of the City's strategy to offset declining oil revenue. Funds may be used to support ongoing improvements at the QM site and Tidelands.
- **Economic Impact:** The project is also expected to drive indirect tax revenue growth from increased visitor spending at hotels, restaurants, and retail establishments throughout the City, which can be used for any General Fund purpose.

Fiscal Impact Continued



| Summary of Venue Impact | 5-Year Total | | 10-Year Total | |
|--|---------------------------|----------------------|---------------------------|----------------------|
| | Pro Forma | Improved | Pro Forma | Improved |
| | F&B Assumption | F&B Performance | F&B Assumption | F&B Performance |
| | Beg. Avg. \$23.80 per CAP | Avg. +\$5 per CAP | Beg. Avg. \$23.80 per CAP | Avg. +\$5 per CAP |
| Approximate Net Venue Operating Income | \$ 12,000,000 | \$ 15,200,000 | \$ 26,500,000 | \$ 31,400,000 |
| Additional City Parking Revenue | \$ 6,000,000 | \$ 6,000,000 | \$ 12,000,000 | \$ 12,000,000 |
| Additional Tax Revenue | \$ 11,000,000 | \$ 11,000,000 | \$ 22,000,000 | \$ 22,000,000 |
| Total | \$ 29,000,000 | \$ 32,200,000 | \$ 60,500,000 | \$ 65,400,000 |
| Sensitivity at 66% | | | | |
| Approximate Net Venue Operating Income | \$ 8,000,000 | \$ 10,032,000 | \$ 17,000,000 | \$ 25,000,000 |
| Additional City Parking Revenue | \$ 3,960,000 | \$ 3,960,000 | \$ 7,920,000 | \$ 7,920,000 |
| Additional Tax Revenue | \$ 7,260,000 | \$ 7,260,000 | \$ 14,520,000 | \$ 14,520,000 |
| Total | \$ 19,220,000 | \$ 21,252,000 | \$ 39,440,000 | \$ 47,440,000 |

Recommendation – Operator Agreement



Recommendation to adopt Specifications No. RFP ED-24-477 and award a contract to ASM Global Convention Center Management, LLC., of Los Angeles, CA, for the operation and management of an amphitheater located near the Queen Mary, in a total annual amount not to exceed \$300,000, subject to an annual Consumer Price Index adjustment of 3 percent, for a period of five years, with the option to renew for one additional five-year period, and approve a one-time payment in the amount up to \$1,500,000 to fund facility pre-opening services provided by ASM Global Convention Center Management, LLC, including operations, sales, general, and administrative expenses, and monthly management fees; at the discretion of the City Manager, and, authorize the City Manager, or designee, to execute all documents necessary to enter into the contract, including any necessary subsequent amendments.

Increase appropriations in the Tidelands Area Fund Group in the Economic Development Department by \$1,500,000 to fund facility pre-opening services, offset by the venues future net operating profit.

Recommendation – Project Budget



Recommendation to increase appropriations in the Tidelands Area Fund Group in the Economic Development Department by \$14,000,000 to fund design, permitting, engineering, project management services, infrastructure and site improvements, and furniture, fixtures, and equipment for the development of a temporary amphitheater, offset eventually by the venue's future net operating profit.

Thank you

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