

# Civic Center and Arena Operations



*Savannah City Council  
August 1, 2019*



# The Issue

## Resignation of key Civic Center managers

- Director
- Box Office Manager



# This Was Expected

**June 6, 2019:** City Council adopts recommendations of Urban Land Institute concerning redevelopment of Civic Center site.

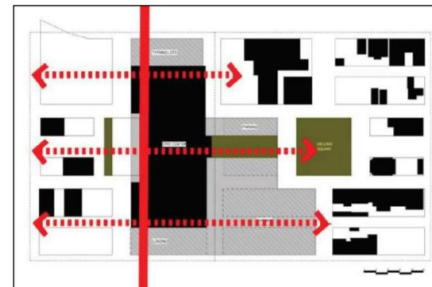
## *Recommendation:*

### **Remove the Wall**

- Represents monolithic presence
- Impinges on 2 historic wards and squares
- Blocks vehicular and pedestrian traffic along once viable east-west thoroughfares curtailing:
  - Economic growth
  - Limiting access to Historic District and west Savannah



*Existing Civic Center block*



*Civic Center as barrier for connectivity*



# We have options

**April 25, 2019:** City Council approves design assistance contract with Oak View Group Facilities as part of a phased contract that includes Civic Center operations and management of new Arena.



*“While you are awarding the design-assist contract today ... you are awarding (that contract) based on OVG’s full scope of services. We tailored the RFP so we could buy those services, and issue specific task orders, as we need them.”*

Former City Manager Rob Hernandez



# About OVG



- 570 employees
- Started by arena management industry heavy hitters
- Currently operates 21 venues
- Currently has \$3.5 billion invested in new arena development
- Owned by SilverLake, which manages \$40 billion in investable capital



# Benefits of Contracting Civic Center Management

- Transitional period to new arena opening
- Corporate sales and marketing resources to Civic Center operations
- Better events at Civic Center through Live Nation partnership
  - Controls 85% of live acts in United States
  - Gives OVG the opportunity to develop concert market prior to opening
- Allows OVG to build market for new arena



# How it would work



- City pays fee to OVG for management-level employees
- Other Civic Center staff would remain City employees
- OVG would implement marketing strategy
- OVG Manager would supervise City staff
- City would discipline employees through consultation with OVG manager



# OVG Proposal for New Arena Operations

- OVG would manage all operations
  - 75% DBE participation goal
- OVG to fund 100% of operations and maintenance costs
- City to fund capital improvements, at City's sole discretion





# Financial structure of OVG proposal for New Arena

## Flat Rent to City

Years 1 and 2: \$0

Years 3 and 4: \$50,000 annually

Years 5+: \$100,000 annually

## Revenue Share to City

\$0 - \$1M: 0%

\$1 - \$1.5M: 20%

\$1.5 - \$2M: 33%

\$2M+: 50%

## Capital Contribution to City

**\$5 Million** paid to City prior  
to opening for 5-Year agreement  
with 5-Year Renewal



# Options

1. Contract with OVG for Civic Center management and Arena operations
2. Contract with OVG for Civic Center management
3. Advertise and hire new Director for Civic Center

