

MINUTES
WAR MEMORIAL BOARD OF TRUSTEES
PRESENTORS LIAISON COMMITTEE MEETING
WAR MEMORIAL BOARD OF TRUSTEES SPECIAL MEETING
Wednesday, December 9, 2015

The Presentors Liaison Committee of the Board of Trustees of the War Memorial of San Francisco met at 2:00 p.m. on Wednesday, December 9, 2015, in the Trustees' Board Room, War Memorial Opera House, Nancy Bechtle, Chair presiding.

ROLL CALL

Present: Chair Bechtle, Vice President Horn, Trustee Wilsey
Absent: Trustee Lui, Trustee Shultz
Staff Present: Elizabeth Murray, Managing Director

ROLL CALL

Renewal of Agreement between War Memorial and City Box Office for Herbst Theatre Box Office and Ticket Sales Services:

Chair Bechtle stated that in advance of today's meeting, Committee members received the letter and proposal from City Box Office for renewal of the agreement with the War Memorial to provide Herbst Theatre Box Office and Ticket Sales Services. Chair Bechtle asked Beth Murray to review the renewal proposal.

Ms. Murray stated the War Memorial has had a contract with City Box Office to provide Herbst Theatre Box Office and Ticket Sales Services since 1991. Under this contract, Herbst Theatre licenses—unless exempted—are required to use City Box Office to handle their ticket sales, including advance ticket sales and night-of-event sales. City Box Office treasures ticket sales receipts until the event has occurred and the War Memorial's settlement of licensee's event fees and charges has been completed. Exempted licensees or events include subscription sales for annual subscription licensees, free events, and licensees who have exclusive contracts with other major ticket services.

Ms. Murray stated that City Box Office charges Herbst Theatre licensees a basic service fee, a ticket printing fee and a fee for night-of-event ticket seller(s). Additionally, ticket buyers are charged a ticket processing fee. Box Office fees are over and above the rent and performance fees charged to licensees by the War Memorial.

Ms. Murray stated that the War Memorial's last five-year renewal agreement with City Box Office expired on September 30, 2013, at which time the Herbst Theatre closed for seismic renovation. City Box Office and War Memorial staff now propose to renew the agreement with City Box Office for a three-year period from October 1, 2015 to September 30, 2018, with an option—at the discretion of the War Memorial—for a two-year extension.

Ms. Murray said the City Box Office proposal distributed to Committee members includes a schedule of fees and charges for Herbst Theatre events. The proposal provides for a net decrease in box office fees from 2013 fees. Ms. Murray introduced Lauren McQuade who has been with City Box Office since 1990 and who is currently the owner of City Box Office.

Ms. McQuade stated that City Box Office is not asking for any major changes to the fee schedule which was last amended in 2010. Ms. McQuade said the proposal includes two minor rate changes:

- An increase for each additional onsite box office employee from \$65 to \$70;

- A reduction in the ticket printing/processing fee from \$100 to \$50.

Ms. McQuade stated that City Box Office's ticketing system has gone through a number of upgrades, allowing them to handle a variety of subscriptions and packages. She noted that tickets now have barcodes and can be scanned, and patrons have the option of printing their tickets at home or have tickets sent to their mobile device. Ms. McQuade reported that City Box Office has added online features allowing licensees to review ticket sales information for their events, print their own reports and view seat maps. They also have an opt-in marketing program which allows licensees for a fee to have City Box Office send an email blast to City Box Office's 40,000 patron list. City Box Office also sells advertising on their website to licensees.

Ms. McQuade stated that City Box Office customer service representatives serve as the face to the public and all staff is knowledgeable about Herbst Theatre and licensees' events. She introduced two members of her team at City Box Office, managers Michael Earle and Gus Glimis.

Following discussion, and on motion of Vice President Horn, seconded by Trustee Wilsey, the following recommendation was unanimously adopted:

RECOMMENDED, By the Presentors Liaison Committee of the War Memorial Board of Trustees that renewal of the agreement between the War Memorial and City Box Office for Herbst Theatre Box Office and Ticket Sales Services be approved for a three-year period with a two-year extension option.

Amendment to Food and Beverage Concession Agreement between War Memorial and Patina Restaurant Group for operation of the Veterans Building Café:

Chair Bechtle stated that in advance of today's meeting, Committee members received a summary of the proposed amendment to the War Memorial's Food and Beverage Concession Agreement with Patina Restaurant Group to grant Patina the exclusive right to operate food and beverage services in the Veterans Building first floor café.

Chair Bechtle called on Patina representatives Giovanni Prada, Director of Marketing; Christian Muniz, Vice President for Performing Arts Centers; and Dean Rona, Executive Chef at the War Memorial, to provide an overview of the proposal.

Mr. Muniz stated that the Veterans Building Café will be named C+M (Coffee and Milk), and will be Patina's fourth C+M location joining one in Irvine, one at LACMA and one in Westwood. Patina representatives gave an overview of the concept, mission, sell proposition, design and construction update, floor plans, sample menus and marketing/signage overview. Mr. Muniz stated that the targeted opening date is February 8, 2016, and the proposed regular operating hours are Mondays through Fridays, excepting City holidays, from 7:00 a.m. to 3:00 p.m., and other hours mutually agreed upon by War Memorial and Patina.

Mr. Prada reviewed proposed signage plans for the Veterans Building C+M Café, including C+M branding on the front glass door and in the front window. Mr. Muniz stated that Patina is proposing some stools along the window in the Café as well as seating in the Veterans Building lobby for approximately 24 patrons.

Chair Bechtle asked Beth Murray to review the proposed terms of the contract amendment. Ms. Murray stated that the amendment adds the Veterans Building Café as one of the premises for which Patina has exclusive right to operate all food and beverage concession services. The amendment also provides:

- War Memorial shall make available for Patina's use on the premises all the City-owned equipment, fixtures and furnishings presently located in the Café installed as part of the Veterans Building project.
- War Memorial and Patina agree to an expenditure not to exceed \$20,000 from the War Memorial's and Patina's shared "Concession Equipment Replacement Fund" for additional designated equipment, fixtures and furnishings which were recommended but not included as part of the Veterans Building Project.
- Patina shall expend up to \$35,000 for additional required equipment fixtures and furnishings and

these items would remain the property of Patina at the end of the term of the agreement.

- Patina shall expend up to \$30,500 for pre-opening expenses including staff recruiting, training and uniforms, mock services, marketing, and printing and graphics.
- That standard concession fees, under our existing agreement, will apply to Café food and beverage sales; however, Patina shall pay no concession fees to War Memorial until Patina has recovered its expenditures for equipment, fixtures and furnishings and pre-opening expenses not to exceed a total of \$65,500.

Ms. Murray noted there are two and one-half years left on the term of the agreement and it is hoped that Patina will recover its opening expenditures within the first 18 months of operation.

During discussion, Vice President Horn noted that based on the proposed Café operating hours of 7:00 a.m. to 3:00 p.m. on Mondays through Fridays, the Café will not be open during the majority of Herbst Theatre events. He expressed concern at the inability for a Herbst Theatre patron to purchase pre-performance food offerings either at the Café or in the lower lounge where Patina provides Herbst Theatre beverage service. He noted that Patina's current food offerings in the Herbst Theatre lower lounge are limited to sugar/sweet items only. Trustee Horn stated that while he feels the Café proposal is good, he would like Patina to provide an option for informal pre-performance meal opportunities for Herbst Theatre patrons. Mr. Prada replied that this has been discussed with War Memorial staff and Patina has agreed to add sandwiches and salads at the Herbst Theatre lower lounge on a trial basis to determine patron response. Mr. Muniz added that Patina will be continually evaluating and analyzing Café operations, both internally and with War Memorial staff, and how the Café interfaces with Herbst Theatre and the new fourth floor venues will be a primary issue.

During discussion, Committee members expressed concern regarding branding signage on the exterior front window and on the Café front door as well as the style and placement of tables and chairs in the Veterans Building lobby. The Committee felt further review of branding and seating options is necessary.

Following discussion, and on motion of Trustee Wilsey, seconded by Vice President Horn, the following recommendation was unanimously adopted:

RECOMMENDED, By the Presentors Liaison Committee of the War Memorial Board of Trustees that the proposed amendment to the War Memorial's Food and Beverage Concession Agreement with Patina Restaurant Group – granting Patina the exclusive right to operate food and beverage services in the Veterans Building first floor café – be approved, and that Patina shall return to the Presentors Liaison Committee with specific options for branding signage and the style and placement of tables and chairs.

ADJOURNMENT

There being no further business, Chair Bechtle adjourned the meeting at 3:00 p.m.

Jennifer E. Norris
Executive Secretary