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SPECTRA'S SANDY SPRINGS DEAL FINALIZED

Management firm is gearing up for the 2017 debut of the Georgia venues

After more than a year of consulting, Spectra Venue Management has been awarded the contract to operate the City of Sandy Springs (Ga.) public gathering spaces. The city council approved the deal yesterday.

The contract calls for Spectra Venue Management to run the Performing Arts Center, family theater, meeting spaces and park. Construction is scheduled to be completed in February 2017. The venues are linked to City Hall and are part of a \$180-million new development project for the city. The performing arts center will have 1,000 seats, be state-of-the-art and used for big events. The smaller family theater will have a 300-400 seat capacity and will be a black box mostly used for community events.

"We selected Spectra Venue Management (then Global Spectrum) last May," said Sharon Kraun, communications director for the City of Sandy Springs. "We are methodical about details and were in no rush to get the deal signed. But it is a done deal now; the Sandy Springs City Council voted last night (June 21) on the measure to approve Spectra Venue Management and it passed."

The city conducted an extensive Request for Proposals (RFP) process to select a venue management firm, said Kraun. The project is the city's most ambitious undertaking since the city incorporated in 2005 and "we wanted to find a management outfit that fit. Criteria in our selection included each firm's approach to preopening services, programming and management and marketing of public gathering facilities."

Spectra Venue Management was one of three firms considered; the other two were SMG and VenuWorks. Kraun cited three of the reasons that the City of Sandy Springs chose Spectra Venue Management: "The firm has an extensive client portfolio of projects similar in scope; Spectra Venue Management thoroughly researched the City Center development, which was evident in their interview; they presented a viable approach to collaboration with other consultants on City Center."

"We were also impressed with the firm's extensive client portfolio of similar projects and local market presence with numerous venues in the Southeast," said Kraun.

Trent Merritt, regional VP for Spectra Venue Management, has been involved with the project for over a year. "We're really excited to be involved with the City of Sandy Springs," said Merritt. "It's taken a while to nail down the contract because the city has used great foresight in planning and has done a strong feasibility study and the facility is still under construction. Regardless of the time it's taken to work out the details with the city, one thing is certain: We will deliver the goods."

Merritt said that Spectra Venue Management has been consulting with the city on design, construction, programming and booking policies for months while the process of approving the contract was underway.

The contract, available online at the city's website, is grouped into three units of compensation: A Fixed Management Fee, Incentive Fee and Commercial Rights Fee.

The fixed management fee will be \$5,000 per month and escalate through opening of the facilities to \$8,500 per month. Spectra will receive an escalator based upon the Consumer Price Index (CPI).

The incentive fee clause states that Spectra Venue Management is entitled to receive 20% of increase over the revenue benchmark, 7.5% of the food and beverage including both concession and catering sales starting with the first dollar, and a qualitative fee, if earned, which is to be capped at \$20,000 in the first operating year and increased in each subsequent operating year by CPI. The qualitative fee will be based on four categories, with each category worth up to \$5,000 (subject to CPI increases.) The categories are: Results of customer service scores based upon the results of customer service surveys completed by patrons; completion of evaluations by facility users; community involvement and client relations.

The commercial rights fee will allow Spectra to derive a 20% fee for gross revenue derived from marketing pouring rights, certain advertising, and the branding of food and beverage products for resale.

Spectra will work with the city council to develop booking policies related to what types of acts, what kind of terms, budget and expected revenues. "We're looking at different models with the city," said Merritt. "It's a difficult process and a collaborative effort. It's going to take a couple of months before we get direction from the city as to what sort of entertainment they want to see in the venue. We will very much be working with the stakeholders to prioritize how the venues get used."

With the contract approved, Spectra will move forward in identifying a general manager and they hope to have a candidate within the next 60 days. "Finding the right general manager is our top priority right now," Merritt said. "We will be looking at both internal and external candidates."

Mayor Rusty Paul said through Kraun, "We are creating a sense of place in our downtown area, and the experience, our ability to maintain activity there at varying times of the day, is a critical factor in the project's success. Spectra Venue Management has not only the experience to manage facilities like the performing arts center, they also have a strong record of generating successful, creative programming."