

24. 25-54763 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 City Manager, or designee, to execute all documents necessary to enter into the contract, including any necessary subsequent amendments; and

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.
(District 1)

Office or Department:

Suggested Action: Approve recommendation.

April 1, 2025

Honorable Mayor and City Council
City of Long Beach
California

RECOMMENDATION:

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. (District 1)

DISCUSSION

The temporary amphitheater project, as proposed by the Mayor and City Council, aims to activate the Queen Mary's shoreside property while long-term planning efforts are underway. This project would establish a large-scale waterfront music venue, creating a new revenue-generating opportunity for the City. Alongside the City's special events parks and the Long Beach Convention and Entertainment Center (LBCEC), the amphitheater would help position Long Beach as a premiere music destination for music, entertainment, and events of all scales.

In considering the operational model for the temporary amphitheater, the City prioritized minimizing impacts on adjacent assets while ensuring shared success. As a result, the City expressed interest in a management agreement model, similar to those used for the LBCEC and Queen Mary. This model has been instrumental in the Queen Mary's success, allowing the City to oversee adjacent operations—including Carnival Cruise Lines, Maverick Helicopters, and the Long Beach Transit water taxis—while maintaining profitability for the first time in 40 years. The temporary amphitheater and its proposed management model are key components of the City's broader effort to position itself as a top-tier music, entertainment, and tourism hub—an initiative outlined in the Mayor's Grow Long Beach Initiative and central to the upcoming Entertainment Strategic Plan. By leveraging Long Beach's rich musical and entertainment history, the project will support the City's tourism sector, help to bolster

Tideland's revenue, and create economic opportunities for small local businesses benefiting from increased visitor traffic. The City will explore creative ways to connect businesses citywide to the amphitheater and other major venues through shuttling services, wayfinding, and strategic marketing initiatives in partnership with local businesses and business associations. Additionally, the City will encourage and support cross-promotional and partnership opportunities between the amphitheater and the Queen Mary to foster a mutually beneficial relationship.

The City will continue to evaluate the feasibility and plan for a permanent amphitheater. These efforts will be guided by long-range plans currently in development, such as the Downtown Shoreline Vision Plan (PD-6) and the Queensway Bay Plan (PD-21), which will establish the vision and policy framework for land use, design, and future development in the area.

Amphitheater Operator Scope of Services

City Council approval is requested to enter into a contract with ASM Global Convention Center Management, LLC (ASM Global) for the management and operation of an amphitheater near the Queen Mary. ASM Global shall provide a full range of services at the amphitheater through the term of the agreement including:

- Facility pre-opening services to include pre-construction design review, operational planning, business planning, sales, marketing, and event booking.
- Facility operations to include finance, marketing, naming rights sales, other sponsorship sales, premium seating sales, event booking, guest services, facility maintenance, and capital planning.
- Food and beverage services, including concessions and catering through SAVOR, ASM Global's fully integrated hospitality and culinary business.

ASM Global, recently acquired by Legends, is a global leader in venue management and live events, overseeing some of the world's most prestigious stadiums, arenas, convention centers, and theaters. With a strong presence in the entertainment industry, the company operates 13 outdoor amphitheaters. Additionally, ASM Global manages the LBCEC, giving them a unique understanding the City's music and entertainment industry. With a vast portfolio spanning major venues worldwide, ASM Global brings top-tier experience in delivering world-class live events and venue management solutions. The following is a list of outdoor amphitheaters currently 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, MA)
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)

ASM Global will hire a new management team to oversee the amphitheater. Key positions to be filled include a General Manager, Event Manager, Finance Manager, Production Manager, Booking Manager, Private Event Sales Manager, Premium Seating Manager, Marketing Manager, and Box Office Manager. ASM will utilize some of its staff and resources from LBCEC to support amphitheater operations. However, the amphitheater and LBCEC will be managed as separate entities, each with its own financial accounting, performance metrics, and operational requirements. The City will collaborate with ASM Global on the final layout and design of the amphitheater, drawing on their expertise in venue management and event booking to maximize revenue potential

Summary of Terms and Conditions

The following outlines a summary of the terms for amphitheater operations and management services:

- Pre-opening Services: ASM Global will provide pre-opening facility services, including pre-construction design review, operational and business planning, sales, marketing, and event booking. The City will reimburse all pre-opening operations, sales, general, and administrative expenses. Additionally, the City will pay ASM Global a \$15,000 monthly management fee during the pre-opening period. The reimbursement for ASM Global's pre-opening services, including the management fee, will not exceed \$1,500,000.
- Annual Management Fee: After the amphitheater opens, the City will pay ASM Global an annual management fee of \$300,000 (\$25,000 per month), subject to an annual CPI adjustment of 3 percent.
- Naming Rights and Sponsorship: The City will receive 82 percent and ASM Global will receive 18 percent of the sale of the naming rights at the amphitheater; the City will receive 80 percent and ASM Global will receive 20 percent of the sale of other sponsorships at the amphitheater.
- Food and Beverage Services: ASM Global will provide concession and catering services at the amphitheater through its fully integrated food and beverage business, operating as SAVOR Food & Beverage (SAVOR). SAVOR will pay the City a percentage of revenue generated from food and beverage sales, as outlined below:

| Service Area | City Percentage Share of Revenue |
|----------------------------------|---|
| General Concessions | 52% of Gross Receipts |
| Lounges, Clubs, Suites, Catering | 15% of Gross Receipts |
| Subcontractors of SAVOR | 50% of Net Amounts Received from Subcontractors |

- **Annual Budget and Operating Expenses:** At least 90 days prior to the end of each fiscal year, ASM Global will prepare a proposed annual operating budget for the following fiscal year for the operations of the amphitheater. The City shall be responsible for funding all operating expenses, except for food & beverage operations. It is anticipated that these expenses will be fully covered by operating revenue.
- **Capital Contribution:** ASM Global will provide a \$1,000,000 capital contribution toward the project. ASM Global and the City will collaborate to develop a Capital Contribution Budget which will prioritize food and beverage equipment needs, followed by furniture, fixtures, and equipment costs, as applicable.
- **City and Community Events:** ASM Global will collaborate with the City to support current and future City events at the Amphitheater, including existing music festivals and special events. Additionally, ASM Global will make good faith efforts to accommodate City-approved community events at the Amphitheater and provide services at cost. The estimated costs for community-oriented events vary based on size. Small events with 500 to 1,500 attendees are expected to cost approximately \$7,600. Medium-sized events, ranging from 2,000 to 5,000 attendees, have an estimated cost of around \$21,000. Larger events with more than 5,000 attendees are projected to cost approximately \$32,000.

Market and Financial Analysis

The City engaged AECOM to conduct a marketing analysis before issuing a Request for Proposals (RFP) to operate the temporary amphitheater. The analysis projected strong demand for a temporary amphitheater in Long Beach, specifically at the site adjacent to Queen Mary. The Los Angeles metropolitan area, which includes Long Beach, holds a significant share of the national concert market, ranking third in the U.S., behind only New York and Las Vegas.

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 |

The Hollywood Bowl is the top performing local venue, attracting approximately 291,981 ticketed attendees annually. In comparison, Long Beach’s large-scale music festivals collectively draw around 265,000 each year, while the Long Beach Grand Prix welcomes over 194,000 attendees annually. With a population approaching 500,000, Long Beach boasts a high concentration of residents aged 20-34, along with a diverse demographic mix, making it a prime market for live entertainment and large-scale events.

The Primary Market for the proposed temporary amphitheater extends within a 30-mile radius of Downtown Long Beach, 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 2. AECOM Analysis – Primary and Secondary Concert Venues

| Market | Venue | Type | Location | Miles from Project | Capacity |
|------------------|---|---------------|--------------|--------------------|----------|
| <i>Primary</i> | Queen Mary Waterfront | Outdoor Venue | Long Beach | 0 | 15,000 |
| | Long Beach Arena | Arena | Long Beach | 2 | 13,500 |
| | Pacific Amphitheatre | Amphitheater | Costa Mesa | 17 | 8,200 |
| | Hollywood Bowl | Amphitheater | Los Angeles | 25 | 17,500 |
| | The Greek Theatre | Amphitheater | Santa Monica | 25 | 5,700 |
| | FivePoint Amphitheatre (closed) | Amphitheater | Irvine | 27 | 12,000 |
| <i>Secondary</i> | Starlight Bowl | Amphitheater | Burbank | 31 | 5,000 |
| | Palmdale Amphitheater | Amphitheater | Palmdale | 57 | 10,000 |
| | Ventura County Fairgrounds | Amphitheater | Ventura | 73 | 15,000 |
| | Sycuan Stage at Gallagher Square Petco Park | Amphitheater | San Diego | 93 | 10,000 |
| | The Rady Shell at Jacobs Park | Amphitheater | San Diego | 94 | 8,500 |

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

AECOM's analysis concludes that an outdoor amphitheater in Long Beach presents a significant opportunity for the City to expand its presence in the live event industry. The venue is expected to perform well, with strong potential to attract audiences from both the Los Angeles and Orange County markets. Additionally, AECOM found that the recent closure of FivePoint Amphitheater in Irvine has created a market gap, highlighting the need for a mid-sized venue in the southern Los Angeles and Orange County region.

AECOM analyzed various operational models for managing an amphitheater and provided the following conclusion: "From a purely fiscal perspective, the City benefits more greatly when retaining ownership and responsibility for operational revenues and expenses, especially with a private operator, despite foregoing non-operating revenues. The increased potential benefit comes with increased financial risk exposure from the proposed venue."

AECOM also produced a sensitivity analysis that modeled a 50 percent reduction in venue performance. Even under these significantly reduced conditions, the analysis suggested that the venue could likely remain self-sustaining. Additionally, the findings highlighted a strong opportunity for the City to develop an amphitheater with the potential to repay capital costs within a relatively short timeframe. Based on AECOM's analysis, the City prepared an RFP to explore potential operators for the proposed venue while simultaneously working to develop comprehensive project estimates.

The AECOM analysis did not fully align with the final proposals received through the RFP process. However, the RFP process provided valuable insight into the opportunities and challenges of operating an amphitheater, revealing significant operational expenses that were not accounted for in the initial consultant-led analysis. Ultimately, when standardized for food and beverage revenue and show attendance projections, the top proposals demonstrated similar net financial positions. The ASM Global proposal, in particular, showed additional upside while also allowing the City to retain significant site control, accommodating the various uses of the location.

ASM Global's updated proforma now accounts for anticipated wage expectations and other inflationary cost adjustments. Additionally, due to necessary site improvements, recent tariff increases, and broader economic impacts, the total capital outlay for the project has increased

from a preliminary estimate of \$10 million to approximately \$14 million. Of this, about \$4 million is allocated for essential parking lot improvements, many of which are required to maintain public accessibility and maximize the use of the Queen Mary site regardless of the amphitheater project. It is therefore recommended that these improvements be completed now to create a safe and better visitor experience. The remaining \$10 million is designated specifically for amphitheater-related improvements.

Net profit at the venue is primarily driven by ticket sales and food and beverage spending. Depending on the overall performance, the payoff period for the amphitheater investment could range from three to five years. If the venue outperforms expectations, the operating model allows the City to share in the additional revenue, potentially shortening the repayment period. At current attendance and food and beverage projections, ASM Global estimates a five-year net profit of around \$12 million (see Attachment for the facility proforma). If the average food and beverage spend per person increases by \$5, the projected five-year net operating profit could exceed \$15 million. The average food and beverage spending for the average U.S. concert attendee in 2024 was \$31 per attendee.

| | 5-Year Total | | 10-Year Total | |
|--|---------------------------|----------------------|---------------------------|----------------------|
| | Pro Forma | Improved | Pro Forma | Improved |
| | F&B Assumption | F&B Performance | F&B Assumption | F&B Performance |
| Summary of Venue Impact | 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 |

Even in a lower-performing scenario, revenue from venue operations and additional parking and tax revenue from the City could offset costs. The amphitheater will rely on a diversified parking and mobility plan, combining on-site and off-site parking. This plan will include shuttle services from City-owned parking garages at the LBCEC and other Downtown locations. This approach is expected to generate additional economic benefits, such as increased parking and sales tax revenue, as amphitheater patrons park off-site and visit nearby restaurants, bars, and retail stores before and after events.

RFP Outreach and Responses

The Request for Proposals (RFP) was advertised in the Long Beach Press Telegram on August 5, 2024, and 28 potential proposers specializing in Property Management Services were notified of the RFP opportunity. Of those proposers, 24 downloaded the RFP via the City’s electronic bid system. The RFP document was made available from the Purchasing Division, located on the sixth floor of City Hall, and the Division’s website at

www.longbeach.gov/purchasing. An RFP announcement was also included in the Purchasing Division's weekly update of Open Bid Opportunities, which is sent to 44 local, minority-owned, and women-owned business groups. There were 6 proposals received on September 24, 2024. Of those 6 proposers, none were Minority-owned Business Enterprises (MBEs), none were Women-owned Business Enterprises (WBEs), 1 was a certified Small Business Enterprise (SBE), and none were Long Beach vendors (Local). The selection committee determined that ASM Global, of Los Angeles, CA, was the most qualified firm to provide the services.

To align with the City's outreach goal, Long Beach businesses are encouraged to submit proposals for City contracts. The Purchasing Division also assists businesses with registering on the Long Beach Buys platform to download RFP specifications. Through outreach, 3 Long Beach vendors were notified to submit proposals, of which 3 downloaded and none submitted a proposal. The Purchasing Division is committed to continuing to perform outreach to local vendors to expand the bidder pool.

This matter was reviewed by Deputy City Attorney Ashleigh Stone on March 13, 2025, Purchasing Agent Michelle Wilson on March 7, 2025, and by Budget Management Officer Nader Kaamouh on March 17, 2025.

TIMING CONSIDERATIONS

City Council action to adopt Specifications No. RFP ED-24-477 and award a contract concurrently is requested on April 1, 2025, to ensure the contract is in place expeditiously.

FISCAL IMPACT

The annual management fee after the amphitheater opens will be \$300,000 subject to an annual CPI adjustment of 3 percent. The management fee will be included in the venue's operating costs with the net operating profit being paid to the City. Additionally, the project will require one-time amount up to \$1,500,000 to fund facility pre-opening services inclusive of operations, selling, general, and administrative expenses, and monthly management fees. An appropriations increase in an amount of \$1,500,000 is requested in Tidelands Area Fund Group in the Economic Development Department to fund pre-opening activities. There is sufficient cash in Tidelands Funds now to allow for the City to pay for the pre-opening expense. These costs would then be repaid to the Tidelands Funds from the projected venue net operating profit. Once the initial 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. These funds may be used to support ongoing improvements at the Queen Mary site, including ship maintenance, revenue-generating projects, overall site development, and address critical operating needs in the Tidelands. Revenue generated at the site must be used exclusively for Tidelands purposes. However, 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.

This recommendation has no staffing impact beyond the normal budgeted scope of duties and is consistent with existing City Council priorities. The award of this contract will provide continued

Honorable Mayor and City Council

April 1, 2025

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support to Long Beach's economy by creating both permanent and temporary jobs for the development, management, and operation of the amphitheater. Additionally, it will generate indirect jobs through the economic multiplier effect created by spending from amphitheater attendees.

SUGGESTED ACTION:

Approve recommendation.

Respectfully submitted,



Bo Martinez
Director
Economic Development

APPROVED:



THOMAS B. MODICA
CITY MANAGER

ATTACHMENT



| Facility P&L - 3/21/25 Version | | | | | |
|---|------------------|-------------------|-------------------|-------------------|-------------------|
| | Year 1 | Year 2 | Year 3 | Year 4 | Year 5 |
| # of Ticketed Events: | 30 | 36 | 40 | 40 | 40 |
| # of Private Events: | 25 | 35 | 45 | 45 | 45 |
| Attendance: | 197,000 | 240,900 | 270,000 | 270,000 | 270,000 |
| Gross Revenue: | | | | | |
| Premium Seating: | 262,500 | 270,375 | 278,486 | 286,841 | 295,446 |
| Sponsorships: | 492,500 | 1,142,275 | 1,163,043 | 1,197,935 | 1,233,873 |
| Event Rent: | 1,690,000 | 2,100,000 | 2,377,500 | 2,448,825 | 2,522,290 |
| F&B Commissions (a): | 2,426,579 | 2,992,455 | 3,341,623 | 3,441,872 | 3,545,128 |
| Merchandise (Net): | 143,873 | 168,553 | 190,125 | 195,829 | 201,704 |
| Parking: | 436,000 | 536,000 | 600,000 | 618,000 | 636,540 |
| Facility Maintenance Fee: | 804,500 | 955,000 | 1,075,000 | 1,107,250 | 1,140,468 |
| Ticket Service Charge Rebate: | 1,483,157 | 1,813,025 | 2,024,190 | 2,084,916 | 2,147,463 |
| Off Manifest Ticket Sales: | 264,000 | 393,600 | 453,870 | 467,486 | 481,511 |
| Gross Revenue: | 8,003,109 | 10,371,283 | 11,503,838 | 11,848,953 | 12,204,422 |
| Cost of Goods Sold: | | | | | |
| (-) Selling Expenses: | 174,925 | 363,924 | 374,764 | 386,007 | 397,587 |
| (-) F&B Costs: | 0 | 0 | 0 | 0 | 0 |
| (-) Parking Expenses: | 161,320 | 198,320 | 222,000 | 228,660 | 235,520 |
| (-) Event Expenses: | 1,537,500 | 1,887,500 | 2,112,500 | 2,175,875 | 2,241,151 |
| (-) Promoter Rebates: | 2,173,500 | 2,536,000 | 2,870,000 | 2,956,100 | 3,044,783 |
| Total Cost of Goods Sold: | 4,047,245 | 4,985,744 | 5,579,264 | 5,746,642 | 5,919,041 |
| Gross Profit | 3,955,864 | 5,385,539 | 5,924,574 | 6,102,311 | 6,285,381 |
| Indirect Operating Expenses: | | | | | |
| (-) Staffing: | 1,286,530 | 1,325,126 | 1,364,880 | 1,405,826 | 1,448,001 |
| (-) Operations & SG&A: | 575,000 | 592,250 | 610,018 | 628,318 | 647,168 |
| (-) Repair & Maintenance | 200,000 | 206,000 | 212,180 | 218,545 | 225,102 |
| (-) Utilities: | 475,000 | 489,250 | 503,928 | 519,045 | 534,617 |
| (-) General Liability Insurance: | 137,900 | 142,037 | 146,298 | 150,687 | 155,208 |
| (-) Property Taxes & Insurance: | 0 | 0 | 0 | 0 | 0 |
| Total Indirect Operating Expenses: | 2,674,430 | 2,754,663 | 2,837,303 | 2,922,422 | 3,010,095 |
| Net Operating Profit before Fees | 1,281,434 | 2,630,876 | 3,087,271 | 3,179,890 | 3,275,286 |
| ASM Global Management Fees | | | | | |
| Pre-Opening Fee | 0 | 0 | 0 | 0 | 0 |
| Base Management Fee | 300,000 | 309,000 | 318,270 | 327,818 | 337,653 |
| Total Fees to ASM | 300,000 | 309,000 | 318,270 | 327,818 | 337,653 |
| Total City Profit (Loss) | 981,434 | 2,321,876 | 2,769,001 | 2,852,072 | 2,937,634 |

Notes:

a.) Represents the net amount of Food & Beverage revenue that will be provided to the venue by SAVOR as a percentage of gross receipts, as proposed under the F&B Commission Structure.