

**Appeal of the Management and Operational Service Contract Award for the St. Augustine Amphitheater – to be addressed during the September 19, 2006 County Commissioners Meeting**

**Reflections upon this appeal:**

- 1) **The St. Augustine Amphitheater is now an approximate \$9 million County investment. It has a limited number of seats and is in a small town that is removed from large marketing areas. In order for it to achieve profitability as an entertainment venue it needs a management team that is experienced in the running of such a facility and that can attract solid entertainment to this location.**
- 2) **SMG is a national organization that currently manages 200 entertainment venues, both large and small. They have an excellent and extensive track record. They manage a total of sixteen in Florida, six alone of which are in Jacksonville, including Alltel Stadium, the new Veterans Arena and Baseball Fields, the Equestrian Center, the Prime Osborne Convention Center, and the Times-Union Center for the Performing Arts. They have 200 full-time employees in Jacksonville along with 1500 part-time employees. And they have a ten-year relationship with the Jacksonville facilities here. Signature is a company formed specifically to bid upon this contract. As an organization, they have no track record.**
- 3) **An analysis of the financials indicates the following:**
  - \*Fixed management fees of \$45,000 less annually for SMG over Signature.**
  - \*Staffing costs of \$45,000 less annually for SMG over Signature.**
  - \*Ticket rebates of well over \$100,000 annually from SMG. None are available from Signature**
  - \*For SMG, yearly incentive monies accrue only after a \$750,000 revenue threshold. For Signature, yearly incentive monies accrue from the first dollar of sales.**
  - \*The above-mentioned items alone would amount to savings of \$1 million or more over the period of a 5 year contract, should SMG be selected over Signature.**
- 4) **SMG submitted a report of their financial condition to the County. Signature did not submit.**

**Finally, and most importantly, the County evaluation process worked properly. It reached the appropriate conclusion. The County Commission should honor that decision. In addition, to ignore the excellent track record plus the huge potential savings offered by SMG is to ignore the best interests of the citizens of St. Johns County.**

**St. Johns County Civic Association Roundtable Budget Committee  
Mary Kohnke  
Daniel MacDonald  
Walter Rohrer  
September 11, 2006**

