

MINUTES
WAR MEMORIAL BOARD OF TRUSTEES
BUILDING COMMITTEE
Thursday, January 12, 2017

The Building Committee of the Board of Trustees of the War Memorial of San Francisco met at 1:15 p.m. on Thursday, January 12, 2017, in the Trustees' Board Room, War Memorial Opera House, Chair Paul Pelosi presiding.

ROLL CALL

Present: Chair Pelosi, Trustee Levin, Trustee Shultz, President Horn, *Ex officio*, Vice President Bechtle, *Ex officio*

Absent: Trustee Walker, Trustee Wilsey

Staff Present: Elizabeth Murray, Managing Director and Jennifer Norris, Assistant Managing Director

Request from the San Francisco Opera to increase the Opera's per ticket facility fee:

Chair Pelosi stated that there was one item on today's agenda of the Building Committee, consideration and adoption of recommendations on the request of the San Francisco Opera to increase the Opera's per ticket facility fee effective for the 2017 Opera Summer Season.

Chair Pelosi reported that by way of background, in September 2013, the Trustees approved the request of the San Francisco Opera and San Francisco Ballet to implement a per ticket facility fee to fund replacement of Opera House auditorium seats and fund other building enhancements. The Board's approval provided:

- A per ticket facility fee of \$1 for upper balcony tickets and \$2 for all other tickets, with any change in the facility fee amount subject to approval of the War Memorial Board of Trustees.
- The Opera and Ballet shall provide reports to the War Memorial on facility fee income and expenditures.
- The War Memorial Board of Trustees must approve in advance all projects to be funded by facility fee revenues.

Chair Pelosi stated that in advance of today's meeting, Committee members received a letter from the San Francisco Opera requesting to increase the Opera's per ticket facility fee to \$2 per ticket in the balcony and \$3 per ticket in all other seating sections effective for the 2017 Opera Summer Season. The Opera notes that this proposed increase will better equalize the facility fee revenue being collected by both the Opera and Ballet. Chair Pelosi stated that Committee members also received a summary spreadsheet of Opera House Facility Fee revenues and expenditures from 2013 to present.

Chair Pelosi asked Marcia Lazer of the San Francisco Opera to comment on the Opera's request. Ms. Lazer stated that facility fee revenue collected thus far was used to replace Opera House balcony seats. She reported that balcony patrons have been very pleased with that upgrade, and patrons are now asking when the next phase of seat replacement will occur and if it will be the orchestra section. Ms. Lazer stated that the orchestra section includes 1,150 seats and this section will require a more specialized seat than was used in the balcony section as well as possible other modifications. Looking at both the revenue forecast and booking calendars, the summer of 2020 has been tentatively identified for the orchestra seat upgrade. Ms. Lazer stated that presently the San Francisco Ballet has collected \$540,000 more in facility fee revenue than the Opera due to the greater number of Ballet performances. She said that by initiating this higher facility fee, the Opera will achieve the same revenue level as the Ballet by 2020.

Ms. Murray stated that the design of the orchestra seat replacement project is subject to approval of the War Memorial Board of Trustees, including selection of the replacement seat and any other modifications that may be necessary to meet ADA and other code requirements. She said that the orchestra seat replacement project will be significantly more complicated and expensive than the balcony seat replacement project and that the Opera and Ballet have engaged a theater consultant to review code issues as well as develop scenarios to improve orchestra seat sightlines.

President Horn stated that the old opera houses of Europe have replaced seats while keeping with tradition and architecture of those houses. He stated the importance of the War Memorial Board being included in the decision making from the beginning of the process.

Chair Pelosi stated that the Trustees will need to be thoroughly involved in the orchestra seat replacement project, but that the issue being considered today is purely financial, to provide adequate revenue for the project to move forward.

During public comment, Debra Bernard, General Manager of San Francisco Ballet, stated the Ballet and Opera are working as partners on the seat replacement project and the Ballet wishes to express its support for the Opera's request.

Following discussion, and on motion of Trustee Shultz, seconded by Trustee Levin, the following recommendation was unanimously adopted:

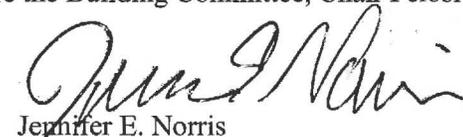
RECOMMENDED, By the Building Committee of the War Memorial Board of Trustees that the Trustees approve the San Francisco Opera's request to increase the Opera's per ticket facility fee to \$2 per ticket in the balcony and \$3 per ticket in all other seating sections effective for the 2017 Opera Summer Season.

Public Comment:

Chair Pelosi called for public comment on items within the jurisdiction of the Building Committee of the Board of Trustees, but not on the agenda. There being no public comment, Chair Pelosi closed public comment.

ADJOURNMENT

There being no further business to come before the Building Committee, Chair Pelosi adjourned the meeting at 1:45 p.m.


Jennifer E. Norris
Executive Secretary