

SAN DIEGO UNIFIED PORT DISTRICT

MEMORANDUM

Date: February 6, 2020

To: Board of Port Commissioners

Via: Michael G. Brown
Vice President, Marketing & Communications
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From: Yvonne Wise
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Subject: Resolution Rescinding Board of Port Commissioners BPC Policy No. 451:
Use of the District's Portable Stage

The purpose of this memo is to provide the board with additional data related to the following item that will be considered at the February 11, 2020 board meeting: File No. 2019-0479 Resolution Rescinding Board of Port Commissioners BPC Policy No. 451: Use of the District's Portable Stage.

As the Port-owned portable stage has deteriorated past its useful life and needs to be decommissioned, staff evaluated two possible solutions: (1) purchase a new stage and have the Port continue providing stage rental services, primarily for events under the Tidelands Activation Program (TAP); or (2) have event organizers and the Port rent stages from a professional rental company when needed.

Stage Purchase Option

- \$150,000 to purchase a new 18' x 24' stage
- Use 18 hours of General Services staff time for labor resources per event
- \$3,435 in Port labor expenses per event (amount varies based on overtime); over the past three years, the average annual labor expense was approximately \$45,800
- Port assumes expenses associated with long-term maintenance and transportation

Stage Rental Option

- Event organizer (Port or external) would contact a stage rental company when a stage is needed for an event.
- Event organizer could select a stage suitable in size and configuration for the event
- Stage rental company would transport and install the stage.
- \$2,200 rental per event (amount varies based on size/type of stage, etc.); this includes setup and removal by rental company personnel.

Analysis

In addition to the question of stage purchase vs. rental, staff had to determine if there was a business need to own a portable stage and continue to have the Port provide this service as

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an event-related amenity. In 2019, the stage was utilized 14 times, which included two Port events and 12 external events, the latter primarily under TAP.

The stage purchase option would require a significant upfront equipment outlay expense from the Port, as well an additional labor cost per use to have General Services staff provide the labor and resources needed to transport, set up, and remove the stage for events. Staff is also required to act as coordinator with General Services and the organizer on all of the logistics required in providing the stage. As such, it is more cost-effective and efficient for stages to be rented from a rental company on an as-needed basis.

For the remainder of the fiscal year, there are five events that received sponsorship under the FY20 TAP that included using the Port stage. These events are: Mariachi Festival, Best Coast Beer Festival, Pacific Rim Festival, Sheila R. Hardin San Diego Multi Cultural Festival, and South Bay Maritime Fest. As the Port stage is being decommissioned, staff will be handling the expenses associated with getting a stage from an outside rental company for these five events in order to honor the Port's TAP sponsorship commitments. Staff has already notified the five event organizers, and the Waterfront Arts & Activation department has funding in its Non-Personnel Budget to cover these FY20 expenses.

FY21 TAP applicants have been informed that the stage is no longer available through the Port and that they will need to procure one, if needed, from an outside company. Event organizers can, therefore, include stage rental expenses in the itemized event budgets they provide with their application. Awarding of sponsorships for FY21 TAP events will follow the standard evaluation process, which includes annual review by staff, the Tidelands Activation Program Advisory Committee, and the board. Since stage rental will be the responsibility of the event organizer, it is possible that total sponsorship requests for FY21 TAP may increase; however, this would be offset by a savings in the Port's operating expenses, as Port labor would no longer be used to set up stages for events.

CONCLUSION:

Upon staff's consideration of the proposed solutions, staff is recommending that the Port no longer provide stage rental services. Staff is also recommending the rescinding of the related board policy on use of the Port's portable stage in lieu of purchasing and maintaining a replacement stage as a Port asset. Pending board action, the portable stage will be disposed of per BPC Policy No. 111 – Disposition of Surplus Materials and Equipment.

If you have any questions or need further information, please contact Michael G. Brown (619) 686-8114 or via email at mgbrown@portofsandiego.org, or Yvonne Wise at (619) 686-6465 or via email at ywise@portofsandiego.org, with any questions.