

# **Management Review of the Fiscal and Operational Policies and Procedures of the Berry Center**

**Prepared by:**



**Stafford Sports, LLC  
August 4, 2010**



## **Introduction and Overview**

Stafford Sports, LLC (“Stafford”) was retained by the Cypress-Fairbanks Independent School District (the “School District”) to conduct a management review of the fiscal and operational policies and procedures of the Berry Center. Assisting Stafford in this review is The Goldwater Group. Stafford was retained for this assignment in order to identify opportunities to improve the quality and efficiency of the operation and management of the Berry Center, which is approaching its five-year anniversary,

The Review is designed to provide the Client with operational, financial, management and marketing guidelines and standard industry practices that are regularly used in the operation of public assembly venues. The Review includes a series of recommendations as to how the Cypress-Fairbanks Independent School District can improve the overall operation of the Berry Center. These recommendations address areas such as revenue generation, expense mitigation, event booking, facility and event marketing, facility operations, food and beverage operations and financial reporting.

These guidelines, practices and recommendations are based on the collective experience of the principals of Stafford Sports and The Goldwater Group, who collectively have more than 100 years of experience in the operation of, and consultation to, public assembly venues. Our principals personally conducted and completed all aspects of this Review.

The Berry Center is owned by the District. The Complex was built in response to an evaluation completed in 2001 by the Bond Steering Committee. Based on this evaluation, the Committee recommended that a multi-purpose facility be built that would serve the needs of a growing District, which serves as one of the largest employers in the Houston marketplace. By being designed as a multi-purpose facility, the venue would be able to serve the myriad needs of the District, which currently serves the needs of approximately 107,000 students through its employment of more than 13,000 employees. These needs included instructional activities, convocations, graduations as well as social and athletic activities for District students as well as ongoing staff development and training for District teachers and administrators.

The Committee also recommended that a second outdoor stadium for athletic events be constructed based on the inability of the existing stadium to effectively host all of the District high schools’ football games. As part of the Complex, a Food Distribution Center was constructed to serve the schools located on the west-side of the District and this state of the art facility serves 7.5 million meals annually to students.



By consolidating its needs in one centralized location, the District has been able to realize a significant amount of annual savings in its operating budget.

Now entering its fifth year of operation, the Berry Center continues to fulfill its primary mission, which is to serve the students, parents and educators of the District.

The secondary mission of the Complex is to serve the needs of the greater community contained within the boundaries of the District. This community mission takes place after the needs of the District are fulfilled. The Berry Center currently operates using a ratio to delineate overall event activity. District-related events account for 65% of the overall event activity at the Complex, while non-District events account for 35% of event activity.

The design of the Berry Center positions the Complex as a comprehensive multi-purpose facility that is able to address both the needs of the District and the surrounding community. As the Center continues to fulfill the user requirements of various constituents, it will increasingly be utilized by external user groups in the community.

The Complex has enhanced the quality of life for its students, teachers and the surrounding community. The Berry Center provides the District with the ability to efficiently conduct staff development at one location. Students and their parents have benefited from the ability to hold activities at a centralized location, instead of spending time and financial resources as a result of attending commencements, proms and other student activities at venues in downtown Houston. By having the Center as a resource for the entire Cypress-Fairbanks School District student population, students and their parents in some cases do not have to spend as much time on fund-raising activities for events that are now held at the Berry Center.

The Berry Center also benefits the surrounding community. As the calendar of non-District events at the Berry Center has increased over time, members of the community are able to attend events that would typically occur at other venues in the market and are able to save on some of the cost of transportation and parking. The attendees at Center events also spend some discretionary dollars at nearby businesses for both District and non-District events,.

The Berry Center serves a variety of constituents including, but not limited to, the following:



### Cypress-Fairbanks I.S.D. Events and Activities

- District student instructional activities including standardized testing and tutorials and training
- District educator and administrative activities (staff development, training, faculty meetings, conferences, etc.)
- District student activities (commencements, academic programs and fairs, social events, fundraisers, meetings, camps, etc.)
- District Athletic events (regular season football games, selected regular season basketball and volleyball games, playoff games)
- District miscellaneous events (theatre, college/career fairs, clinics, banquets, etc.)

### Non-District Events and Activities

- Community events (Plays by local theater groups, fundraisers, etc.)
- Second Baptist Church services on Sundays and educational, social activities on Wednesdays
- Meetings held by business and social organizations
- Promoter events such as consumer and touring shows

### **Scope of Services**

In order to complete the Review, the following Scope of Services was undertaken:

Stafford Sports and The Goldwater Group conducted a multi-day site visit. This site visit included meetings with a variety of users and representative constituents of the Complex. Our principals conducted extensive interviews with General Manager Beth Wade as well as the management staff of the Complex. Together, Beth and her staff manage the day-to-day operation of all aspects of the Berry Center, including administration, human resources, financial reporting, billing, event management and production and all operational aspects of the Complex.

We also conducted interviews with the senior administrators who oversee and manage the operation of the District including Dr. David G. Anthony, Superintendent; Dr. John Ogletree, School Board President; Pam Wells, Associate Superintendent for Facilities, Planning and Community Relations, who directly oversees the operation of the Berry Center; Roy Garcia, Assoc. Superintendent for Curriculum, Instruction and Administration, Harold Rowe, Assoc. Superintendent for Technology and School Services and Marney Sims, General Counsel for the School District. Other key department heads for the School District who supervise and manage departments that are affected by the Berry Center's operation, participated in these discussions.



These meetings with School District officials were conducted to better understand how departments within the School District and various District constituents are affected by the operations of the Berry Center and to obtain a variety of perspectives on the expectations and overall performance of the Complex. Stafford also conducted these interviews in order to gain a thorough understanding of School District policies and procedures and how they relate to the operation of the Berry Center.

Our interviews with Berry Center management staff, senior District officials and other key District administrators were designed to gather information regarding the following:

#### Event Development

- Practices for revenue generation
- Procedures for event preparation and breakdown
- Strategies for booking new event activity
- Practices for developing and maintaining relationships with
  - event producers
- Management of the booking calendar

#### Financial Oversight

- Direct and indirect facility operating costs
- Budget process by department
- Budget process for events
- Financial forecasting procedures
- Practices for expense control
- Process for development of the annual operating budget
- Process for development of a capital improvements budget

#### Facility Operations and Staffing

- Customer and guest service practices
- Ongoing operating practices by department
- Repair and maintenance policies and practices
- Contract procurement procedures
- Interaction between the Center's full-time staff and other School District departments
- Organizational and management structure
- Compensation and benefits structure
- Hiring strategies for part-time, event-related staffing
- Accountability practices for all employees
- Staffing and facility costs for various types of events



The following sections provide a detailed narrative of our findings, observations and recommendations for improvement of the Berry Center's operation:

## **FACILITY OPERATIONS AND STAFFING**

The success of any public assembly facility is a 'brand identity' that is recognizable with its constituents. The brand identity is typically based on three important elements. These include the booking of popular events (concerts, family shows and special entertainment events) the facility's overall look and appearance and the level of service for its customers. The combination of these elements combine to create a successful revenue-generating entity that has a positive reputation among the facility's constituents.

In order to determine the level of customer service provided by Berry Center management, Stafford conducted interviews with users of the Complex. These interviews were conducted with representatives of external user groups such as family/consumer shows and concert presenters as well as the Complex's primary tenant, the 2<sup>nd</sup> Baptist Church, which uses the arena and other spaces two times a week year round. We also interviewed Roy Garcia, Associate Superintendent for School Administration and key department administrators who oversee the primary District user groups such as administrators, staff and teachers about their interaction with the Berry Center staff and their overall guest service experience.

Based on the above interviews and our detailed interviews with Berry Center's management staff regarding the job responsibilities, the staff at the Center management has maintained a clear focus on providing a superior guest experience. The General Manager, Beth Wade, is an experienced industry professional who has many years of experience in the booking, management and operation of facilities. The Center is also fortunate to have on payroll two other key department heads (Paul Hendrickson, Operations Manager and Brent Buchanan, Technical Services Manager), who have a number of years of industry experience. Our interviews with Paul and Brent and the remaining staff are positive indicators that each staff member is dedicated and effectively handles their responsibilities.

In order to measure the level of care and maintenance of the Complex, Stafford conducted a comprehensive walk-through of all venues, spaces and exterior grounds with operations department personnel. During our on-site-visit, we also reviewed event and facility operations procedures and management's practices for repair and maintenance of the Berry Center. We conducted detailed interviews with Paul Hendrickson and Brent Buchanan, Technical Services regarding venue operating practices. In addition, we met with Scott LeDoux, the District's Assistant Director for Maintenance and Operations, Human Resources and Harold Rowe, Associate Superintendent for Technology. These individuals supervise human resources and technology infrastructure for the Center.



Stafford considers the Complex to be extremely well maintained, which is reflected in the cleanliness of the facility, the maintenance of equipment and the overall condition of the venues and support spaces. The grounds and the parking lots around the Center are also well maintained. With the implementation of an advertising and sponsorship program, there are opportunities to provide visibility for partners of the School District through signage enhancements. As noted in the previous section on sponsorship and advertising, these enhancements would range from the addition of strategically placed signage in the form of banners or technology solutions such as flat screens or LED panels.

Based on our walk-through and interviews with management staff, Stafford is concerned about the lack of security at key location points at the Center. There are two primary entrances open during the day and both doors are left open to allow visitors, event attendees, ticket buyers and other guests to enter the building. Since there are no security guards or identification checkpoints at either entrance, anyone entering the facility has free access. Staff located in the administrative offices looks to check identification periodically, but there is no one person who consistently checks all visitors.

The design of the Complex has created another security challenge since the two staircases adjacent to either entrance are not secured. It is our understanding that the fire marshal will not permit doors at the bottom of these stairs, so as to allow ingress and egress from the stairways in case of an emergency. As a result, anyone who enters either of these two entrances can access a stairway and have unimpeded entree to other areas of the Complex.

Stafford conducted detailed interviews with each member of the full-time management staff at the Berry Center in order to determine core job responsibilities and day-to-day job duties. In addition, Stafford reviewed the following documents:

- The Berry Center's organizational chart
- Job descriptions for full-time employees and supervisors
- Salaries and benefits for full-time employees
- Wage scale for employees who staff the custodial and facility services departments

The Berry Center has a salaried staff of six employees. There are two supervisors who oversee the custodial staff for the Complex and there are three supervisors who oversee facility and grounds maintenance.

The core job responsibilities for the full-time staff and supervisors are:



- The administration, management and implementation of all aspects of the day-to-day Berry Center operation including event bookings, event facilitation, financial bookkeeping and overall facility operations
- The housekeeping/custodial staff which handles all routine maintenance as well as pre and post event cleaning
- The facility maintenance staff provides overall venue maintenance and has staff who function as carpenters who complete tasks on-site
- The School District supports the Berry Center by providing additional trades such as electricians, plumbers and technicians/engineers for HVAC systems

Stafford reviewed the number of full-time staff employed by the Berry Center and compared this level of staffing with industry standards for full-time positions at public assembly venues. Based on this review, we consider the Complex to be understaffed. The situation places a burden on all staff, particularly the General Manager. As outlined in the section on event development, the ability to generate additional revenue for the Center requires the General Manager to have the time and resources to aggressively seek and book outside events.

Stafford considers there to be a number of opportunities for revenue generation at the Berry Center. To meet the business goal of generating additional revenue, the Berry Center needs to be properly staffed.

At a minimum, the Berry Center lacks two key front office positions that are critical to overall revenue generation. There is currently no full-time staff member to handle the sale of advertising and sponsorship for the Center or the marketing of ticket sales for external events. Both of these revenue generating duties would have a positive impact on income for the Center. The function of sales and marketing is a vital role and is the dedicated responsibility of at least one full-time staff member in most public assembly facilities. The core job responsibilities of this position would be to:

- Develop all collateral and marketing materials
- Identify and generate sponsorship and advertising income for the Complex
- Solicit area businesses, meeting planners and social events for use of the Complex, in particular the meeting rooms and spaces of the Conference Center. Profitable events can range from corporate meetings to social events.
- Handle all aspects of marketing and public relations for external events which sell tickets to the general public. The effort associated with the marketing of ticket sales for external events would increase revenue streams such as rent and food and beverage income
- Assist the General Manager in developing self-produced events. The sales and marketing position would also generate additional revenue streams for events like consumer shows by directly selling booth space to vendors



- Handle public relations and communication activities for events at the Berry Center and position the Berry Center with ticket buyers and user groups in the greater Houston marketplace
- Work with the School District and members of the Berry Center to develop a crises management and communications manual

The second negative impact to the operation of the Berry Center is the lack of a second event coordinator. Given the number of District-wide and non-District events that take place at the Berry Center, one staff position is inadequate to properly handle the workload associated with the coordination and implementation of the requirements of each District and non-District event. Due to understaffing in this area, the existing event coordinator must manage a larger workload than can reasonably be accomplished by one person. This impacts the remaining salaried staff, including the General Manager, who also assumes some of the event management duties that would typically be the responsibility of a second event coordinator. Due to this shared workload, the salaried staff is unable to focus on marketing the Center.

As a result of this deficit in staffing, the Berry Center has had five event coordinators in less than five years. By way of comparison, the industry standard for public assembly venues is to retain staff in these positions for many years, since clients feel most comfortable when they are dealing with an experienced event coordinator who has managed their event in the past and is able to ensure that all event requirements are fulfilled. In addition, satisfied clients often equate to repeat business, since clients are more likely to return to a venue when they know that the event coordination function is handled by an experienced individual.

The final impact of having only one event coordinator is that the General Manager and her staff spend a significant amount of time and energy to ensure that School District and external events are handled seamlessly. Based on our interviews and review of the Center's operation, the requirements for each District and non-District event are often delivered by the event coordinator to various Berry Center departments at a late date that makes the event fulfillment process challenging. This frequently causes an 'all hands on deck' reactive approach to event management and fulfillment and requires the General Manager to handle some event fulfillment duties. As a result, the General Manager spends little time soliciting profitable outside events.

Without a second event coordinator in place, it is likely that external events generated by the General Manager and the new marketing and sales position will not succeed over time.

Unlike other public assembly facilities, the Berry Center has no staffing for a box office operation. Rather, the Center uses multiple ticketing operations for



computerized ticketing and the Center's staff fulfills requests for advance tickets through at the Center's administrative office.

For District Athletic Events, the Athletic Department has been selling advance tickets through the District's high schools and through the Athletic office at the Berry Center. It is our understanding that the Athletic Department has retained Houston-based ExtremeTix to sell computerized tickets for the 2010-11 season.

For Christian concerts, Christian programming station KSBJ has used its internal computerized ticketing system, TicketServant for its concerts at the Berry Center. Senior executives of the station have indicated that they specifically present concerts at the Center (vs. other Houston based arenas) because the Center allows them to use their own ticketing operation. The Berry Center has also contracted with ExtremeTix for events like Cirque du Soleil.

The use of multiple ticketing systems and the lack of a box office operation with full-time staffing are atypical of public assembly facilities.

### **Recommendations for Facility Staffing and Operations**

The following recommendations are designed to improve the overall operation of the Berry Center:

1. A full-time position of sales and marketing, which would have direct responsibility for all aspects of an advertising/sponsorship program. Duties would include generating partnership revenue for the Berry Center through advertising signage (as outlined in the previous section on advertising/sponsorship), event sponsorship and potential naming rights opportunities. In addition, the sales and marketing position would be responsible for the marketing of ticket sales for external events. Events such as touring family shows rely heavily on the venue to promote and market their ticket sales to the local community. This position would also generate revenue by soliciting business and social events for the conference center.
2. There also needs to be an increase in the marketing budget, which is currently inadequate to market the Center to various target markets. The budget would primarily consist of expenses allocated for the development of collateral materials and trade ads to targeted industries. The amount budgeted for marketing should be determined by developing a marketing plan that identifies business goals, target markets and implementation strategies.



3. A second full-time event coordinator position, the addition of which will serve to better manage the requirements of District and non-District events. The benefits of this position are such that event requirements will be delivered in a timely fashion to all Center departments (operations, audio/visual, catering/food & beverage, custodial) thus ensuring the proper execution of the event. As importantly, the addition of this position will allow the General Manager to more effectively assume one of the major duties of her position, which is the generation of revenue through the booking of external events. The addition of a second event coordinator could lessen the turnover in the position, which will likely result in better client retention over the long term. Finally, a second coordinator position will enhance the marketing of the Berry Center brand, since there will be ongoing consistency in the delivery of customer-focused services.
4. As part of the recommended rollout of advertising signage in the Berry Center, there will need to be signage enhancements to the facility. These enhancements would primarily be located in the venues and interior spaces of the Complex. In addition, signage strategically placed at or near visible exterior locations such as the visible entrances to the Complex will provide visibility for marketing partners. The addition of strategically placed signage would be in the form of banners or technology solutions such as flat screens or LED panels.
5. Based on our analysis of the ticketing procedures currently in place, the Berry Center should look to contract with a ticketing company for external events. This would save the cost inherent with operating a full-time box office operation. Additional benefits are that the Center would have a consistent ticket operation for both external and athletic events that is familiar with the venue. An exception to the use of an outside ticketing company would be the Christian concerts promoted by KSBJ, which requires use of its own ticketing system.
6. Given the visibility of the Berry Center, a thoroughly vetted crisis management and communication manual should be developed that develops a plan of action and response in the event of emergencies. This manual should be updated and reviewed with all Center staff and relevant District administrators periodically.
7. An evaluation of the security procedures for the Berry Center should be considered. There are access points to the Complex that could allow an individual to enter the facility while District and non-District events are occurring.



## **FINANCIAL OVERSIGHT AND REPORTING PROCESS**

Stafford conducted detailed interviews with management of the Berry Center and School District administrators. These interviews were completed in order to understand the process for development and management of the venue's annual operating budget. These interviews provided insight regarding the reporting process by the Center's management, administration, operations and finance departments to the School District.

Interviews were conducted with the Berry Center's General Manager, Beth Wade and Sandy Tilton, the venue's bookkeeper as well as other department heads. We also met with Pam Wells who directly oversees the operation of the Berry Center.

Stafford met with School District's department heads who have financial oversight for the Berry Center, including Karen Smith, Assistant Superintendent for Financial Services and Colleen Wells, who oversees procurement of capital equipment to understand the process for contract procurement of extraordinary maintenance items, administration of annual contracts, and the process for budgeting of capital improvements.

Stafford also reviewed existing financial statements for the Center, including monthly financial statements and annual operating budgets. We reviewed a consolidated statement for the Center that was provided by the School District and other financial documents related to the operation of the Complex. As part of this review, we reviewed financial documents related to the operation of the Center, including:

- Monthly financial statements
- Annual financial statements (income and expenses)
- Indirect operating expenses by department
- Chart of Accounts
- Event settlement statements including rent and facility expenses
- Settlement statements including rent and facility expenses for representative events
- Event-related costs for District events
- Wage scale for part-time, event related employees such as ushers, ticket takers, event security, etc.

Stafford found that the financial and reporting systems in place at the Berry Center with regards to budgeting and development of the annual operating budget, contract procurement and administration to be in line with industry standards. Based on our review, there is an appropriate reporting process between the Berry Center and the Cypress Fairbanks I.S.D.



Stafford reviewed each expense line item and of the Berry Center's budget and compared line items over a three-year operating period. We did not find any major variances in this budget comparison. We also reviewed these line items against industry cost standards for operating a facility and do not consider the Complex's operating budget to be excessive.

The District and the Berry Center have established a rate card structure for user groups, with user groups falling into various categories depending on the type and nature of the user group. This approach to charging various rates depending on whether a group is a School District group, a not-for-profit organization or a for-profit entity is consistent with industry practice.

District-related events are not charged any staffing costs and rent is not charged as part of the Berry Center's operating policy. Users of the Center are charged the cost of food and beverage, but the Center permits items such as bagged lunches to be brought in by user groups.

It is our understanding that there are instances where District users place holds on a meeting room in the Center and fail to notify management when the room is no longer required. This practice creates further challenges for the Center's event management department and the District should consider development of a policy for District users who cancel without notification.

Stafford reviewed the District's practice of using permanent, part-time food service workers to staff concession stands at events. The hourly rate structure for these workers is somewhat higher than our experience with other public assembly facilities but still falls within an acceptable pay range. It should be recognized that ongoing increases in the pay scale for concessions workers would begin to have a negative effect on the venue's bottom line. An alternative to exclusively using part-time food service workers is to have a community organization staff one or more of the concession stands. The community organization would not charge the Center for their labor costs and would only receive paid a percentage of concession sales for that event. This would reduce the overall cost of labor for the operation of concessions.

Stafford reviewed the standard rental agreements for rental of the arena, stadium, theater and conference center/meeting rooms and found the agreements to be in line with current industry standards. This process included a review of event settlement with a major touring event (Cirque du Soleil) as well as monthly invoices that were prepared for the Center's primary tenant, the 2<sup>nd</sup> Baptist Church. As is typical of current deals in the industry, the Center charges an amount that is inclusive of rent, event staffing and facility expenses. The cost of stagehands is an additional charge because these expenses vary depending on the production and rigging needs of the event. Stafford found the rent, the



amounts charged for staffing and the facility expenses for the events to be in line with other venues.

### **Recommendations - Financial Oversight and Reporting Process**

The following recommendations would facilitate the process for overall financial management of the Berry Center by the School District:

1. With regards to the annual budget, Stafford recommends that more frequent communication between the Berry Center and School District administrators occur. It is our understanding that the Berry Center submits a budget for the next fiscal year and receives a finalized budget based on a review by the District. Prior to submittal of a recommended budget, School District administrators and the Center's management should meet prior to budget submittal. This will allow all involved to better understand the overall requests by the Center's management as well as limitations on the budget request based on likely District budget parameters for the upcoming fiscal year.
2. Stafford has reviewed the annual budget for the Center, which lists all projected operating expenses. In addition, we recommend that a revenue budget be developed on an annual basis that summarizes projected income from key revenue sources. As part of this budget, a projection of the number of District and non-District events should be included and compared with the actual number of events from previous fiscal years.
3. As with the annual operating budget, the Berry Center's General Manager and accountant should meet with the District administrators prior to the development of requests for improvements to the Center. This will allow both sides to be thoroughly involved in the process and to have an understanding of the improvement needed for the Center.
4. Berry Center management and the School District should develop a five year capital improvements plan. By identifying shorter term and long term capital improvements during a five year period, there is more predictability to the management of requests. The industry standard in the development, implementation and management of a five-year capital plan is that some requested items will be given priority in any given year and that items which had previously been requested and not approved in previous years may become a more urgent priority.
5. Stafford recommends that a portion of the Berry Center's overall revenue be set aside to help fund long term capital expenditures. This practice will create a disciplined approach of allocating dollars on a regular basis towards future needed improvements.



6. The Accountant for the Berry Center and the Finance Department at the School District should work together to develop a quarterly financial forecast for the Complex. By developing a rolling forecast, this will allow the School District to better plan for any variances against the year's budget. The quarterly forecast would be in addition to the monthly financial statements that are currently in place.
7. Based on the booking and marketing strategies outlined in this report, the Center's General Manager should develop a quarterly booking report for the District. This report would be no more than a page or two in length and would provide new business that has been secured as well as event opportunities that are being sought.
8. Although the Berry Center's primary mission is to serve the needs of the District, it is not financially prudent for the venue to incur the financial burden associated with a District user group who is a 'no show.' The Center bears the costs associated with meeting the requirements of the event, while simultaneously losing the opportunity to book an external event. The District should consider developing a cancellation policy that creates either a charge back to the District user group for failure to use a meeting space without notifying the Center or providing a credit to the venue for the expenses associated with this lost event.
9. Consideration should be given to having the Berry Center have a community group staff one or more of the concession stands during a ticketed event. This is a common practice in secondary market buildings and the community group uses their compensation for fund raising purposes. By using a community group on a trial basis, management can determine the comparative effectiveness of using service workers along with a fund raising organization.



## **EVENT DEVELOPMENT**

Stafford reviewed the Berry Center's historical event activity and associated attendance levels. We have analyzed the number of sports, entertainment and special events and attendance over the last three years. We have also reviewed projected event bookings for the upcoming 2010-11 fiscal year. In addition, we have analyzed financial settlement statements from selected events in order to understand the typical profit or loss from different types of events hosted by the Berry Center.

The review of the list of events at the Berry Center for the last three fiscal years enabled us to understand the number and impact of District and non-District events. Event activity has grown every year since the Berry Center opened. The Berry Center generated 1,582 room uses in FY 06-07, 2,004 room uses in 07-08, 2,238 room uses in 08-09 and 2,442 room uses in 09-10. The continued growth in activity is a positive indicator that both user groups (in the District and non-District) are aware of the Complex's spaces and capabilities.

In addition to this trend analysis, Stafford reviewed lists of individual events for the last three fiscal years to better understand the types of groups in the District and outside the District that utilize the Berry Center. In addition to these reviews of activity, we interviewed a number of key executives to determine whether the Berry Center has met the needs of the District, its students, teachers and administrators. We also interviewed selected non-District users to understand whether the Berry Center was able to meet their event requirements.

Based on the above event analysis and these interviews, Stafford has concluded that the Berry Center continues to fulfil its primary mission of servicing the needs of the District's students, teachers and administrators.

With regards to non-District events, Stafford considers the facilities contained within the Berry Center Complex to be suitable to host a variety of external events. Principals of Stafford Sports and The Goldwater Group have served as operators of, and advisors to, a number of public assembly venues nationwide and we consider the facilities of the Berry Center to be more than adequate to host the types of events that are presented in other public assembly facilities.

Our review of non-District activity and our interviews with management of the Berry Center indicates that there are opportunities to generate additional non-District events. Although use of the Berry Center is appropriately given first priority by facility management, there are periods of time during the year when the Berry Center can accommodate outside activity. These windows of opportunity include:



- The months of June and July when school is not in session
- The last two weeks of December and the first week of January during holiday break
- Selected opportunities to book other available spaces in the Complex while District events are taking place

The ability to book non-District events is based on two primary factors. The facility must be properly staffed in order for management to have the time, resources and flexibility to aggressively seek outside events. The facility's management team must also have the personnel and resources to market the facility to outside users and to ensure that these events are successful.

As described the previous section, Stafford considers the Berry Center's management team to be understaffed. The Complex has only one event coordinator to facilitate the needs of all of the District's needs as well as those of external events. There is no marketing position on the full-time staff to create awareness of the facility to outside user groups or to market ticket sales for external events.

As a result of the lack of proper staffing, the Berry Center's General Manager is forced to take on a significant portion of the workload that would typically be assigned to a second event coordinator position. The General Manager handles a number of the event management duties that would typically be handled by two event coordinators, since the one person in this position is unable to handle the workload associated with the amount of District and non-District events that take place as the Complex.

By taking on these additional duties, the General Manager is unable to spend the time necessary to effectively book the Berry Center. In public assembly venues across the country, the General Manager of these facilities spends much of the day on the phone with promoters, booking agents, touring show executives and other event presenters. The need to aggressively pursue events is a result of the increasingly competitive regional and national landscape for events. The competition for events is due to the increasing number and variety of new public assembly venues both in Texas and across the country over the last decade. This trend in facility development and re-development is anticipated to continue in the future.

In the Houston market alone, the Berry Center competes against established facilities with proven track records of success like Reliant Park (arena, conference space and meeting rooms, the Toyota Center, the Woodlands, the George R. Brown Convention Center (convention, meeting and conference space) as well a number of hotels (meeting rooms, conference centers, ballrooms) in the market. Given the number of facilities that are competing for



events, the presenter of a national touring show like a concert or family show can selectively 'pick and choose' which markets and venues to play in any region of the country. As a result, there are an increasing number of public assembly venues which struggle to attract touring shows because there are more venues than there are dates for a touring show to play.

However, the Berry Center does offer some advantages to presenters of touring shows. The arena at the Berry Center has 8,300 fixed seats and this is a suitable capacity for many of today's touring events. In particular, touring family shows choose to play intimate venues like the Berry Center, where they have the opportunity to play to a full house. The Berry Center also serves the area of Northwest Houston and for many of the area's residents attending a show at the Berry Center is preferable to dealing with the traffic and parking issues associated with attending an event at one of the downtown venues. The Berry Center offers touring shows the ability to reach a suburban market of approximately 800,000 residents. The combination of a dedicated market and an appropriate seating capacity makes the Berry Center an ideal venue for some touring shows that are looking for a second venue to play in the Houston market and would like to reach a desirable suburban audience within proximity of the Center.

An example of touring shows that play suburban venues in addition to downtown venues are family shows. Shows such as Sesame Street Live, one of several touring attractions presented by Vee Corporation, and the Harlem Globetrotters regularly play both suburban and downtown venues in order to reach the widest possible fan base in a given market. In addition to these touring shows, other major family show producers such as Feld Entertainment (which presents Disney on Ice and Ringling Brothers and Barnum & Bailey Circus) play either the Toyota Center or Reliant Park. The arena within the Berry Center Complex does not have ice-making capabilities, which may preclude hosting shows such as Disney on Ice and IMG's Stars on Ice skating exhibition from playing the Center. By using the example of the success of Cirque du Soleil at the Berry Center, the General Manager can present to family show executives the idea that they can and should play both the Center as well as one of the downtown venues.

Stafford has reviewed the rental cost structure for a concert to play the arena portion of the Berry Center and we find the cost structure (rent and all event staffing before stagehand costs) to be competitive. By way of example, Stafford was able to alert one of our industry contacts who books concerts about the Berry Center, which in turn led to a 'hold' on the building for a potential teen concert. Our industry contact indicated that the cost of the Berry Center was in line with other venues of similar size. In addition, Stafford met with senior management at KSBJ, the primary Christian radio station that serves the greater Houston market. KSBJ radio has a concert production division which has



regularly presented Christian concert artists at the Berry Center. Management indicated that the Berry Center remains the station's venue of choice and the executives look to present as many major Christian artists as possible at the Berry Center. Management pointed to the low cost structure at the venue and the dedicated level of service by the management and part time staff of the Center.

Both of the above examples are positive indicators that the Center has the opportunity to continue to attract concerts based on its modest expense structure and the population base it reaches.

In addition to Christian concerts, management of the Center has pursued concert opportunities in other musical genres. The General Manager has indicated that booking agents and promoters have been reluctant to bring certain concerts to the Berry Center because of the District's policy of not serving alcohol at the venue.

Stafford recognizes that there are some concert artists who will not play a venue that does not serve alcohol. However, there are a small number of venues which are primarily located on college campuses that do not serve alcohol and still attract concerts. In particular, these venues tend to attract middle-of-the-road artists as well as shows geared to teenage audiences. Family shows prefer to play these venues as well, since alcohol is not served at family events.

Stafford believes that the Berry Center can host concerts of musical genres such as pop artists and teen-oriented acts with a continuation of the current effort by the Center's General Manager to reach out to booking agencies and concert promoters. This effort by the General Manager will need to involve regular communication and inquiries with booking agencies as to what tours or events are being considered or are about to be launched that could be viable for a venue like the Center. The General Manager will need to educate booking agents and promoters who are involved with these musical genres about the benefits of the Center and the attractive market it serves.

Despite this outreach on the part of the General Manager, some tours will not view the Center as appropriate for their audience because of the no alcohol policy. Many tours will continue to view Toyota Center and Reliant Park as the venues of choice. Despite these obstacles, an ongoing, dedicated effort by the General Manager could result in attracting multiple concerts over time.

However, this ongoing process to attract concerts and other events requires a level of staffing that allows the General Manager to appropriately and efficiently use her time, resources and industry contacts to book events.



In addition to national touring shows, Stafford believes there are opportunities for the Berry Center to host flat shows, i.e., shows that require flat floor space such as consumer shows and trade shows. Consumer shows are ticketed events that are geared towards local residents in the community, while trade shows are private expositions that are geared towards a particular industry and are open to its members or vendors by invitation only. In order to still accommodate existing tenants like the 2<sup>nd</sup> Baptist Church, these shows would need to be smaller in size and only use a portion of the arena floor. The Center has a very competitive cost model and offers a unique combination of spaces that can be used for smaller flat shows including a portion of the arena floor, the arena concourse and the Atrium. The Center's meeting rooms also offer the unique ability for a flat show to present product demonstrations.

The Berry Center already hosts a successful Home Show, which is presented by a local company that also promotes a similar show at the Woodlands. Based on our conversation with this promoter, Stafford believes that there may an opportunity to expand this show into a twice-a-year event. In addition to the growth of the Home Show, Stafford believes that the Berry Center could host other consumer shows such as a bridal show, a flower/garden show, a women's/family show and an auto show. The opportunities for trade-based shows will occur as a result of relationships developed with area companies that manufacture products. This will require a business-to-business initiative through the local chambers of commerce and other business and civic entities.

As part of the development of the Berry Center, a surface parking lot was built to accommodate the parking needs for District events such as commencements. The parents and students of the Cypress-Fairbanks School District collectively save \$120,000 per annum by not paying parking costs for graduations at other Houston area venues. In combination with the savings on parking for other events such as banquets, proms, dances and other social events, it is estimated that parents and students save more than \$150,00 annually in parking fees.

Management of the Berry Center and the School District have worked together to identify additional parking for simultaneous events that occur at Complex. This process has facilitated ingress and egress at the Complex during simultaneous events.

As with other venues that are surrounded by parking lots, the Center has the opportunity to host outdoor events that require surface parking. These events could include auto events (such as classic car shows, auto sales), flea markets and other community oriented events. Typically, these events take place on a weekend and since the Center hosts the 2<sup>nd</sup> Baptist Church on Sundays, these events will likely need to take place on a Saturday morning during the time period when football games are not being played at the Stadium.



As a unique venue complex within the State of Texas, the Berry Center also has the ability to host State regional playoff competitions. According to Larry Peil, the District's Director of Athletics, regional playoffs rotate among venues within the region. The Berry Center's management, in conjunction with the Athletic Department, should look to bid on these events whenever possible. Other possible scholastic events include hosting an invitational boy's basketball tournament for premier state and national public and private high schools. These are marquee events which have increased in popularity and Stafford considers the Berry Center to be an ideal venue to host this type of event. The multiple venues at the Berry Center Complex offer the flexibility and amenities to host other regional events such as marching band competitions, cheerleading competitions, academic fairs and other events.

The School District should categorize regional event competitions and unique events such as invitational tournaments as external events and the Center should receive reimbursement for its costs for hosting these events.

The theater at the Center also presents opportunities for generating external events. The capacity (456 Seats) and the technical capabilities of the theater stage are ideal for use by external user groups such as arts organizations or resident theater groups that require a rehearsal and performance venue.

Stafford identified the conference facilities (meeting rooms and adjacencies, atrium, theater) that have remained underutilized during the time periods when the School District is not active (winter and summer breaks). With the addition of an event coordinator and a marketing/sales position, an aggressive sales effort should be undertaken to generate corporate and social business for the conference center. Events that can be booked into the conference center range from corporate business meetings (such as employee training, staff development, sales training) to social events (coming-of-age parties such as sweet sixteen, bar/bat mitzvah, weddings, holiday parties).

This sales effort will require the General Manager and her staff to implement a sales campaign to engage in active outreach to prospective users. The sales campaign should identify target markets (local and regional companies as well as meeting planners) and create sales materials that highlight the advantages of using the Berry Center. The sales campaign needs to be part of an overall grass roots, community outreach campaign on the part of Berry Center management.

As with other external events such as concerts and family shows, development of these external opportunities for the conference center requires a level of staffing that allows the General Manager and her staff to aggressively pursue events while maintaining levels of service for existing events.



## **Event Development Recommendations**

1. The Berry Center continues to fulfill its mission of serving the School District's needs. Based on our review of event activity information supplied by the Center's management team, our interviews with existing user groups and our interviews with Cypress-Fairbanks I.S.D. administrators, there are additional opportunities to book external events.
2. Development of these external opportunities requires a level of staffing that allows the General Manager and her staff to aggressively pursue events while maintaining levels of service for existing events.
3. With proper staffing, event opportunities that can be aggressively pursued by the General Manager and her staff include:
  - Family shows presented by major touring companies such as Feld Entertainment, Vee Corporation, Harlem Globetrotters and others)
  - Concerts (musical genres including middle-of-the-road artists, teen concerts and Christian artists)
  - Flat shows including consumer shows (i.e. bridal show, a flower/garden show, a health expo, a women's/family show) and private trade shows (business-to-business events)
  - Parking lot events such as an auto events (test drives, classic car shows, auto sales) and flea markets
  - Scholastic and youth events (i.e. regional playoffs, a national invitational high school basketball tournament, marching band competitions, cheerleading competitions, academic fairs)
  - Rehearsals and performances by arts organizations and resident theater groups
  - Corporate (employee training, staff development, sales training) and social events (coming of age and holiday parties)
  - Televised sporting events such as high school basketball or football on ESPNU or other sports networks
  - Potential sporting events involving local and regional colleges and universities



## **VENUE AND EVENT MARKETING**

Based on our experience as operators of nationwide public assembly venues and practitioners in the sports and entertainment industry, Stafford considers the Berry Center to be a unique Complex with its combination of facilities and its attractive physical appointments. It is not an overstatement to describe the Berry Center as a crown jewel venue for which the Cypress-Fairbanks School District should take great pride. There are municipalities, universities and school districts which would feel privileged to have a Berry Center as their own.

During our interview sessions and research for this report, we were told that some detractors consider the Berry Center to be a “Taj Mahal”, presumably due to its construction cost and exterior appearance. A school district of Cypress-Fairbank’s prominence and size (the third-largest in Texas), that serves a substantial population in its own area and is strategically situated as part of the nation’s fourth-largest market deserves nothing less than the multi-purpose Berry Center to serve the existing and future needs of its schools, students, parents, faculty and staff, residents and general community of Northwest Houston.

Despite having a number of facilities that work well together, challenges remain in attracting events to the Berry Center. The competitive landscape for multi-purpose facilities has changed during the last 10-15 years. Due to an overbuild of facilities during this time period, there are more venues than there are dates for touring shows to play. As a result, touring shows and concert artists are increasingly selective regarding markets and arenas. For example, the booker for a national concert tour is able to ‘pick and choose’ which markets and venues to play in any region of the country, given the number of facilities that are competing for events.

This is exemplified by the Houston market, where the Berry Center competes for external events with the Toyota Center, Reliant Park, the Woodlands, the George R. Brown Convention Center and other hotel properties for events. This excess supply of venues means that touring executives and promoters use this leverage to drive better deals from venues.

In order for the Berry Center to compete for events that come to the Houston marketplace, a strategic and aggressive campaign needs to be developed. This marketing campaign needs to be comprehensive in nature and directed towards multiple constituencies. An ongoing campaign should be created and implemented to promote the Center locally, regionally and nationally through a multi-faceted marketing effort.

As noted earlier, the Berry Center is lacking a marketing professional who would not only be directly responsible for generating new sources of revenue, but would also be in charge of the venue’s marketing efforts.



In order to create 'brand identity' for the Berry Center, the marketing campaign will need to position the venue with a number of key audiences.

Part of the campaign will be to remind District user groups including administrative staff, teachers, students and parents, of the benefits of using the Center. As importantly, a strong value proposition for a promoter of an outside event is the ability to provide ticket sales information to this internal audience base. This ability to provide students and their parents as well as administrative staff and teachers with upcoming event information is a significant competitive advantage for the Berry Center over other venues in the region.

The marketing campaign will need to reach out to a second important ticket buying public, the residents of Northwest Houston. The location of the Berry Center makes it an ideal venue for residents to attend events in their backyard. When faced with the choice of heading to one of the downtown arena venues, the Berry Center becomes an attractive option. Two examples come to mind. Young families will much prefer the experience of attending a family show at the Berry Center instead of dealing with the challenges of traffic and parking downtown. Concert goers will also prefer driving a shorter distance to a venue where they can park in a space that is less than fifty feet away from the entrance.

Both of these audiences will need to know about upcoming events and how to purchase tickets. They should have access to a regular flow of information in order to be kept informed about significant District events and milestones that take place at the Berry Center. The success of the Berry Center will continue to depend in part of keeping members of the District and residents of the community of Northwest Houston engaged by providing information about the type, number and success of activities that take place.

The Marketing campaign also needs to incorporate ongoing public relations strategies that remind constituents that the Berry Center enhances the quality of life for the District and the community. Through various forms of communication, the capabilities, attributes, convenience, availability and contributions of the Berry Center can serve as a reminder that the Complex serves as a major asset for the District and the community.

Another constituency that needs to be targeted by the marketing campaign is the business community. The Complex's conference center and theater are major assets and need to be marketed to the business community. Based on our conversations with Pam Scott, Director of the District's Partners in Education and Reginald Lillie, former Director of the Cypress-Fairbanks Chamber of Commerce, Stafford considers there to be an opportunity to increase revenue from the business community.

This will require a targeted business-to-business marketing campaign on the part of the Berry Center. The campaign will require collateral materials and sales



calls to let area corporations understand that the Berry Center offers them a grand entrance/gathering space, flexible meeting rooms, a theater or arena floor that can accommodate large numbers of attendees, audio/visual capabilities and high end catering options for their event.

As part of the marketing campaign targeting businesses, collateral materials will need to be developed for sponsorship and advertising. These materials should be designed to offer area corporations the opportunity to become marketing partners of the Berry Center and the School District.

The marketing campaign will need to support the booking efforts of Beth Wade, the General Manager, as she continues to introduce the Berry Center to a wider constituency of potential users in the sports, entertainment and special event industry. The marketing effort directed at potential industry user groups will need to reflect the technical capabilities of the Berry Center as well as its assets (multiple venues with connectivity, a built-in audience of students, parents and teachers, a significant population base in Northwest Houston as well as a range of services including food and beverage/catering and a professional staff with significant industry experience). Typically, this outreach campaign to potential user groups requires the development of collateral materials, an enhanced website and regular emails on date availability.

Once secured, these external events will frequently require the expertise of Berry Center marketing to drive ticket sales. Touring shows, particularly family shows, play at hundreds of venues in the course of the year. To ensure the success of the engagement, a touring show relies heavily on the venue's marketing person to help negotiate media buys, develop ticket sales promotions and execute public relations strategies. Venues that have a marketing staff member who understands their market while accomplishing these tactics, benefit from consistent, repeat revenue-generating business from touring shows.

A successful marketing campaign will be a major component of the Berry Center's ability to attract the following types of events:

#### Community Events

- Luncheons, banquets and other catered occasions
- Social functions and gatherings
- Weddings
- Corporate and civic meetings
- Seminars and workshops
- Sales and auctions
- Festivals and fairs
- Sports camps and clinics
- Consumer Shows
- Business-to-Business Trade Shows



## National Events

- Family touring shows
- Concerts
- Exhibitions and displays
- Amateur and professional sports competitions and tournaments
- Touring Entertainment Events

Based on our decades of combined experience in event and venue marketing and based on our information-gathering for this report, the principals of Stafford Sports and The Goldwater Group are confident that a comprehensive marketing plan for the Berry Center will grow existing revenues and generate new revenue opportunities.

## **Recommendations – Venue and Event Marketing**

There is a need for the Berry Center to put together a comprehensive marketing campaign that focuses both on the assets of the venue but also is designed to market ticket sales for events that are open to the general public. A thoroughly executed marketing campaign will increase existing revenue as well as generate new revenue opportunities.

The marketing campaign would be designed to accomplish the following business objectives:

1. Create a 'brand identity' for the Berry Center by position the venue with key audiences
2. Develop an ongoing marketing and communication campaign with administrative staff, teachers, students and parents for events at the Berry Center. The ability to provide students, parents and administrative staff and teachers with upcoming event information is a significant competitive advantage for the Berry Center over other venues in the region.
3. Target the residents of Northwest Houston as part of the marketing campaign. Promote the proximity of the venue, the variety of events and the availability of on-site parking.
4. Incorporate ongoing public relations strategies that remind constituents that the Berry Center enhances the quality of life and is a major asset for the District and the community.
5. Target the business community and meeting planners. The Complex's conference center and theater are major assets. With the lack of four and five-star hotels in Northwest Houston, the Berry Center is a viable alternative for business meetings and social functions.



6. Develop marketing materials that highlight the assets of the Berry Center. Develop a series of collateral materials (each targeted for a specific audience) that highlight the capabilities and uniqueness of the Complex and its venues.
7. An important focus of the marketing campaign will be to engage the music, family, sports and entertainment industry about the assets of the Berry Center. Through an enhanced website, collateral materials and regular emails, the General Manager can educate potential industry user groups about the capabilities of the Berry Center (availability of multiple venues, a built-in audience of students, parents and teachers, a significant population base in Northwest Houston, range of services, professional staff, etc).
8. Develop strategies and tactics to drive ticket sales for touring events at the Center. The best marketing departments in venues are a primary reason why touring shows return on an annual basis.
9. The following elements are standard in the industry and should be incorporated into the Berry Center's comprehensive marketing campaign:
  - Advertise in local publications, electronic media, websites and other designated outlets
  - Publicize through news releases, media events and internet content
  - Refresh and maintain a Berry Center website and improve utilization of Social Media outlets. These marketing and branding vehicles can be better executed with the conversion of part-time employees in the Audio/Visual department to full-time staff .
  - Advertise in local and national trade publications and outlets
  - Develop and distribute printed and electronic collateral material
  - Cross-promote events using signs, flyers and other promotional vehicles
  - Develop relationships with local media and retail outlets to create ongoing awareness through promotions
  - Attend selected local and national conferences and meetings



## **SPONSORSHIP/ADVERTISING**

Stafford conducted a walk-through of the Berry Center Complex and its venues (stadium, arena, theater, conference center/meeting rooms). This was done in order to identify future revenue opportunities that could be generated from sponsorship or advertising. As part of this walk-through, Stafford evaluated various spaces to determine suitable locations for placement of signage.

Advertising signage has been commonplace in public assembly venues such as arenas and stadiums for the last fifteen years as owners of these venues have looked for additional sources of revenue. Advertising signage can be found in a variety of locations throughout the public areas of these venues including lobbies and entranceways, in spaces throughout the seating bowl, in concourses, in pedestrian walkways or any other spaces that are frequented by the ticket buying public.

Signage in convention and conference centers has also become more prevalent in recent years as municipalities who own these venues have looked for additional revenue in order to reduce operating deficits. Signage in these facilities has typically been placed in entranceways, lobbies, meeting rooms and other gathering areas where it is visible to convention and meeting attendees.

Historically, most of the advertising signage found in public assembly venues of all types was fixed display signage. This signage was typically standardized with signs displayed on open walls and other locations that were visible to the general public. Signage was found not only in the interior of these facilities but on the facades and exterior walls as well.

With the advent of digital signage solutions, venues have developed more compelling advertising vehicles for sponsors and advertisers. These solutions allow venues to present various opportunities for sponsor visibility. Opportunities range from state-of-the-art LED scoreboards and panels in an arena bowl or in the end zones of stadiums to flat screen televisions strategically placed in multiple concourse locations. Convention and conference venues have followed suit with digital signage in high visibility locations throughout their facilities.

The types of sponsors and advertisers that were historically attracted to these venues were a combination of advertisers with a national footprint, locally headquartered companies and other businesses that were looking for visibility in a high traffic venue. Venue managers were able to attract companies looking to reach large numbers of ticket buyers who passed through a venue on an annual basis. In addition, these companies purchased advertising in venues because it offered advertising impressions across a broad base of demographic audiences. Companies could buy these impressions with the knowledge that they were



reaching traditional families, young adults, senior citizens as well as various demographics and income levels depending upon the type of event.

The challenge for the Berry Center lies with the makeup of its events calendar. The Center primarily hosts internal events for the School District, which typically consists of the same demographic audience, and the venue does not offer the more broad-based audience demographics of other public assembly venues. It is unlikely that traditional advertisers will consider the Center as an attractive venue to advertise with. With proper staffing and an increase in external events during times when school is not in session, there may be some opportunities to attract companies who traditionally are sponsors in public assembly venues.

With the downturn in the economy, sponsors and advertisers are evaluating their strategic placement of advertising. Companies are looking for more than a advertising buy in a public assembly facility. Increasingly, they expect activation of their advertising buy by having venue management create promotions, giveaways, product sampling and other tactics to reach potential customers. Venue managers who are aggressive in developing activation opportunities for customers have been able to successfully retain existing advertisers and attract new companies, while venues that are less promotionally driven have a lower advertising retention rate.

One of the focal points of the marketing/sales position would be to develop partnerships with local and regional companies. This new staff position would be focused on soliciting companies who would likely be supporters of the School District and its mission to educate children. The Berry Center offers the perfect vehicle for these companies to show their support since there are a variety of spaces within the Complex to give them visibility.

There are two approaches to advertising in public assembly venues. The first is to incorporate advertising wherever possible in a facility. This approach traditionally involves securing as many advertising partners as possible. The second approach is to give maximum visibility to a handful of advertisers by including them in all advertising vehicles.

Stafford recommends that the School District use this second approach of limiting the number of companies who would receive exposure at the Berry Center. These companies should be approached as partners of the School District. By using a partnership approach and by limiting the number of signage locations, local companies would benefit from the overall value of their exposure in the facility. To further maximize these partners exposure, Berry Center management should look to involve these companies in promotional opportunities for external events like family shows and concerts. This can be



done by giving partner companies visibility through website exposure, email blasts and mentions in publications like newsletters.

Rather than placing signage in the Berry Center with traditional advertising from these companies, Stafford recommends that any signage identify the name of the company with a message that reads, “Proud Supporter of the Berry Center” or “Proud Supporter of the Cypress-Fairbanks School District.”

Using the above approach to incorporating partners of the School District, Stafford has evaluated the various spaces in the Berry Center which are potential locations for signage. With multiple areas at the Center that are used by various audiences, Stafford believes there are ample opportunities to provide sponsors of the School District with visibility. Appropriate advertising vehicles would be in the form of digital signage or banners in strategic, visible locations. Stafford recommends that School District consider the following locations for inclusion of marketing partners:

The Atrium – The Atrium serves as the connector for much of the Complex and the majority of the users (both District and non-District) would be exposed to any partner message. Messages from partners should be displayed on the existing television screens in the Atrium. Another visible location to incorporate a partner would be a banner hung from one or more of the architectural beams that connect both sides of the Atrium.

The Arena – The addition of a partner logo on two locations on the basketball floor (using an adhesive decal, rather than painted on) provides an opportunity for partner exposure.

It is also our understanding that the video portion of the scoreboard located at the end of the arena has not been used for many of the District’s sporting events because of the cost to bring in someone on part-time basis to operate the video elements. If it continues to be cost prohibitive to use a part-time operator, then other locations visible to the public should be considered. These locations could be the addition of digital signage on the concourse or in the arena bowl.

The Stadium - the Stadium, which has a seating capacity of 11,000, currently has a scoreboard located in one end zone. The Scoreboard offers the ability to recognize sponsors of the Berry Center. Additional signage in the opposite end zone provides another location for sponsor visibility. As with the arena, the addition of digital menu boards in the four concession stands would provide further visibility for any food product sponsor.



Concession Stands - The addition of digital menu boards at the concession stands in the arena and stadium would provide an opportunity to add a food product based partner. As with other public assembly venues that generate sponsorship through food product companies, an example of a typical sponsor would be a company who would receive prominent exposure at concession stands as the 'official hot dog' of the Berry Center.

Other Spaces - the flag poles located in the parking lot present another opportunity for sponsor visibility. Pole wraps or banners present a visible location for a sponsor. Signage located at the entrances to the Complex present ideal locations for sponsor visibility as well.

Naming Rights - management of public assembly venues has become increasingly creative in providing overall visibility for companies through naming rights opportunities. Additional naming rights opportunities have been secured even in instances where there a naming rights sponsor is already present. This has been done by naming other spaces within a venue. The School District could provide a naming opportunity for the arena venue such as:

“Name of Company” Arena at the Berry Center

This model could be used for other naming rights opportunities in the Complex including the stadium, the theater and the conference center.

### **Recommendations for Sponsorship/Advertising**

1. The messages on any signage (digital, banners, etc.) should be limited to “Proud Supporter of the Berry Center” or “Proud Supporter of the Cypress-Fairbanks School District.”
2. All sponsorship income generated through these partners should be booked as a new revenue line item in the Berry Center’s financial operating statement.
3. Sponsorship/Advertising sales would be part of the Marketing position’s job responsibilities (as outlined in the previous section). The sales effort to solicit local and regional companies about business opportunities would require development of sales materials that highlight these partnership opportunities. Sales relationships would be developed through School District vendors and suppliers, the Cypress Fairbanks Chamber of Commerce, other business entities and Pam Scott, who manages the District’s Partners in Education program.



4. The School District and the Berry Center are part of the Northwest Houston bedroom community. Since its residents work in the Houston business market, part of the campaign to develop sponsorship/advertising is to keep local residents informed about these opportunities. The message would be directed to let local residents know what business opportunities are available at the Center and why businesses that participate in these opportunities help not only the School District and the Berry Center but the Northwest Houston community as well.
5. In order to create a suitable partnership environment, a strategy should be pursued that limits the number of companies who could partner with the School District. This will provide these partners with maximum visibility in the Berry Center.
6. Although there are a number of potential locations within the Berry Center Complex that can provide partners with visibility, a cohesive plan should be developed prior to soliciting partnerships so that the Center is not cluttered with signage.



## **FOOD AND BEVERAGE / CATERING**

Public assembly venues rely on several sources to generate revenue, such as rent on spaces, charges for labor and/or equipment, and sponsorship. Another primary source for generating ancillary revenue is a facility's food and beverage operation. Depending on the financial arrangements with certain events, it is not unusual for a facility to earn more from its food and beverage operation than from other sources. In addition, an excellent food and beverage operation can serve to enhance the reputation of a venue.

Stafford conducted an in-depth review of the Berry Center's food and beverage services and interviewed Matt Morgan, who oversees the food service operation for the District and Suzy Hunter, who operates the catering and concessions operation at the Berry Center, Class Act Catering. We also interviewed venue users to collect information and views relating to the food and beverage operation.

One of the most impressive features of the Complex is the food and beverage operation's well-designed, spacious and immaculate kitchen, food preparation and storage areas. In our experience, these spaces compare favorably to any in the public assembly industry. In addition, the use of this facility to distribute food for the schools in the District is an operation that does not appear to negatively affect the catering operation for the Conference Center. This is both a commendable and efficient utilization of this outstanding facility.

Stafford heard uniform compliments from Complex users regarding the quality of the food and beverage service provided for Conference Center events. Stafford was informed that the food and beverage services are not actively marketed to prospective user groups.

An ongoing strategy to market the options and offerings for catered events would potentially generate new events and additional catering revenue. Among the techniques that have proven to be successful elsewhere are refreshing the catering menu with new items as part of conducting an annual review of the catering menu and its pricing. In addition, testimonials offered by clients could be used as part of a sales and marketing effort promoting the benefits available to events at the Conference Center.

Comments regarding the menu and staffing for concession operations for arena and stadium events were more mixed. While there were a few generally favorable comments regarding concessions, some of the other descriptions offered were "typical," "not very creative," "the same for every event regardless of the audience," "could be better" and "inconsistent service from staff."

There are four functional stands in the arena and four in the stadium with limited space and no venting or frying capability. According to Class Act Catering



executives, District cafeteria workers staff the concession stands during events. Through our walk-around of the Complex and our interviews, it was identified that menu boards need upgrading, service at point-of-sale locations could be more customer oriented and product offerings could be expanded on a selected basis with the introduction of additional portable carts.

A successful concessions operation requires an emphasis on efficient and time-sensitive service as well as consistent quality of product offerings. There are limited transaction periods before and during events and the quality of product offering as well as the level of service and transaction time should be of the highest quality. These are characteristics that are essential to maximize revenue opportunities.

Other less efficient situations that currently exist as part of the food and beverage operation is the billing process for events and the depositing of cash following events. Events receive one invoice from the venue for rent and facility services and another invoice for food and beverage services. This is contrary to industry standard where a user group receives one invoice for all costs. The control and depositing of cash seems to be inconsistent, lacking appropriate safeguards and lacking priority. The industry standard for the depositing of cash from events is for the counting and recording of cash to be conducted immediately following the conclusion of any catered or ticketed event. The cash is then securely transported to and stored in a safe. Deposits are then made the next business day.

The process of issuing one invoice for all services and the control of cash should be put into place immediately.

Without question, the most mentioned topic relating to the Berry Center's food and beverage operation was the subject of offering alcohol during some events. We received a thorough education on the history of and views associated with the issue during virtually every interview we conducted. Based on our interviews with user groups and standard industry practice, Stafford believes that the Berry Center could capture a significant amount of catering and beverage business if alcohol were served a responsible manner at selected, non-student events in the Complex.

### **Recommendations – Food & Beverage**

Stafford offers the following recommendations for the Berry Center's food and beverage operation:

1. Immediately change the procedures relating to the handling, securing and depositing of cash collected from events.



2. The District should give strong consideration to having the catering and concessions operation report to the General Manager of the Berry Center. By doing so, the Berry Center would serve as a 'one stop shop' where all aspects of an event would be coordinated and fulfilled through the event management (event coordinators) department.
3. The responsibility of the full-time staff at the Center is to ensure the satisfaction of its customers. By having the concessions and catering operation report to the Berry Center, the quality and consistency of the overall operation can be better controlled in order to provide the highest level of guest service.
4. Having the food and beverage operation report to the General Manager will also provide her with flexibility in negotiating deals with touring events. The trend in the industry is for concert promoters to look for a 'per head rebate' to bring their event to a facility and some portion of food and beverage income may be needed to accomplish this.
5. The Berry Center should represent itself as one cohesive entity and this can be done, in part, by instituting a billing system that generates a single invoice for all venue expenses and services as a convenience for its clients.
6. The catering operation should provide a 'favored nations rate' to the Center's primary user groups (the 2<sup>nd</sup> Baptist Church, KSBJ Radio) as a customer service initiative and to retain their business for the long term.
7. Concession stand operations would be improved by:
  - Adding/diversifying menu offerings based on an event's audience demographics
  - Upgrading menu boards
  - Providing more customer-friendly service and faster transaction times at points of sale
  - Providing additional training for workers staffing concession stands
  - Increasing the use of portable carts for select items
  - Ensuring that athletic events in the stadium and arena provide accurate advance ticket counts so concession stands can be properly staffed and adequate food product is available
  - The product offerings and pricing structure should be consistent at all of the fixed concession and portable stands (if added) in the Complex
8. To maximize revenue-generating opportunities and to attract new clients, the District should give strong consideration to introducing the serving of



- alcohol for selected events with appropriate and responsible safeguards. Stafford recommends that alcohol be served at private events in controlled settings, perhaps initially in such areas as the meeting rooms in the conference center, and at other selected non-student events in the Complex. A business and operational plan would need to be developed that would limit alcohol sales to adults for only specific types of events. As with functions that take place at hotels and ballrooms, only licensed and trained servers would be permitted to dispense alcohol.
9. Collect positive testimonials from Complex event users for the purpose of promoting the food and beverage/catering operation as part of an overall marketing campaign for the Berry Center. In addition, a program should be put in place to record and archive professional photos and video of a variety of setups for catering and functions. This would be used for a variety of marketing and booking purposes.
  10. Given the flexibility of its meeting rooms and adjacent spaces, the conference center is ideal for hosting business and social functions. Since there are no full-service hotels in the area, the conference center would be the ideal location for events such as host weddings, holiday parties, anniversary events, retirement parties as well as business functions.
  11. The School District should consider the serving of alcohol only in a controlled environment. This would include private events in the conference center meeting rooms and other selected, non-student events. At some future date and based on an established track record, the District could then determine whether serving alcohol for additional ticketed, non-student events is appropriate.



## **AUDIO/VISUAL PRODUCTION SERVICES**

Stafford reviewed the existing production and technical capabilities of the Berry Center's Audio/Visual Services department. These services are routinely provided to clients for their events at the Berry Center. Stafford also toured the Center's meeting spaces, theater, arena, dressing rooms, work rooms, concourses, hospitality areas and other locations that can accommodate gatherings of various sizes as well as all storage, staging and work areas related to the operations and production of Audio/Visual Services.

Based on our in-depth tour of the venue, a thorough inspection of its facilities and information gained from interviews with key stakeholders, Stafford considers the events and clients that utilize the production capabilities of the venue are well served. The staff and its range of services are considered reliable and professional and are utilized by clients, event producers and attendees.

Further, the in-house staff fosters a service-oriented mentality that is in line with that of a high-end production company. As an example, Stafford learned and confirmed that the rates charged by the in-house department at the Berry Center for audio, visual and/or other production services are competitive with outside vendors while providing first-class service despite the large number of events and the modest size of the staff.

Our review of the equipment indicates that the production facilities are adequately equipped to handle the workload based on the Center's current event schedule. The audio, video and related equipment and supplies are securely stored and professionally managed and tracked with a well-maintained inventory system. The maintenance and repair program for repair and servicing of the production equipment was completed as problems occur. However, a more proactive plan for repair and preventive maintenance should be undertaken.

The high level of production capabilities and technical facilities of the department are essential for the Berry Center to continue to serve the District and its many users and to maintain its current roster of external clients and events. Future business opportunities include the ability for the department to provide live streaming of events such as concerts, commencements, meetings or social events.

Current and future activities at the Berry Center will require technology that is up-to-date, equipment that is adequate in quantity and quality and service that can meet client needs. Stafford believes this reality will need to be considered as part of long-term strategic and operational business planning going forward. It is difficult for the Center to offer a consistent level of production services under its current staffing model where the department hires audio/visual specialists on a part-time basis. These specialists typically offer their services to other production houses and special events and are available to the Center on an



irregular basis. Stafford recommends that the Berry Center use its allocated budget to convert these positions as full-time staff. By doing so, management of the Berry Center will be able to offer its current clients and future users a superior level of customer service.

### **Recommendations – Audio/Visual Production Services**

Based on our observations and analysis, Stafford offers the following recommendations:

1. The production and technical capabilities offered at the Berry Center and the relatively low cost of these services positions the venue very favorably in the Houston marketplace. These capabilities provide a competitive edge for the Berry Center among venues including other venues and hotels. The Berry Center's Audio/Visual Production arm should be actively marketed as a highly desirable resource to attract new clients and to retain existing events.

As part of this marketing sales effort, collateral materials should be developed and utilized to convince user groups and meeting planners of the Center's available technical resources.

2. In order to maintain its current level of services and in anticipation of future activity, a plan that incorporates ongoing repairs and preventive maintenance with an accompanying budget is needed.
3. The department and the venue would benefit by converting its pool of part-time, freelance employees to full-time audio/visual production staff.. Based on the current workload covered by the department, increasing the number of full-time employees to 15 qualified technical and production specialists should be strongly considered.
4. Stafford believes there is a realistic opportunity to expand the Audio/Visual Production Services as a revenue generating business for the Berry Center. Using the existing staff's production company mentality, Audio/Visual Production Services could provide its equipment and technical expertise for events and functions outside of the Berry Center. Any expansion will require a coordinated and focused sales and marketing effort that would be coordinated with an overall marketing campaign for the entire Center that is discussed elsewhere in this report.
5. Future opportunities to enhance service offerings to clients include the capability of the department to provide live streaming of an event. This could become a value-added service to clients for a variety of events such as commencements, meetings, social events such as weddings or other activities in the Center.



6. The School District should consider utilizing the capabilities of the Berry Center for other uses such as re-inventing the meeting rooms as virtual classrooms that could offer evening “e-learning” classes
7. With the expectation of continued heavy use of the production equipment, a fund should be created to help maintain the Berry Center’s equipment. The District should consider instituting a fee for usage of specific AV equipment as part of the rental agreement for Berry Center spaces. This fee would apply to all District and non-District events that require specific AV equipment. The fee structure for equipment should be developed and implemented by the General Manager and the AV department.