

Attachment 1

Annual Report of the Santa Barbara Bowl Foundation – 2021



SANTA BARBARA BOWL FOUNDATION 2021 ANNUAL REPORT

Submitted to the County of Santa Barbara General Services Department
By Rick Boller & Andrew Gardner

On behalf of the Santa Barbara Bowl Foundation Board of Directors

Santa Barbara Bowl Foundation
2021 Annual Report

The Management and Lease Agreement for the Santa Barbara Bowl provide that the Santa Barbara Bowl Foundation (Foundation) shall submit an Annual Report to the County of Santa Barbara which addresses several areas:

1. A list of the current board of directors and officers of the Foundation;
2. Financial results of operations (gross and net receipts) and fundraising;
3. Subleases granted hereunder;
4. Condition of the Bowl facilities including planned and completed capital improvements and progress made toward the Master Plan;
5. A review of the schedule of events for the past year, including the number of events and the revenues thereby generated;
6. A summary of issues raised at public hearings conducted by the Foundation pursuant hereto, and the resolution of said issues;
7. Community updates and impact.

This report is organized to address these specific responsibilities, address other mandates related to the Management and Lease Agreement, and to provide the Board of Supervisors with a comprehensive update to the operations of the Santa Barbara Bowl Foundation for the 2021 calendar year.



**Officers, Board of Directors, and Committee Members
of the Santa Barbara Bowl Foundation**

Pursuant to the bylaws of the Foundation, the following volunteer Officers, Directors, and Committee members were active participants in 2021:

Officers

Chair:	Charles T. Plough III
Vice Chair:	Karen Kerns
Secretary:	Laurie Bentson Kauth
Treasurer:	Carola Nicholson

Board of Directors

Mike Allen, Wendy Barels, Brett Burkey, Tyler Duncan, Graham Farrar, Andrew Firestone, Jeff Jacobs, Lori Kari, Graham Lyons, Angel Martinez, Mike Mendoza, Chris Parker, Nicola Parr, Marianne Partridge, George Short, Patricia Stathis

Committee Members

Joe Campanelli, Yvonne Chin, Gerald Comati, Valerie Froscher, Jaimie Jenks, Steven Keithley, Richard Kelty, Casey Kilgore, Paul Kuhn, Dawn Mitcham, Carrie Poytress, Shawn Rocha, Derek Shue, Sandy Stahl, Robert Szerwo, Jeff Theimer, Tracy Trotter, Gregg Wilson

Financial Results of Operations and Fundraising

Overview

2021 was the 27th year managed by the Santa Barbara Bowl Foundation, a public 501(c)(3) not for profit organization.

Total revenues for the Santa Barbara Bowl Foundation in 2021 were \$10,919,327 compared to \$3,344,945 in 2020. This increase is due to the resumption of the concert season, contributions and pledges, investment income, and various COVID-19 relief grants and credits (details below).

The total revenue amounts for 2021 included \$2,830,881 in fundraising revenue.

Organizational expenditures (all expenses excluding capital improvements) increased to \$5,806,041 in 2021 compared to \$3,289,482 in 2020. These expenses include depreciation expense of \$1,170,816.

The value of the Master Plan Leasehold Improvements, Land and Equipment (net of accumulated depreciation) increased from \$29,528,535 in 2020 to \$31,081,910 in 2021. This was due to the addition of new leasehold improvements and newly capitalized fixed assets in 2021.

COVID-19 Relief Funds

Shuttered Venue Operators Grant

During 2021 the Foundation was granted and received \$2,990,552 under the Shuttered Venue Operators Grant (“SVOG”) program implemented by the U.S. Small Business Administration (SBA). The SVOG program was created to prevent widespread closures of concert venues affected by the loss of revenue due to the COVID-19 pandemic. Under the terms of the grant, the Foundation was allowed to utilize the funds for qualifying expenditures of the program during the period of March 2020 through December 31, 2021. The Foundation recognized the entirety of the received funds as revenue during the fiscal year ended December 31, 2021. The recognition of the SVOG funds required an additional Single Audit and Independent Auditor’s Report in accordance with Government Auditing Standards for the expenditure of Federal Awards, as required by the Uniform Guidance. The Single Audit Report and Schedules are included as part of the 2021 Audited Financial Statements provided along with this report.

Paycheck Protection Program

In March 2021, the Foundation qualified for and received a loan pursuant to the Paycheck Protection Program (“PPP”), a program implemented by the SBA under the CARES Act, from a qualified bank, in the principal amount of \$197,500. In December 2021, the Foundation received full forgiveness of the PPP loan and recognized the entire amount as revenue in 2021.

Employee Retention Tax Credit

The Employee Retention Tax Credit (“ERC”), a refundable credit against certain employment taxes allowed to eligible employers for qualifying wages, was established by the federal CARES Act and administered by the Internal Revenue Service. The Foundation qualified for and received an ERC credit of \$94,006 for the year ended December 31, 2021.

California Small Business COVID-19 Relief Grant Program

In April 2021, the Foundation was awarded a grant in the amount of \$25,000 under the California Small Business Relief Grant Program for businesses that meet the definition of an eligible nonprofit cultural institution. The Foundation also recognized as income this grant in the fiscal year ended December 31, 2021.

Fiscal Controls and Financial Management

To ensure adequate segregation of duties and appropriate internal controls, the staffing structure remained the same as years previous in all fiscally responsible areas of the organization.

The 2021 Bowl leadership staff:

Executive Director Rick Boller
Business Manager Andrew Gardner
Operations Manager Tucker Papac
Box Office Manager Allison Fitton
Program Director Eric Shiflett
Development Manager Greg Kirchmaier

Outreach Program Manager Kai Tepper
Food & Beverage Manager Kori Soltz
Plaza Controller Derrick Duong
Plaza Controller 2 Brian Shively
Artist Merchandise Manager Ashly Othic

The Foundation handles financial management and reporting on an in-house basis with assistance of a part-time bookkeeper. The Business Manager and the bookkeeper manage all transactions and reports under the supervision of the Executive Director and the Board Treasurer. The independent accounting firm of Armanino, LLP provided audit and tax preparation services for the Foundation. While required by the lease agreement with the County, it is also the opinion of the Board of Directors that an independent audit is an essential component to an effective set of financial controls. The 2021 Audited Financial Statements and supporting documents, including the additional required SVOG Single Audit Report and Schedules described above are included with this report.

Fundraising

2021 marked the 24th year of fundraising efforts by the Santa Barbara Bowl Foundation. The successful cultivation of donors provided the Foundation with \$2,830,881 in donations and pledges in the 2021 fiscal year. The Foundation's fundraising staff in 2021 included the Executive Director, Rick Boller, and the Development Manager Greg Kirchmaier.

Subleases granted hereunder

Debt, Subleases and Financial Commitments

The Foundation carried no long-term debt and there were no subleases in effect in 2021.

Promotional Services Agreement

In 2015, the Foundation entered into a Promotional Services Agreement with a private promoter, Goldenvoice/AEG, effective with the 2016 Concert Season. This agreement expires in 2022 with an option to extend the agreement an additional two years, which the Foundation exercised in 2020 extending the agreement through 2024. This was the sole concert promotion agreement in effect during the 2021 fiscal year.

Condition of the Bowl facilities including planned and completed capital improvements and progress made toward the Master Plan

Hillside Failure and Improvements

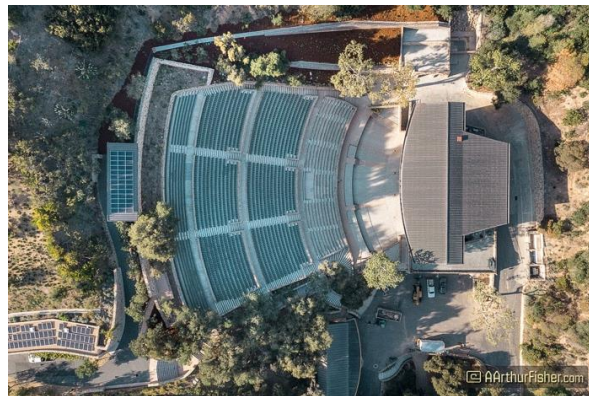
In spring 2019, the facility experienced a failure of the northeast hillside slope adjacent to the venue seating area. Due to this failure, the Foundation designed and constructed two new retaining walls and an improved drainage swale to permanently stabilize the hillside. Additionally, the Foundation constructed a storage building located in the hillside next to the retaining walls and the stage area. Construction of these improvements was completed in 2021 at a total cost of \$2,860,000.

Purchase of Caretaker Residence

The Foundation purchased a single-family residence adjacent to the Bowl property at 925 Lowena Drive to serve solely as the Foundation's caretaker residence. The Foundation had maintained a long-term lease on this property for 23 years prior to the acquisition. The property was purchased outright in August 2021 at a cost of \$1,500,000.

Solar PV Project

The Foundation began the final, and largest, phase of its Solar Photovoltaic Installation project in 2021, scheduled to be completed in 2022. Underwritten by a generous donation, this project will enable the Bowl to substantially offset its energy usage and reduce its carbon footprint with the end goal of eventually achieving carbon neutrality. Although the solar project installation was not yet fully completed in 2021, during the year the Bowl created 61.5 MW hours and significantly offset its use of the power grid.



The Bowl maintains a high-level of facility stewardship protecting all the capital investments. All systems are serviced regularly, and repairs are conducted immediately.

The Foundation believes that by carefully protecting, maintaining, and improving the existing structures, the reputation of the facility as one of the finest outdoor concert venues in the world will continue to grow.

A review of the schedule of events for the past year, including the number of events and the revenues thereby generated

Date	Concert	Genre	Sold Tickets	Attendance
08/21/2021	Chelsea Handler	Standup Comedy	3017	3022
08/27/2021	Jo Koy	Standup Comedy	3754	3447
08/28/2021	Sebastian Maniscalco	Standup Comedy	4378	3905
08/29/2021	Sebastian Maniscalco	Standup Comedy	3452	3247
09/05/2021	Jackson Browne	Classic Rock	4410	4029
09/11/2021	Santa Barbara Mariachi Festival	Traditional Latin	1431	1667
09/16/2021	John Legend	R&B	4333	3911
09/17/2021	HAIM	Indie Rock	3979	3438
09/18/2021	Trevor Noah	Standup Comedy	4334	4134
09/19/2021	Gary Clark, Jr.	Blues/Rock	2997	2720
09/22/2021	The Lumineers	Alternative Rock	4682	4586
09/23/2021	My Morning Jacket	Indie Rock	4369	3564
09/24/2021	H.E.R.	R&B	3706	3159
09/28/2021	Lord Huron	Indie Folk	4284	3818
10/02/2021	Van Morrison	Classic Rock	4193	3871
10/09/2021	Foreigner	Classic Rock	3147	2979
10/13/2021	The Brothers Osborne	Country	3959	3397
10/20/2021	Wilco	Americana	2854	2653
10/21/2021	Willie Nelson & Family	Americana	4318	4021
10/26/2021	Phish	Rock/Jam Band	4886	4783
10/27/2021	Glass Animals	Indie Rock	4779	4301
10/28/2021	Glass Animals	Indie Rock	4827	4660
11/06/2021	Khruangbin	Indie Rock	4796	4680
TOTAL			90,883	83,992

The average concert attendance was 3,652 per performance, a slight decrease compared to the average of 3,847 per performance in 2019.

Goldenvoice presented 22 commercial events in a season shortened by the late reopening of the venue from COVID-19. In addition, the Bowl hosted one community event, the 24th annual Santa Barbara Mariachi Festival in September.

Revenues Generated

Following the closure of the venue and canceling of the 2020 Concert Season due to the worldwide COVID-19 pandemic, the Foundation reopened the Santa Barbara Bowl in August 2021 and hosted 23 concerts. This resulted in the Foundation’s operating revenues increasing substantially to \$3,935,316 in 2021 compared to \$699,943 in the shuttered year of 2020.

COVID-19 Protocols

The Foundation followed strict COVID-19 protocols in keeping with guidelines published by the CDC, Cal/OSHA, and the Santa Barbara County Public Health Dept. COVID-19 vaccination screening and/or proof of testing was required before entrance to the venue by all artists, patrons, staff, volunteers, vendors, and contractors at every event in 2021.

A summary of issues raised at public hearings conducted by the Foundation pursuant hereto, and the resolution of said issues.

Public Concerns

Public Organizational Meetings of the Board were held remotely in May and November of 2021 and were legally noticed in the Santa Barbara News Press to encourage community input. There were no public attendees for either meeting. Staff continued to communicate with neighbors and City and County representatives proactively.

In August, the Foundation hosted a “Neighbor Day” event, inviting over 400 neighbor households and residents in proximity to the Bowl. Neighbors were given an opportunity to tour the venue, meet key leadership including Board and staff, and learn about the organization. With the unprecedented 18-month COVID-19 closure of the venue, this well-received event helped strengthen existing relationships and introduce new neighbors to operational procedures.

Sound Control

The Foundation remains committed to enforcing the Santa Barbara Bowl Sound Control Plan. A Bowl staff member monitors the dB levels and curfew compliance at all concerts to ensure compliance. All sound monitoring data is public record and available for review at Foundation administrative offices.

Traffic and Parking

Traffic and parking mitigations are considered high priority on event days. 2021 was the 24th consecutive year in which the Foundation has operated the Santa Barbara High School parking lots during performances, with the agreement between the Foundation and the School District being extended through the 2025 concert season.

The Foundation additionally mitigates by working directly with taxi and ride-share companies for smooth and safe drop-off and pick-up.

The Foundation offers complimentary bike valet for all concerts at the Foundation’s cost and has continued its arrangement with the Santa Barbara Bicycle Coalition to provide this service. Helping to reduce neighborhood traffic and parking congestion, 2021 saw valet park 1,412 bicycles over 23 events, an average of 61 bicycles per concert.

Crowd Management and Event Safety

Event safety is one of the Foundation’s highest priorities. One AMR standby Advanced Life Support ambulance with two EMT paramedics are on-site at all events at the Foundation’s cost. The paramedic expense is deemed necessary to help treat and solve any medical and safety concerns that may arise the evening of an event in an efficient and timely manner.

The Foundation has continued the agreement with the Santa Barbara Police Department for expanded police coverage and traffic control at all Bowl events.

Onsite emergency generators and lighting systems are tested and maintained regularly.

Additionally, the Foundation continues to work with the SBPD, the SBF, AMR, and other local agencies to provide access to the venue for onsite first responder training for large crowd emergency contingencies. In 2021 the Bowl hosted multiple days of tours and training specifically for all Santa Barbara City Fire Department companies.

Foundation requires all alcohol beverage servers and related security supervisors to be certified in Responsible Beverage Service training prior to working at any events. The primary focus of this training is to educate servers and staff regarding liability, safety and at-risk situations related to the service of alcohol.

The Santa Barbara Bowl Emergency Plan was revised and updated in June 2021, and includes an emergency evacuation plan, which is available at the Foundation administrative office. This plan is reviewed annually and is provided to the Police and Fire Departments and is discussed prior to every event with employees, volunteers, event contract employees, promoter, and the touring artist production.

The Foundation is fortunate to have had the head of security, John Thayer, with us for 35 years.

Community Updates and Impact

Outreach

Overview

The SB Bowl Outreach program is a community outreach initiative dedicated to supporting performing arts education for youth in Santa Barbara County and is a key component of the Foundation's Mission Statement.

Through the various Outreach programs and the Santa Barbara Bowl Arts Subsidy detailed below, the Foundation contributed \$358,192.50 directly to performing arts and music education in the Santa Barbara County community in 2021.

- \$75,000 in Spring Cycle grants
- \$127,000 in Fall Cycle grants
- \$42,767 in Flash Grants
- \$15,000 in Legacy Scholarships (administered by the Scholarship Foundation of Santa Barbara)
- \$6,000 in Sponsorships
- \$12,730 in support of Pianos on State community celebration
- \$30,249 through Instrument Fund
- \$4,005 in underwriting through Community Ticket Subsidy
- \$45,441.50 in the SBBF Arts Subsidy

Outreach is funded through Santa Barbara Bowl Foundation efforts including ticket sales, community impact concerts, and donor fundraising. The Foundation has continued its commitment of \$1.00 per paid ticket to Outreach, totaling \$90,883 in 2021.

Foundation board members and community volunteers administer funds and additional support through schools, partners, direct-to-artists, and local not-for-profit arts organizations for performances, artist-in-residencies, master classes, community events, in-school and afterschool programs, instrument purchases and much more.

Descriptions of the Outreach programs

Spring and Fall Grant Cycles

The flagship for the Bowl Outreach program, these cycles provide much needed support and funding to local schools, artists and organizations to impact students' arts exposure throughout Santa Barbara County. Run through a rigorous grant process administered by Bowl staff and decided by a combination of Bowl Board members and engaged volunteer committee members, these cycles normally range between \$150,000 - \$200,000 but were decreased in 2021 due to negative COVID-19 impacts.

Flash Grants

Designed to be quick and responsive opportunities for support for emergent issues for local organizations, the Foundation was able to keep this programmatic support at a high level to provide immediate relief for arts programs.

Legacy Scholarships

Administered through the Scholarship Foundation of Santa Barbara, Bowl legacy scholarships recognized the vital roles of past volunteer board members through a donor-designated fund to support secondary education for Santa Barbara County high school graduates. Up to 8 students each year are provided scholarships for the secondary education in the fields of performing arts and music business.

Sponsorships

Each year, a budget amount is set aside exclusively to sponsor youth performing arts events and performances through the Outreach program. These sponsorships include the Santa Barbara Bowl Performing Arts Teach of the Year (SBB PATOY) Award through the Santa Barbara County Education Office's annual recognition of outstanding educators throughout Santa Barbara County. Liz Caruso, esteemed teacher at Monroe Elementary School, was the recipient of the 2021 SBB PATOY award. Sponsorships were decreased significantly in 2021 due to COVID-19 to a \$6,000 investment. The Foundation expects those to grow back to pre-pandemic levels in 2022.

Pianos on State

In 2021 the Outreach program continued to support the annual Pianos on State event in downtown Santa Barbara. For two weeks each Fall, pianos are available along State Street for musical exploration, impromptu play, and group performances. This interactive musical experience encourages people of all ages to play, listen, and sing along on pianos decorated by local professional artists who transform each piano into a unique piece of art.

Instrument Fund

Through the generous support of community members, the Outreach program continued to fund this popular initiative in 2021. The Instrument Fund, designed to repair and/or replace musical instruments, supplies and equipment for area youth music programs, was created with the goal to ensure that the lack of an instrument doesn't prevent a child from learning music. In 2021, the Instrument Fund contributed \$30,249 in funding to repair or purchase over 350 instruments.

Community Ticket Subsidy

The Community Ticket Subsidy (CTS) program provides subsidized tickets to performances at the Bowl and other venues for students throughout Santa Barbara County. The Foundation contributed \$4,005 to underwrite tickets for performances at the Santa Barbara Bowl and other county venues in 2021. This program was limited by the COVID-19 pandemic health restrictions, however the Foundation plans to resume a more robust CTS program in 2022.

SBBF Arts Subsidy

In accordance with the County lease agreement of 2011, the Foundation contributes to the Santa Barbara County Office of Arts and Culture's funding for community cultural arts programs. The amount payable to the S.B. Co. Office of Arts and Culture by the Foundation is designated as the Santa Barbara Bowl Arts Subsidy and is assessed at \$.50 per paid ticket sold annually, with a current cap of \$56,750 per season. The SBBF Arts Subsidy is paid to and used by the S.B. County Office of Arts and Culture as it deems appropriate for the direct funding of cultural arts events and programs in Santa Barbara County. Since the inception of the annual Arts Subsidy, the Foundation has made a total of \$428,614.25 in contributions to the S.B. Co. Office of Arts and Culture, including \$45,441.50 in 2021 based on ticket sales of 90,883 in the partial 2021 concert season.

Greening the Bowl

Overview

Entrusted with the 17-acres of Santa Barbara County open space, the Foundation considers itself stewards of the land. A robust and industry-leading greening effort is integral to the values and priorities of the Santa Barbara Bowl Foundation.

Descriptions of Greening Programs

Bike Valet

As previously detailed in this report, the Foundation runs a complimentary bike valet in the main lot for all community members every concert. The number of bikes parked has grown every year since inception.

Waste Sorting

The Foundation commits to sorting all event waste generated at each concert. This sorting has historically generated approximately 92% diversion from landfill to recycling and composting. The management company assigned to this sorting closed its doors due to the pandemic. As a replacement, one of the Bowl's concert contractors sorts at the end of each show with a lower amount of diversion.

Single Use Items

The Santa Barbara Bowl understands that concerts are a significant user of single-use items especially in Food & Beverage. To combat this usage, the Foundation is committed to both identifying single-use items that are not as impactful on the environment like compostable food-ware and building ways for patrons to re-use their drinkware. The Bowl's reusable cup program off-set 13,555 single use cups during the shortened 2021 Concert Season.

Solar Energy

With phases 1 & 2 completed of the solar project and phase 3 being designed, the Foundation continued with its commitment to of a net-neutral energy use. As mentioned previously, Bowl solar generated 65 MWhr in 2021.