



Information Item

Date: November 26, 2012

To: Mayor and City Council

From: Karen Ginsberg, Director, Community and Cultural Services

Subject: Transmittal of FY11-12 Annual Report for the Annenberg Community Beach House

Introduction

Attached for the Council's information is the Annenberg Community Beach House Annenberg FY11-12 Annual Report.

Discussion

Pursuant to the grant agreement with The Annenberg Foundation (Foundation), the City is required to submit an annual report to the Foundation. The attached report which was submitted to the Foundation earlier this month highlights the past fiscal year's strong financial performance with total revenues at \$2 million, 72.3% higher than projected revenues, and expenditures at \$3.2 million, 9.6% lower than the expenditures budget. In addition to highlighting the financial status of the Beach House, the report also offers a snapshot of Beach House activities that promote the shared vision of the City and Foundation to create and operate a community beach house.

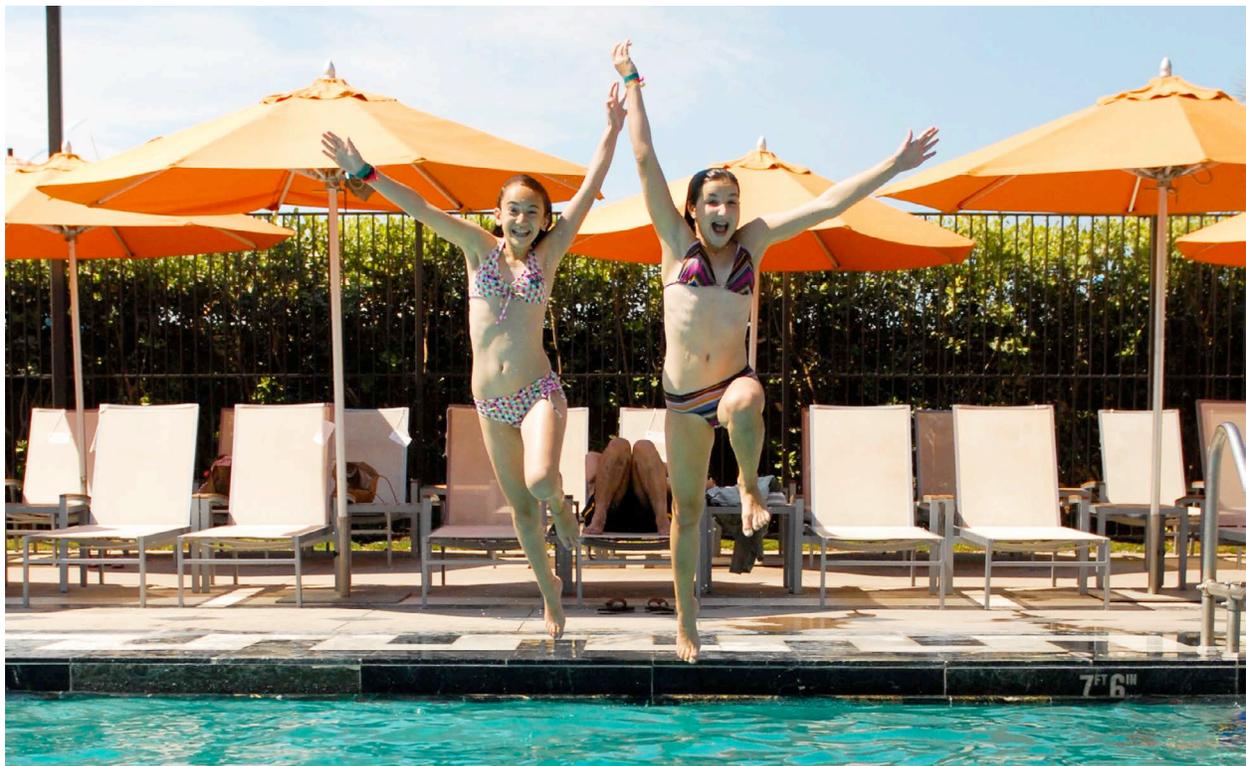
Prepared By: Nan Friedman, Manager, Annenberg Community Beach House

Attachment: FY11-12 Annual Report

**Annenberg Community
Beach House**
AT SANTA MONICA STATE BEACH

Annenberg Foundation Annual Report

Fiscal Year 2011-2012



ANNENBERG FOUNDATION ANNUAL REPORT FY11-12

This report presents an overview of the Annenberg Community Beach House for the fiscal year covering the period of July 1, 2011– June 30, 2012.

In its third full year of operations and fourth summer season, the Beach House built on the strength of existing operations and successful programming. It was a year of growth, exploring new programming ideas and expanding public awareness. The Beach House welcomed a wider demographic of the public through broader outreach and increased year-round programming, and also continued to build relationships with “regulars” – be they members of the public or repeat private event clients. It was also a year of growing relationships with hospitality partners, organizations, businesses, media, and even City of Santa Monica staff.



Left: Children play on the sand mound during *Get Down on the Sand!* August 27, 2011; Right: The Beach House pool, summer 2011

PUBLIC PROGRAMS

Summer 2011 Recap

While a significant portion of summer activity centers on the pool, the site continues to grow in appeal as an overall destination for a great day at the beach. From the water's

edge to the view deck, people found creative ways to enjoy time at the Beach House. Visitors took advantage of the splash pad, outdoor seating areas, playground and gallery. Complimentary new activities for visitors of all ages included Monday Fun Day (structured outdoor games, crafts and activities), recreational games on the sand (ladder ball and disc golf) and an indoor game room. Special monthly Saturday events started with *Summer's Here!* on opening day, followed by *Surf's Up!* in July, and *Get Down on the Sand!* in August. The Beach House piloted an adult-only Sunset Swim evening, and new classes included Group Fitness and Stand Up Paddleboarding. Paddleboards were also available for rent. These activities complimented the regular offerings such as the pool, canopies on the sand (rental and first-come, first-served) the Sand & Sea Fitness Room, weekly Beach=Culture events, a Theater Residency and the ever popular Marion Davies Guest House where the Santa Monica Conservancy docent program provides an interpretive experience with information and tours. Back on the Beach Café, its take-out window, and its colorful Beach Rentals Cart, with periodicals and summer-inspired items to rent and sell, greatly enhanced the summer visitor experience.



Left: Children play in the Splash Pad; Right: Beach Rentals Cart, open on summer pool days, operated by concessionaire

Summer 2011 activities included:

- Pool operations seven days a week, featuring:
 - o Daily recreation swim

- o Dollar Splash Mondays (with extended hours to 8 pm)
- o Pool Power Hours (casual adult lap swim) Wednesday & Friday mornings
- Recreational classes, available as a series or for drop-in, including Beach Volleyball and Yoga for youth and adults, Synchronized Swimming, and – new in 2011 – Stand Up Paddleboarding and Group Fitness in the Fitness Room
- Sand & Sea Fitness Room
 - o Seven days a week from 10 am – 8 pm for ages 16 and above
 - o Day rate of \$7 or \$5 with a full-priced class or pool pass
 - o Full season pass for \$130 and a half season pass for \$65
- Sunset Swim for ages 18 and over, pilot evening in August



Sunset Swim pilot evening in August 2011

- Unstructured recreational opportunities including beach volleyball, tennis and soccer, plus open areas for play, activities and relaxation, paddleboard rentals, sand games and a game room
- Eight Beach House branded canopies; four available by reservation, four available on a first come, first served basis, all accommodating a host of gatherings and celebrations
- All-ages events with special activities; one each in June, July and August

- Complimentary tours of the Guest House and site provided by the Santa Monica Conservancy docents
- Gallery exhibits Cultural Abstraction, Contemporary Figurations – the Works of Seven Contemporary Figurative Painters in Santa Monica and Los Angeles - Icons and Other Impressions, produced by the Los Angeles Photography Project.
- Free weekly Beach=Culture lectures, concerts and performances including the return of a summer theater residency with Santa Monica Repertory Theatre's original production of Shakespeare's *The Tempest* in six site-specific performances at the Guest House; the residency also included open rehearsals, workshops and blogging (<http://beachhouseair.blogspot.com>).
- The Beach House shuttle, providing a more cost-effective schedule of service on Dollar Splash Mondays, with guaranteed pool entrance to visitors on the first bus to better support its limited use.
- Back on the Beach Café offered sit-down service, a take-out window and a colorful Beach Rentals cart easily located on the Beach Walk with summer friendly items for rent and for sale.
- Results from intercept and online surveys at the close of the summer season identified a 94% satisfaction rating from visitors.



Above photos featured in Los Angeles - Icons and Other Impressions exhibit

Fall/Winter/Spring Recap

The summer season ended Labor Day, after which the Beach House shifted focus. The fitness equipment was moved to the City's Memorial Park for community use. The Sand & Sea Room was once again utilized for rentals, classes and other Beach House programming. The Annenberg Foundation supported the City's recommendation to maintain the equipment at Memorial Park year-round due to the low seasonal usage at the Beach House and the high cost of moving the equipment annually. Revenue generated from community use of the equipment will continue to go into the Beach House Fund to support guest operations.

During September, the pool was open on Saturdays and Sundays from 10 am – 4 pm for recreational swimming. The pool was also open the weekend of October 1 and 2 for the only weather-activated pool days of the year with 190 pool passes sold. Off-season weather-activated pool days are focused around weekend holidays and Friday or Monday holidays when youth are out of school and adults may typically be off work.

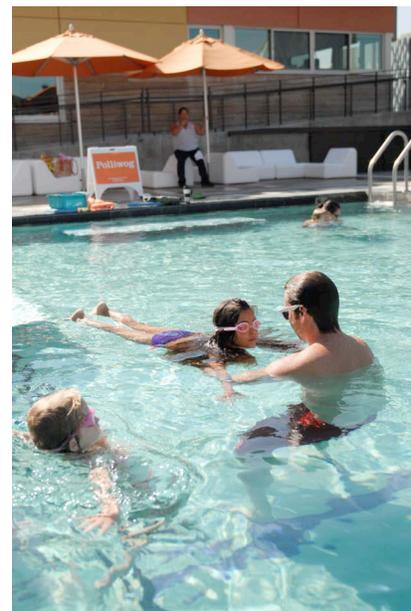


Happy Birthday Marion! January 8, 2012

New additions to year-round programming included *Happy Birthday Marion!*, a celebration of the woman at the center of the Beach House legacy; *Audubon Society Walks*, a beach ecology walk focused on the snowy plover and a 'Walk & Sketch'; *Play Me, I'm Yours*: a regional public installation in conjunction with the Los Angeles Chamber Orchestra where the Beach House hosted one of 30 pianos for a three week period; and *Make Music LA*: a free Summer Solstice music celebration open to all,

sponsored by the County of Los Angeles, City of Los Angeles, City of Santa Monica and other organizations.

Aqualillies synchronized swim technique and routine classes continued to gain in popularity and were offered in the shoulder seasons as well as the summer. Beach volleyball and yoga classes for youth and adults continued year-round. Paddleboard rentals increased throughout the year, especially during the warmer days in the holiday season, and 14 people scheduled private Stand Up Paddleboard lessons. Closing the fiscal year but continuing into summer 2012, Semi-Private Swim Classes were offered for the first time and 95% of the available classes sold out (first session 6/19/12-6/28/12), plus an intrepid band of four students filled the first session of Open Ocean Swim classes (6/19/12-6/28/12).



Left: Stand Up Paddleboard lessons began summer 2011; Right: Semi-Private Swim Lessons began summer 2012

The Beach House partnership with the Santa Monica Conservancy grew substantially over the year with the Docent Council's efforts to deepen education and engagement among docent volunteers by developing new programs for the Beach House and enrichment opportunities for the docents. In January, the Beach House and Conservancy launched a successful annual event to honor Marion Davies. *Happy*

Birthday Marion! turned the spotlight on the woman often celebrated as the "bubbles in a glass of champagne." Guests were invited to arrive in period costume, take a special tour highlighting the many facets of Ms. Davies, view a Davies film and snap photos of themselves in a photo booth. The festivities ended with a special toast to Ms. Davies. Also this year, the Conservancy developed a new tool to supplement the docent program, a PowerPoint version of the Conservancy's Guest House tour to be used at off-site events as well as at the Beach House when the Guest House is unavailable to tour. In addition to the many regularly scheduled public tours of the Marion Davies Guest House and site which provide an interpretive element to the visitor experience, the Conservancy provided tours for members of the travel and hospitality industry, expanding public awareness of the facility and its rich history, and was also hired to provide tours by ten private event clients. Docent enrichment activities included visits to Hearst Castle and Annenberg Retreat at Sunnylands, as well as the annual Docent Appreciation, co-hosted with the Beach House, in April.



Left: Swing Night!, a free Beach=Culture event; Right: A guest enjoys the public piano installed as part of *Play Me, I'm Yours*

Beach=Culture programming continued with one to three events per month and included classical, jazz and folk concerts, readings by local authors, historical lectures, dance, theater and other performances. Each program tied in some way to the site and its history. Popular Valentine's Day programming was repeated in conjunction with a dinner at Back on the Beach Café. Dance Hall events with dance lessons, live music and standing room only proved particularly popular, with dance genres ranging from swing to samba. The Beach House continued its Artist Residencies, ten-week

programs that provide jury-selected artists with an office in the Guest House, an honorarium, and funds to support production of a project with a connection to the Beach House. During the residency, artists shared the progress of their work with the public by providing open office hours as well as scheduled talks, demonstrations, workshops, open rehearsals and blogging in advance of a culminating project. This year's Resident Artists included Santa Monica Repertory Theater, as mentioned in the summer recap, and writer Lucy Wang. Both residencies developed a particularly strong level of public engagement with their blogging and workshop components. The choreography residency was shifted to fall of FY12-13.



Left: Photo by *SkyScapes* workshop participant; Right: Polaroid Sky Paintings, featured in *SkyScapes* exhibit

Rounding out the cultural activities were the tri-annual gallery exhibits Cultural Abstraction, Contemporary Figurations – the Works of Seven Contemporary Figurative Painters in Santa Monica, Los Angeles - Icons and Other Impressions produced by the Los Angeles Photography Project, and *SkyScapes*, with photographs by Lita Albuquerque, Bruria Finkel, and Chris Garland celebrating the open spaces and changeable vistas of the sky with its beauty and ability to inspire dreams and self-reflection. A workshop held in conjunction with *SkyScapes* yielded impressive plein-air

digital images by participants that were then shared on the Beach House website and Facebook page.

Memorial Day Weekend continued to be a popular prelude to the summer season which launched on Saturday June 29. Based on the success of the prior year, the End of School Year Beach and Pool Parties were marketed via direct mail and email campaign to public and private schools in the Los Angeles area. Six June dates were made available for groups who were able to reserve use of the pool, volleyball courts and canopies for regular community use fees. Eight groups averaging between 75-90 participants took advantage of the program with about half of the groups booked by returning schools or parents. The first high school group to take advantage of the program was the Teacher Prep Academy from the Cesar Chavez Learning Annex, LAUSD, which came to the pool with 60 students.

EVENT SERVICES



The Event Services Sales & Marketing Coordinator was nominated for the 2012 *BizBash Readers Choice Awards* as *Venue Manager of the Year*, after just a year on the job. This honor exemplifies the growth and reputation of Event Services in FY11-12 within the high profile Los Angeles event industry. Effective daily management of event inquires and site tours has allowed for a fast paced turn-around from prospect to

booking, and the team's professionalism continues to attract and service new and repeat clients. To support Event Services, a new Venue Services Assistant position has been developed with hiring to be completed by the second quarter of FY12-13. Additionally, to refresh the list of preferred caterers and balance operational and business needs, the City initiated a Request for Proposal process in January 2012. The new list of preferred caterers will go into effect in FY12-13. Marketing efforts throughout the year included ongoing management of the Event Services Facebook page with event photos and client accolades, plus targeted print ads and online search engine optimization. A user friendly, informative interactive website map was developed and will launch in FY12-13.



An evening event in the Garden Terrace Room (Event House)

Beach House staff continued their participation in a variety of networking and marketing events to build relationships and stay top-of-mind with meeting planners, hoteliers and other industry professionals including the 2012 BizBash Expo & Awards, Meeting Planner International-Southern California Chapter events, Santa Monica Convention and Visitors Bureau (SMCVB) mixers, and citywide networking events with Clique and Fete. Staff continues to work in close partnership with the SMCVB and local hoteliers.

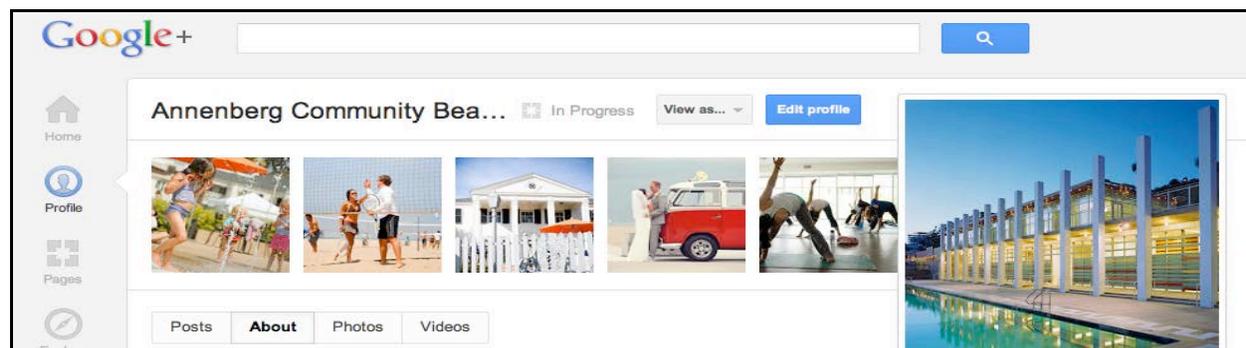
Demand for rentals from both new and existing clients continues and extends into 2014. Event Services typically books 12 months in advance. The table below shows the successful growth of Event Services from its first bookings in October 2009.

	FY 09/10	FY 10/11	FY 11/12	% Change FY11/12 over FY10/11
PRIVATE EVENTS	\$449,518	\$765,595	\$989,696	30%
FILMS & SHOOTS	\$23,211	\$102,631	\$166,283	62%
TOTALS	\$472,729	\$868,226	\$1,155,979	34%

MARKETING AND COMMUNICATIONS

A primary feature of messaging in FY11-12 was promoting the Beach House as a year-round destination with appealing and varied programming. This was accomplished by expanding programming, highlighting year-round amenities including Back on the Beach Café, and providing sample itineraries for monthly e-newsletters and city publications.

Onsite communication and marketing efforts were enhanced with newly developed templates for onsite A-frame and other signage from original design partner AdamsMorioka. The Beach House increased its presence and activity in social media with Facebook, Google+ and Twitter. The monthly newsletters continue to be an effective and popular communications tool and FY11-12 ended with 7700 subscribers, an increase of 2000 + subscribers from the previous year.



The Beach House on Google+

The Beach House had a marketing presence at many Santa Monica events and for the first time had a booth at the *Santa Monica Festival*. The booth was very effective in introducing the Beach House summer season and activities to the community. Another significant step in community outreach was participation as a sponsor of *Localicious*, an event celebrating the 30th Anniversary of the Santa Monica Farmers Market that took place at the Beach House.

The Beach House and SMCVB continued its close relationship throughout the year as the Beach House responded to requests to provide photos and marketing materials, participate in a B-Roll shoot, meet with journalists and members of the local and international travel and tourism industry, conduct FAM tours, and co-host a Media Tour during the U.S. Travel Association's International Pow-Wow. The Beach House also gained promotional exposure by partnering with media outlets including CBS News, and in conjunction with the Aqualillies, appeared in Vogue Magazine and a National Resource Defense Council holiday gift giving video.

PUBLICITY & RECOGNITION

On the local, national and international levels, the Beach House continues to attract attention. As a favored neighborhood hangout or top travel destination, the Beach House has been featured in all manner of broadcast, online and print outlets with focus on its history, architecture, cultural and recreational programs, classes, amenities and private events. Even the Beach House website received recognition being included in the upcoming New Big Book of Layouts published by Harper Design. Media outlets featuring these different facets of the Beach House included C-Suite Magazine, Sunset Magazine, German Elle, Vogue, LA Magazine, Afar Magazine, Expedia.com, LA Times Travel Video, Los Angeles Times, and many local outlets in print and online (The Argonaut, Santa Monica Daily Press, Santa Monica Mirror, CityTV, Santa Monica Dispatch, Santa Monica Update, SurfSantaMonica.com). Additionally, in January 2012, the City of Santa Monica and Mia Lehrer & Associates were honored with an *Award of Excellence* from the California Park & Recreation Society for the Beach House in the category of Facility Design.

PARTNERSHIP DEVELOPMENT

This year the Beach House strengthened intra-city relationships by partnering with the Strategic & Transportation Planning Division on a mobile tour for the National Conference of the American Planning Association (APA) and a Bike Local, Buy Local event with the Housing and Economic Development Department. As a member of the Julia Morgan Site Managers Council, the Beach House continued to build relationships with other local site managers as well as with California Cultural and Historic Endowment and State of California Tourism Board. The Beach House continued to be responsive to its many site partners including Frederick Fisher and Partners Architects, Mia Lehrer & Associates, the California Coastal Commission, California State Parks, AdamsMorioka and the Annenberg Foundation, enhancing their connection to the Beach House and supporting ongoing efforts to showcase and promote the Beach House as a vital public destination.

STATISTICS FOR FY11-12

- Pool
 - o 28,537 pool passes (daily, Power Hours & Sunset Swim)
- Classes
 - o 400 youth and adults enrolled in class sessions
 - o 642 youth and adults purchased drop-in classes
- Fitness Room
 - o 7 full season passes
 - o 6 half season passes
 - o 282 daily passes at the Beach House
 - o 118 Memorial Park monthly memberships
 - o 1188 Memorial Park daily passes
- Santa Monica Conservancy Docent Program
 - o 7090 visitors
 - o 2692 visitors in docent-led tours
 - o 410 tours
 - o 275+ *Happy Birthday Marion!* attendees

- Beach=Culture
 - o 43 Beach=Culture events, including 3 Gallery openings
 - o 3674 attendees
- Event Services
 - o 410 meetings and events (includes multiple day meetings and events)
 - o 52 film, TV and photo shoots (includes multiple day bookings)

PREVIEW OF FY12-13

Launch of Summer 2012

On Saturday, June 16, in conjunction with the earlier close of the Santa Monica-Malibu Unified School District year, the Beach House launched summer 2012 with *Summer's Here!* While this report covered activities for FY11-12, the following new programs took place in summer of 2012: first full summer of youth Semi-Private Swim Lessons, free daily Rec Room with all-ages activities, weekly Sunset Swim for adults only, and a Cardboard Yacht Regatta community event.



Left: First Annual Cardboard Yacht Regatta, August 2012; Right: Game Room in the Sand & Sea, available summer 2012

The Year Ahead

After Labor Day, staff began an evaluation of the summer and continues planning for the year ahead. Highlights include participation in the Julia Morgan 2012 Festival, Beach Ecology Walks, launching the refreshed list of preferred caterers and continued facility maintenance to sustain the Beach House as a premier destination.

Enclosures include:

Revenue and Expenditure Report

Officer's Certificate – Letter from Director of Finance



The City of Santa Monica

Statement of Revenue and Expenditures
 Annenberg Community Beach House
 July 1, 2011 - June 30, 2012

REVENUES

	Projection	Actuals	Variance	% Variance from Projection
Filming Permits	\$ (65,000)	\$ (166,283)	\$ 101,283	155.8%
Leased Beach Concessions	(140,000)	(166,655)	26,655	19.0%
City Operated Beach Parking Lots	(330,000)	(472,911)	142,911	43.3%
Other Beach Revenues	(173,100)	(272,163)	99,063	57.2%
Lease Rental Income	(492,000)	(989,696)	497,696	101.2%
Total Revenue	\$ (1,200,100)	\$ (2,067,708)	867,608	72.3%

EXPENDITURES

	Budget	Actuals	Variance	% Variance from Budget
Beach Operations	\$ 1,986,869	\$ 1,841,160	\$ (145,709)	-7.3%
Beach Maintenance	1,616,841	1,418,046	\$ (198,795)	-12.3%
Total Operations and Maintenance Expenditures	\$ 3,603,710	\$ 3,259,206	\$ (344,504)	-9.6%

Notes:

In FY 2011-2012, overall Total Actual Revenues were at \$2,067,708, 72.3% above the projected revenue of \$1,200,100.

Revenues for Filming Permits, Beach Concessions (Back on the Beach Cafe), Parking, Other Beach Revenues (classes and pool use) and Lease Rental Income (event-related rentals, parking and caterer commissions), were all significantly higher than projected, at 155.8%, 19.0%, 43.3%, 57.2% and 101.2%, respectively.

Actual Expenditures for FY 2011-2012, at \$3,259,206, were lower than budget, with Total Operations and Maintenance at 9.6% lower than budgeted amount of \$3,603,710.



Finance Department
1717 4th Street, Suite 250
Santa Monica, CA 90401

City of
Santa Monica[®]

November 5, 2012

Mr. Leonard Aube
Executive Director
Annenberg Foundation
2000 Avenue of the Stars
Los Angeles, CA 90067

Dear Mr. Aube,

Per Section 7.f of the Annenberg Foundation Agreement with the City of Santa Monica, I hereby certify, as Director of Finance for the City of Santa Monica, that all material contracts entered into by the City have been entered into strictly in accordance with the Approved Operations Plan.

Sincerely,

A handwritten signature in black ink, appearing to read "Gigi Decavalles".

Gigi Decavalles
Director of Finance