



City of Arts & Innovation

City Council Memorandum

TO: HONORABLE MAYOR AND CITY COUNCIL DATE: NOVEMBER 1, 2022

FROM: COMMUNITY & ECONOMIC DEVELOPMENT DEPARTMENT WARDS: ALL

SUBJECT: FIRST AMENDMENT TO MANAGEMENT AGREEMENTS FOR THE OPERATION AND MANAGEMENT OF THE FOX PERFORMING ARTS CENTER, AND THE RIVERSIDE MUNICIPAL AUDITORIUM, WITH LIVE NATION WORLDWIDE, INC.

ISSUE:

Approve First Amendment to Management Agreements for the operation and management of the Fox Performing Arts Center, and Riverside Municipal Auditorium, with Live Nation Worldwide, Inc., through June 30, 2023.

RECOMMENDATIONS:

That the City Council:

1. Approve the First Amendment to Management Agreement with Live Nation Worldwide, Inc. for the Fox Performing Arts Center through June 30, 2023;
2. Approve the First Amendment to Management Agreement with Live Nation Worldwide, Inc. for the Riverside Municipal Auditorium through June 30, 2023; and
3. Authorize the City Manager, or his designee, to execute any necessary financial, or legal documents, including making minor and non-substantive changes to execute the agreements.

BACKGROUND:

On January 17, 2013, the City Council Development Committee reviewed the scope of services and the Request for Proposal ("RFP") for the Operation and Management of the Fox, RMA, and other Entertainment Venues. The RFP was distributed on March 22, 2013, and a total of 29 organizations/individuals received the RFP. The non-mandatory walk through of the facilities was held on April 4, 2013, with 15 organizations in attendance. Seven (7) proposals were received by the due date of April 23, 2013.

On June 18, 2013, staff provided an update to the City Council on the RFP process and shared those negotiations had begun with Live Nation Worldwide, Inc. (Live Nation). Live Nation is the

world's leading live entertainment and e-commerce company and is comprised of four market leaders: Ticketmaster.com, Live Nation Concerts, Artist Nation, and Live Nation Network. These market leaders power Live Nation, the leading provider of entertainment marketing solutions. Live Nation has both their internal resources and work with other entertainment industry and professionals, such as Creative Artist Agency, William Morris Endeavor and Broadway Across America, etc., to provide quality programming.

On October 8, 2013, City Council approved the following:

1. Agreement for the operation and management of the Fox Performing Arts Center, in the amount of \$500,000, with Live Nation;
2. Approved the Agreement for the operation and management of the Riverside Municipal Auditorium, in the amount of \$50,000, with Live Nation;
3. Approved Facility Maintenance Fee of \$2.00 for the Riverside Municipal Auditorium; and
4. Authorized the City Manager, or his designee, to execute both Agreements and make minor and non-substantive changes.

DISCUSSION:

The current Agreements with Live Nation end in December 2022 for the Fox Performing Arts Center and March 2023 for the Riverside Municipal Auditorium. To align both facility management contracts to expire on the same date, staff is recommending extending both agreements with a first amendment to end on the same day, June 30, 2023.

The extension will allow Live Nation to continue to provide quality programming in an effective way with the aligned contracts. The First Amendments to the Agreements include the following:

- a. Extend the term by six months for the Fox Performing Arts Center;
- b. Extend the term by three months for the Riverside Municipal Auditorium;
- c. Establish compensation for costs, expenses, and shows prorated to costs incurred for this time period;
- d. Continue the monthly management fee;
- e. Maintain in full force all other terms and conditions of the Agreements between the parties which are not inconsistent with the terms of this First Amendment.

The Purchasing Manager concurs that the recommended actions are in compliance with Purchasing Resolution No. 23812 Section 702(h) which states, "Competitive Procurement through the Informal Procurement and Formal Procurement process shall not be required in any of the following circumstances: ... (h) When Services, except for Professional Services, can be Procured from a Contractor who offers the same or better price, terms and conditions as the Contractor previously offered as the Lowest Responsive Bidder under Competitive Procurement or negotiations conducted by the City or another public agency, provided that, in the opinion of the Manager, it is in the best interests of the City to do so".

STRATEGIC PLAN ALIGNMENT:

This item contributes to **Strategic Priority 1 – Arts, Culture and Recreation**, and **Goal 1.1 - Strengthen Riverside’s portfolio of arts, culture, recreation, senior, and lifelong learning programs and amenities through expanded community partnerships, shared use opportunities, and fund development.** This item also contributes to **Strategic Priority 5 – High Performing Government**, and **Goal 5.4 - Achieve and maintain financial health by addressing gaps between revenues and expenditures and aligning resources with strategic priorities to yield the greatest impact.**

The item aligns with each of the five Cross-Cutting Threads as follows:

1. **Community Trust** – The First Amendments align City and Live Nation resources to continue quality programming for the community, while determining the transition after the amendment ends.
2. **Equity** – With the First Amendments, Live Nation will continue to provide diverse entertainment that includes Broadway, family, cultural and youth-oriented.
3. **Fiscal Responsibility** – In the Fiscal Year 2022/23 budget, funds were allocated through June 30, 2023, so there is no supplemental appropriation needed.
4. **Innovation** – Due to COVID-19 closures, the city and staff adapted and shifted from normal processes and procedures for programming and funding to provide the highest quality programming of entertainment.
5. **Sustainability & Resiliency** – Entering into a First Amendment aligns resources efficiently and productively for the City and Live Nation.

FISCAL IMPACT:

The total fiscal impact of this action is \$275,000. Sufficient funds are budgeted and available in the Entertainment Fund, Fox Performing Arts Program and Riverside Municipal Auditorium Program, account numbers 2880000-459965 and 2880100-459965 respectively.

Prepared by: Chris Christopoulos, Acting Community & Economic Development Director

Certified as to availability of funds: Edward Enriquez, Interim Assistant City Manager/Chief Financial Officer/City Treasurer

Approved by: Rafael Guzman, Assistant City Manager

Approved as to form: Phaedra A. Norton, City Attorney

Attachments

1. First Amendment to Management Agreement for the Fox Performing Arts Center
2. First Amendment to Management Agreement for the Riverside Municipal Auditorium