



City of Arts & Innovation

City Council Memorandum

TO: HONORABLE MAYOR AND CITY COUNCIL DATE: OCTOBER 24, 2023

FROM: COMMUNITY & ECONOMIC DEVELOPMENT WARD: 1
DEPARTMENT

SUBJECT: THIRD 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 Third 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 December 31, 2023.

RECOMMENDATIONS:

That the City Council:

1. Approve the Third Amendment to Management Agreement with Live Nation Worldwide, Inc. for the Fox Performing Arts Center through December 31, 2023;
2. Approve the Third Amendment to Management Agreement with Live Nation Worldwide, Inc. for the Riverside Municipal Auditorium through December 31, 2023;
3. Authorize the City Manager, or his designee, to renew administratively, if necessary, for one additional amendment through June 30, 2024, so long as Live Nation Worldwide, Inc. is not in default under any material term, duty, condition, or obligation of agreements; and
4. 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 on October 31, 2023. The cost of the management agreements including CPI increases as approved in the 2013 agreements are \$500,000 for the Fox Performing Arts Center and \$100,000 for the Riverside Municipal Auditorium. To align programming, plans, and opportunities, staff is recommending extending both agreements with a third amendment to end on December 31, 2023.

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

- a. Extend the term by two months for the Fox Performing Arts Center;
- b. Extend the term by two 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 Second 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 Third 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 Third Amendments, Live Nation will continue to provide diverse entertainment that includes Broadway, family, cultural and youth-oriented events, and programs.
3. **Fiscal Responsibility** – In the Fiscal Year 2023/2024 budget, funds were allocated so there is no supplemental appropriation needed.
4. **Innovation** –The City and Live Nation have been innovative in this partnership, supporting programming, new ideas/events and collaborating on projects for the Fox Performing Arts Center and the Riverside Municipal Auditorium.
5. **Sustainability & Resiliency** – Entering into Third Amendments aligns resources efficiently and productively for the City and Live Nation.

FISCAL IMPACT:

The total fiscal impact of this action is \$100,000 for the two-month extension period. 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: Jennifer A. Lilley, AICP, Community & Economic Development Director
Certified as to availability of funds: Kristie Thomas, Finance Director/Assistant Chief Financial Officer
Approved by: Rafael Guzman, Assistant City Manager
Approved as to form: Phaedra A. Norton, City Attorney

Attachments

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