



City of Arts & Innovation

City Council Memorandum

TO: HONORABLE MAYOR AND CITY COUNCIL **DATE: OCTOBER 24, 2017**
FROM: MUSEUM & CULTURAL AFFAIRS **WARDS: ALL**
SUBJECT: ANNUAL UPDATE FOR FOX PERFORMING ARTS CENTER AND RIVERSIDE MUNICIPAL AUDITORIUM

ISSUE:

Receive an annual update from Live Nation Worldwide, Inc., operator of the Fox Performing Arts Center and Riverside Municipal Auditorium.

RECOMMENDATIONS:

That the City Council receive and file this annual update from Live Nation Worldwide, Inc., operator of the Fox Performing Arts Center and Riverside Municipal Auditorium.

BACKGROUND:

On October 8, 2013, the City Council approved the Agreement for the operation and management of the Fox Performing Arts Center ("Fox") and Riverside Municipal Auditorium ("RMA") with Live Nation. Live Nation is to provide for the management and operation of the Premises as a first-class live entertainment and special event venue consistent with the goals of the City. The RMA is owned by the City and therefore all uses are designed to create a positive economic impact, stimulate growth for the region and provide for the cultural and intellectual enrichment of the community. Live Nation recognizes these goals and is working diligently to schedule, promote and provide diverse entertainment and special events. A timeline of council actions relating to the management of the Fox and RMA is provided below.

Council Date	Parties	Summary
June 18, 2013	City	Update on Status of RFP Process for Fox Performing Arts Center and Riverside Municipal Auditorium
October 8, 2013	City and Live Nation	Agreements for the Operation and Management of the Fox Performing Arts Center and Riverside Municipal Auditorium
May 6, 2014	City and Live Nation	Facility Rental Rates & Fee Structure for Riverside Municipal Auditorium
February 10, 2015	City and Live Nation	Sponsorship Agreement for Fox Performing Arts Center and Riverside Municipal Auditorium
May 10, 2016	Live Nation	Budget Presentation
December 6, 2017	Live Nation	Annual Update for Fox Performing Arts Center and Riverside Municipal Auditorium

DISCUSSION:

Live Nation Worldwide, Inc. provides monthly reports and an annual financial statement to the City in compliance with their Agreements. Monthly reports include but are not limited to profit and loss statements, operational data, industry trends, current issues or concerns and planning for future shows/events/programs.

Beginning in FY 2016-17, Live Nation Worldwide, Inc. became more involved in budget presentations and deliberations and presented an oral report to Council summarizing the prior year's annual activities. Live Nation Worldwide, Inc. will provide a presentation outlining the financial performance, operational updates, trends, and highlights for the Fiscal Year ending June 30, 2017.

FISCAL IMPACT:

There is no fiscal impact associated with this report. The annual fiscal performance of the Fox Theater and Municipal Auditorium are noted below.

Agreement	FY2016/17 Revenues	FY2016/17 Expenditures	FY2016/17 Net
Fox Theater	\$4,005,714	\$3,812,255	\$193,459
Management Fee		\$500,000	(\$500,000)
Performance Bonus		N/A	-
			<u>(\$306,541)</u>
Riverside Municipal Auditorium	\$3,638,883	\$3,070,471	\$568,412
Management Fee		\$100,000	(\$100,000)
Performance Bonus		\$362,472	<u>\$(362,472)</u>
			<u>\$105,940</u>

The Fox/RMA are one of multiple participants in several debt obligations with maturities ending between 2032-2037. The annual debt requirement for the Fox Theater and Riverside Municipal Auditorium is \$3.2 million; these expenditures are not included in the operational expenditures noted above as these are the responsibility of the City.

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Certified as to
availability of funds: Adam Raymond, Chief Financial Officer/City Treasurer

Approved by: Alexander T. Nguyen, Assistant City Manager

Approved as to form: Gary G. Geuss, City Attorney

Attachment: Presentation