



Legislation Text

File #: Res.0327-17, **Version:** A

Alderman Coe

Venuworks Management Agreement Extension

Resolved, that the Common Council adopt Addendum #3 to the Management Agreement with VENUWORKS extending the current agreement for the ongoing management and operations of Festival Hall, Festival Park and Memorial Hall for a period of 18-months, through June 30, 2019, including therewith the extra services for support of the proposed event center.

Fiscal Note: The Contract extension proposed would continue the same terms for compensation to VENUWORKS. The current terms of the Management Agreement with VENUWORKS requires the City to pay VENUWORKS a yearly "base management fee" of \$70,000, adjusted upward each January 1st following 2013, by the annual change in the Consumer Price Index. In addition, VENUWORKS can (and has) achieve(d) additional yearly "variable fees" which are performance-based and equal to no greater than 50% of the subsidy savings they can achieve year-over-year. The City has budgeted for these fees in advance. To the extent VENUWOPRKS continues to achieve year-over-year subsidy savings, the city will see its budget for the Civic Centre continue to decline. The additional support services associated with acquiring Naming Rights for the event center and assisting with the final term-sheet for the USHL Franchisee anchor-tenant, will be done without additional charge other than any actual out-of-pocket expenses incurred by VENUWORKS; as well as should the City not continue to contract with VENUWORKS following the 18-month extension, we would then be obligated to pay a lump-sum total of \$25,000. This is in comparison to proposals from other similar, national venue consultants/naming rights firms who quoted non-refundable retainers of \$35,000, whether successful or not, and commissions up to 22 ½% if successful.