



EXECUTIVE SUMMARY
VENUWORKS PROFESSIONAL SERVICES AGREEMENT
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1. Term

- The term is for five years from July 1, 2016 – June 30, 2021
- City has the ability to terminate without cause after three years.
- If terminating after three years, the City must give notice of termination by April 1, 2019.

2. Compensation

- Monthly management fee of \$9,500 (\$114,000 annually)
 - Annual CPI Increases not to exceed 3%
 - Disincentive fee is established meaning if the agreed upon budget is not met, the commissions outlined below are utilized to make up the difference.
- Commissions
 - Food & Beverage (concessions): 5%
 - 5% of gross less taxes and third-party concession providers (i.e., not-for-profit organizations)
 - Subject to audit by the City
 - VenuWorks guarantees City will receive a minimum of 40% of gross sales.
 - Commission is paid after revenues are realized and submission of proper documentation to City.
 - Contractual Income (advertising, sponsorships, etc.): 5%
 - 5% on advertising, sponsorship, pouring rights and naming right revenues.
 - No commission paid on trades, club memberships, suite sales, rentals, or sponsorships secured by third-parties.
 - Commission is paid after revenues are realized and submission of proper documentation to City.

3. Transparency

- Event reports will be made public and posted online
 - Reports will show gross revenues, including concession sales, merchandise sales, and ticket sales for each event at the facility. Gross expenses will also be shown (artist fees redacted in some situations).
 - Monthly financial reports will also be provided and posted.
- Coliseum budgets and plans will be made public and posted online
- Contractual requirements to comply with FOIA and hold the City harmless

4. Capital Investments

- VenuWorks will provide an additional \$450,000 in a no-interest loan for necessary capital improvements and upgrades at the Coliseum.
 - VenuWorks is already providing a no-interest loan in the amount of \$300,000 for the purchase of the concession equipment.
 - Prior to utilizing this offer, VenuWorks will provide the City Council with a proposed plan of improvements (expected this summer).

5. Oversight

- The City Manager and/or a contract administrator are to be involved in overseeing the operation and management of the Coliseum.
- The operations are subject to annual audit with payback provision if accounting errors over 5% are discovered.
- Provisions prohibit VenuWorks from booking events that carry a financial risk to the City without pre-approval.
- City is provided access to all accounts and records.

6. Operational Procedures

- Maintenance requirements are clearly defined on Exhibit A.
- Various operational plans are required to be provided by VenuWorks and approved by the City, including a business plan and financial manual.
- Various memoranda of understandings are required to be developed, including MOU's on parking, utilities, interaction with the Pepsi Ice Center, and the establishment of procedures should VenuWorks' tenure managing the Coliseum come to an end.

TIMELINE FOR CONSIDERATION & APPROVAL

1. June 13, 2016 (City Council Work Session): Presentation & Overview
2. June 20, 2016 (Committee of the Whole): Additional Discussion & Questions
3. June 27, 2016 (City Council Regular Meeting): City Council Consideration & Action