


Memorandum



To: Mike Geisel, City Administrator
From:  Tom McCarthy
Director of Parks, Recreation and Arts
Date: 9/4/2018
Re: Amphitheater Budget Timing

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Please see the attached memo from Superintendent, Jason Baucom who oversees the Arts and Entertainment operations. As you are aware, the Parks Department has been successful in increasing the commercial use of the Amphitheater as part of the overall business and revenue strategy for the City. Jason has done an incredible job with his team over the last five years getting exceptional entertainment for our free concerts and working closely with other groups like the Pageant and Live Nations to bring stellar groups to perform when we do our in house, ticketed events and co-pros. Jason has been attending the International Entertainment Buyers Association Conference in Nashville the last few years and continues to make connections with agents for better bands to make sure that the amphitheater is represented in the best light possible. Jason has encountered a major challenge with the City's fiscal year and the associated timing of our budget approval while he is trying to secure contracts for the coming entertainment season. As a result, we have been limited in obtaining talent that would improve our margins and decrease our risk. In the entertainment industry timing is everything. With the city's budget being approved in late December Jason is at a huge disadvantage as the agents won't really entertain offers unless he can reserve them and pay the deposit at the time of the discussion which is normally at the conference or early in October. This leaves Jason waiting until most of the better groups are secured and then he is trying to piece meal concerts together with the leftovers or squeeze them in between other contracts in early January. This increases costs, reduces the talent level which in turns reduces interest and profit potential.

While it is a simple, revenue neutral fix, we need to be able to enter into contracts for the coming year, in October of the current year. No additional funding, just authorizing staff to enter into binding entertainment contracts prior to the beginning of the coming fiscal year. We are simply not authorized to enter into contracts until the budget for that fiscal year has been officially approved. I would like to request the dollar amount of \$120,000 we have requested in the 2019 budget be approved in advance to give Jason the best advantage to secure the better bands when he is at the conference in late September. Keep in mind he will only be giving deposits for the three to four ticketed events he hopes to have in 2019, but he needs to know that the rest of the dollars requested have been approved prior to entering contract negotiations. The majority of the dollars will not be paid out until the 2019 concert season, but without Council's approval on the budgeted dollars Jason's hands are tied until the budget is approved in late December.

If this meets with your approval, I would like to add this to the next Parks, Recreation and Arts Committee of Council's agenda which we will schedule in early September.

Please forward to
PR&A for discussion
& direction
MOP
9/6/2018



Memorandum

To: Tom McCarthy, Director of Parks, Recreation, & Arts

From: Jason Baucom, Superintendent of Arts & Entertainment

Date: August 28, 2018

Subject: Chesterfield Amphitheater – Ticketed Event Approval

I am writing in regards to the 2019 budget and more specifically gaining early approval on the proposed \$120,000 for ticketed events. Due to our budget not being approved until the end of the year, we are unable to make offers until the middle or end of January at the earliest due to agents being widely unavailable from the holidays. This late action to acquire talent/shows for the upcoming year leaves us with very poor options and dare I say, leftovers. Within the industry, September and October are the best times to conduct business and give ourselves the best chance of acquiring the artists of choice, while giving us the greatest opportunity for success. Entertainers develop tour schedules and plan their dates for the next season in the fourth quarter of the year.

I will be attending the International Entertainment Buyers Association in Nashville, Sept. 30th – Oct. 2nd. This is the largest gathering of booking agents in the world. I am asking for budget approval by the start of this conference, in order to have the opportunity to make offers to artists while in attendance. If I were to make offers to artists and they accepted and then later these funds were made unavailable the City would be sued for breach of contract for the potential gross revenue amount included on the offer.

Currently, our budget allows us to buy 2-4 nationally touring concerts annually. Throughout this process I gather research on potential acts that would be a good fit for our venue by weighing our risk/rewards through market/ticket history, popularity, new album trajectories, price, and music genre. There are very few acts that meet this criteria, which leaves us with a small list of targeted acts.

These targeted acts are also high in demand by competitors in our own market and timing can make all the difference in the world. For example, there were three acts from my list who met my criteria that Ballpark Village booked in November for the Spring. That after speaking with these artist's booking agent, I was assured that we would have gotten their shows if we would have put in an offer sooner. By the way, all three of those shows were sell outs.

I am not saying we are going to get every act we put an offer on, however if we have the ability to make offers earlier, as in September/October it puts us in a much better place to succeed. We experienced this frustration this year after missing out on every artist on the targeted list. The Roots and Boots Tour was booked, but was not on the targeted list and did not perform the way we would have liked.

By making offers earlier it can also be a cost savings. The goal is to hit on some of these acts at just the right time, before they explode. For example, I assisted Taste of St. Louis with their talent booking a couple of years ago and convinced them to go with Chris Stapleton. I made the offer for \$20,000 and they liked the offer, however their camp was moving to slow and we had to move onto Chris Janson. Within two months Chris Stapleton's price tag tripled and then by January had gone to \$100,000 minimum guarantee....now he's getting \$500,000.

It's also important to grab these up and coming acts before they sign on as support with a major tour. Once that happens Hollywood Casino Amphitheater has a 110 mile radius clause, 90 days pre and post, which eliminates them from performing anywhere else in our market for the duration of the summer.

In this business, timing is everything! By waiting to make offers in January we are losing the opportunity to book the best shows possible for our success and it could potentially cost us a significant amount of revenue.