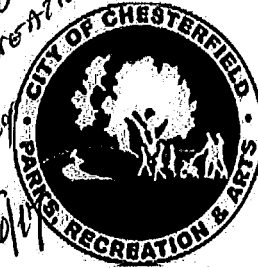


Memorandum

To: Mike Geisel, City Administrator
From: Tom McCarthy
Date: 10/19/2017
Re: In-House ticketed Shows at the Amphitheater

*Forward to
Parks, Recreation
& Arts
Committee
max
10/20/17*



5

As you are aware, since the inaugural opening of the Amphitheater in 2011, the City has slowly and incrementally increased the use of the venue as a revenue generator. This was a significant component of the facility strategy as it was conceived and constructed. Over the last few years, the venue has achieved positive publicity and has progressively gained a reputation as a viable commercial boutique performance location. During preparation of the 2017 budget, Council incorporated a significant emphasis on expanding the commercial use of the amphitheater for ticketed events, which resulted in increased revenues.

Although City Council approved the budget and approved the contractual appropriation, I believe it is prudent to ensure there exists a common understanding of the process involved in contracting for performers. Accordingly, I have developed a proposed policy which documents Staff's practices in recruiting and contracting for talent. We have consulted with legal counsel to ensure that our practices are sound and statutorily compliant.

Attached is Jason's memo on how successful the amphitheater has been the last three years. While we have confirmed with legal counsel regarding our contracting practice as long as we stayed within Councils approved budgeted, I would like to have Council approve the written policy such that we are all operating under a common understanding.

When we first sought to contract for ticketed shows, we repeatedly lost artist opportunities because it took days or weeks to obtain formal approvals. After successfully negotiating terms with agents and artist representatives, we could not confirm a contract within an hour of contracts being offered. The lack of authorization to execute such contracts resulted in the loss of many highly sought after performance contracts.

In the last few years, Council has authorized our Superintendent of Arts & Entertainment, Jason Baucom, to work with the artist agents and sign contracts as long as the appropriation was provided and approved in the approved budget. I would like to propose that we formally document and confirm this practice by forwarding the following policy to the Parks, Recreation and Arts Committee of Council for review and approval, and subsequently on to the full Council for approval.

Park, Recreation and Arts Policy on contract negotiations for in-house ticketed events.

Proposed in-house ticketed event contracts can be negotiated and executed by the Superintendent of Arts and Entertainment with the approval of the Director of Parks, Recreation and Arts as long as the contracted sum(s) fees for the performance artists contracts are within the fiscal year budgeted amount approved by Council for this purpose.

If you have any questions or require additional information, please advise.



Memorandum

To: Mike Geisel, City Administrator
Tom McCarthy, Director of Parks, Recreation, & Arts

From: Jason Baucom, Superintendent of Arts & Entertainment *JB*

Date: September 18, 2017

Subject: Chesterfield Amphitheater

2017 has been a banner year for the Chesterfield Amphitheater. Anchored by the performance of our three strong ticketed events we have set record revenue numbers and garnered more attention from national promoters than ever before. We will once again double our previous year's revenue, which we have done for the past three years in a row. (2014: \$22,004, 2015: \$66,837, 2016: \$130,912, 2017: \$280,000+) We are just beginning to scratch the surface of the Amphitheater's earning potential. Other comparable city owned and operated venues with similar capacities and communities such as The Frederick Brown Jr. Amphitheater in Peachtree City, GA reported 2016 revenues of \$1,000,670 and The Frazee Pavilion in Kettering, OH reported \$4,030,000. Of course, these revenues didn't happen overnight it took foresight and dedication from their respective city governments to invest in infrastructure improvements, staffing, and increasing talent budgets. City Council has been very supportive approving the purchase of our own sound system that can support national acts and small increases to the amphitheater's budget. The Chesterfield Amphitheater is such a source of pride for our community and potential revenue producer that it's imperative to continue to move forward and look to the future.

Ticketed shows: Three in-house ticketed events generated \$203,354 in gross revenue. "Kip Moore", "The Burbs Music & Arts Festival", and "Aaron Lewis". Of that total \$124,790 were in ticket sales and \$77,314 were in bar sales. Kip Moore and Aaron Lewis were both major acts that we were very fortunate to land. Talent agents can be very temperamental when it comes to the artists they represent and until actually attending the IEBA Conference in Nashville last year they were reluctant to discuss any offers, especially for major contemporary artists. Most of the time it doesn't matter how much money you're offering the artist, but how much the agent trusts that it'll be a good look for their client. So, if they don't believe in your competence to market and sell tickets then it's not going to happen. Once you build the relationships and gain their trust then they will start working with you and sending you artist avails. Once you have the artist avails or routing dates then the race is on to get an offer in, time is of the essence and the decision must be made within hours. Your offer is in competition with not only St. Louis venues, but Midwest venues in general. Once the offer is submitted it is legally binding and the booking agent takes the offers to the artist's agent and then they decide which offer makes the most sense for their client. Once we receive word the offer has been accepted we begin working on a mutual agreeable date, if the date hasn't previously been agreed upon. Next comes the artist contract and

hospitality/technical riders. Once received, they are reviewed and scrutinized then returned to the agent, which in turn the agent makes his/her adjustments and sends back, sometimes this process is repeated 2-3 times until reaching finalization. The Chesterfield Amphitheater is at a critical juncture and must keep moving forward and not taking steps back, we have spent six years building the brand and reputation of the amphitheater and must stay dedicated to its bright future. I am requesting that we continue with the same successful process that we have been following in attaining the artists for our ticketed shows. I am also requesting that we continue to dedicate resources and improvements to allow for the amphitheaters growth and prosperity into the future to steadily reach its full potential. It's essential to continue to build our relationships within the music industry and its agents and show them that we are in it for the long haul and will continue to grow our venue.

Ticketed Rentals: Three ticketed rentals this year with approx. gross of \$27,882. "Gateway Jazz Festival" was presented by Summerset Jazz, LLC and is well known for some of their festivals, including the highly successful "Music City Jazz Festival" held annually in Nashville. With rent and our split on ticket sales and bar revenue we grossed \$14,482. This show was also broadcasted worldwide and could watch via internet. "Totality" was our next ticketed show rental, which we did not have a revenue split on bars, yet still grossed \$8400 between rent and ticket sales. The last ticketed show will be the "Faith and Freedom Festival" on October 7th and we should finish around \$5000 in gross revenue for this show.

Non-ticketed rentals: Ten events with a gross revenue of approx. \$32,900. These rentals include Taste of St. Louis, Pedal the Cause, various walks, and events.

Partnered event: Chesterfield Wine and Jazz Festival grossed \$23,242 in bar sales and \$3415 in vendor fees.

To date these ticketed shows are our best opportunity to generate maximum revenues for the City and the Chesterfield Amphitheater. More ticketed shows equals much greater revenues. Our biggest amount of ticket buyers in each show have come from Chesterfield, which allows our residents the opportunity to see world renowned acts in their own backyard and is also a source of pride. We are also building a broader audience to our concerts that translates into more successes for future concerts with people driving from 3-4 hrs away. Our notoriety is beginning to build as the best small outdoor venue in the Midwest with these ticketed events and the mix of programming we provide. As a direct result from these three ticketed concerts this year we have caught the attention from many more promoters, which we are in current discussions with about concert rentals for next year. However we can't rely on just the promoters, we must continue with our own ticketed shows(3-4) to continue to build our audience, increase our revenues, and encourage others to bring their shows to us.

Mike and Tom, I would welcome the opportunity to sit down and discuss the details of this memo. Please let me know if you need any additional information or have any questions.