



City of Culver City

Mike Balkman
Council Chambers
9770 Culver Blvd.
Culver City, CA 90232
(310) 253-5851

Staff Report

File #: 20-757, Version: 1

Item #: C-6.

CC - (1) Receipt and Filing of the Financial Statements from Culver City's Boulevard Music 2019 Summer Festival; (2) FOUR-FIFTHS VOTE REQUIREMENT: Approval of a Budget Amendment Appropriating \$46,032 from the General Fund; (3) Designation of Culver City's Boulevard Music 2020 Summer Festival Series as a City-Sponsored Event; (4) Approval of a Memorandum of Understanding and License Agreement with Boulevard Music in an Amount Not-to-Exceed \$46,032 for Culver City's Boulevard Music 2020 Summer Festival; and (5) Approval of a Fee Waiver for the \$119 City Banner Permit Application Fee and \$100.76 for the Tech Surcharge Fee.

Meeting Date: February 24, 2020

Contact Person/Dept: Shelly Wolfberg/City Manager's Office

Phone Number: (310) 253-6000

Fiscal Impact: Yes ☒ No ☐

General Fund: Yes ☒ No ☐

Public Hearing: ☐

Action Item: ☒

Attachments: Yes ☒ No ☐

Commission Action Required: Yes ☐ No ☒ **Date:**

Commission Name:

Public Notification: (E-Mail) Gary Mandell, Kirk Douglas Theatre, and Culver City Downtown Business Association (02/18/20); Meetings and Meetings and Agendas - City Council (02/18/20)

Department Approval: John M. Nachbar, City Manager (02/17/20)

RECOMMENDATION

Staff recommends the City Council (1) receive and file Culver City's Boulevard Music 2019 Summer Festival Financials; (2) approve a budget amendment appropriating \$46,032 from the General Fund (**requires a four-fifths vote**); (3) designate Culver City's Boulevard Music 2020 Summer Festival a City-sponsored event; (4) approve a Memorandum of Understanding and License Agreement with Boulevard Music in an amount not-to-exceed \$46,032 for Culver City's Boulevard Music 2020 Summer Festival; and (5) approve a fee waiver for the \$119 City Banner Permit Application fee and \$100.76 for the Tech Surcharge Fee.

BACKGROUND

Audiences have enjoyed over 20 years of free summer concerts in the City Hall Courtyard. For a majority of this time, Gary Mandell of Boulevard Music has served as the Producer of the Concert Series, with the City or the former Culver City Redevelopment Agency as the main sponsor of the Concert Series. The responsibilities of the Producer have included contracting and overseeing the musical artists, sound engineer, custodial services, and event security in addition to marketing the event.

On June 23, 2014, the City Council considered the option of releasing a Request for Proposals (RFP) for the 2015 Summer Concert Series. At that meeting, the City Council took the following action:

MOVED BY VICE MAYOR O'LEARY AND SECONDED BY COUNCILMEMBER CLARKE THAT THE CITY MANAGER BRING BACK THE RFP WHEN PARCEL B IS READY TO ACCOMMODATE THE SUMMER CONCERT SERIES WITH COMMISSION INPUT AS TO WHEN IS THE PROPER TIME TO MOVE FORWARD.

It has not yet been determined whether summer concert series could potentially move to the Culver Steps site in the future.

Over the past several years, as part of Mr. Mandell's services, he raises revenue to offset production costs by: 1) seeking cash donations through sponsorships; 2) identifying in-kind donations through sponsorships; and 3) selling reserved concert seating at \$10.00 per seat per concert.

On February 25, 2019, the City Council considered a proposal by Mr. Mandell to produce the 2019 Summer Concert Series which included the projected expenses for the production of six concerts and direction to Mr. Mandell that he remits all revenues he collected from sponsorships and seat sales to the Cultural Affairs Foundation and the City.

At that City Council Meeting, the City Council approved the following:

1. Received and filed the 2018 Summer Concert Financials Provided by Boulevard Music; and
2. Approved a Budget Amendment appropriating \$43,167 from the General Fund; and,
3. Designated Culver City's Boulevard Music 2019 Summer Festival a City-sponsored event; and,
4. Approved a Memorandum of Understanding and License Agreement with Boulevard Music in an Amount Not-to-Exceed \$43,167 for the 2019 Culver City Summer Concert Series; and,
5. Waived the \$119 City banner permit application fee; and,
6. Authorized the City Attorney to review/prepare the necessary documents; and,
7. Authorized the City Manager to execute such documents on behalf of the City.

For the 2019 Concert Series, Mr. Mandell's determined that his actual costs were \$311.58 higher due to an increase in the production costs. In 2019, the revenues resulting from the sales of sponsorships (excluding the City's sponsorship) and reserved concert seating totaled \$20,125; \$14,385 of which was in cash sponsorships and \$5,740 was received from reserved seating sales. Mr. Mandell's 2019 Summer Concert Financials are provided in Attachment 1. Mr. Mandell was paid for the actual costs for the 2019 Concerts, which were \$43,478.58.

DISCUSSION

Recently, staff contacted Mr. Mandell for a cost proposal to produce the 2020 Concert Series for six nights (the same number of nights of the 2020 Concert Series). Mr. Mandell has submitted his proposal (Attachment 2) and budget of \$46,032 to produce the 2020 Concert Series, with a scope of work similar to the 2019 Concert Series. Throughout the years, the Thursday night concerts have traditionally begun at 7:00 pm and have concluded at 9:00 pm and have commenced on first Thursday in July, following the 4th of July holiday. This schedule is proposed to continue for 2020, with the first concert to take place on July 9, 2020.

The amount of Mr. Mandell's cost proposal to produce Culver City's Boulevard Music 2020 Summer Festival is not-to-exceed \$46,032 to cover all of his expenses. Mr. Mandell is requesting the City waive the \$119 City banner permit application fee and \$100.76 for the Tech Surcharge Fee. If Mr. Mandell raises at least \$15,000 in sponsorship revenue and at least \$5,000 in ticket sales for reserved seating, (similar to what was raised for past Concert Series events), then the City could potentially recover around \$20,000 of his cost proposal, leaving a net concert production cost of \$26,032 to be borne by the City's General Fund.

In planning for a potential 2020 Concert Series, staff is seeking City Council direction at this time. The City Council may direct the City Manager to enter into negotiations with Boulevard Music to hold a 2020 Concert Series.

City Sponsorship

To be categorized as a "sponsored" event by the City, an event must meet the criteria set forth in Culver City Municipal Code (CCMC) Section 17.330.040.B.7.b.ii., confirming that the City is (a) participating in an official capacity in the planning, preparation or promotion of the event or activity; and (b) contributing 25% of the total estimated costs of the civic event or activity or at least \$1,000, whichever is less. This contribution may take the form of funds, labor, staff time, materials, a waiver of fees, or any combination thereof.

The CCMC requires both (a) and (b) conditions be satisfied. Additionally, City Council Policy requires that in order for an event to be considered City-sponsored, the City Council must determine, by specific action, that the above criteria have been met.

Should the City Council determine to provide support in an amount of at least \$1,000 (funds, staff time and/or fee waivers, etc.), then Culver City's Boulevard Music 2020 Summer Festival may be designated a City-sponsored event. As a City-sponsored event, the event producer would be eligible to post Concert Series event banners in the public right-of-way, which would be required to include the City's logo as a sponsor.

Should the event receive City-sponsorship, Mr. Mandell will be required (as he has in the past) to list the City as a sponsor of the event in e-mails, on Boulevard Music's website, in promotions, press releases and on printed materials, where applicable.

Memorandum of Understanding and License Agreement

In the event the City Council designates Culver City's Boulevard Music 2020 Summer Festival a City-sponsored event and approves the related funding, staff recommends approval of a Memorandum of Understanding (MOU) and License Agreement setting forth the responsibilities of the parties for production of the event, including the terms and conditions of City sponsorship.

FISCAL ANALYSIS

Staff recommends the City Council approve a budget amendment appropriating \$46,032 from the General Fund reserve to account 10110100.619800 - Other Contractual Services to fund the 2020 Concert Series (**requires a four-fifths vote**). All proceeds from sponsorships and seat sales will be remitted to the General Fund to offset the City's gross costs for the 2020 Concert Series.

ATTACHMENTS

1. 2020-02-24_ATT - CC's Boulevard Music 2019 Financials
2. 2020-02-24_ATT - CC's Boulevard Music 2020 Proposal

MOTION

That the City Council:

1. Receive and file the 2019 Summer Concert Financials Provided by Boulevard Music; and
2. **(FOUR-FIFTHS VOTE REQUIRED)** Approve a Budget Amendment appropriating \$46,032 from the General Fund; and,
3. Designate Culver City's Boulevard Music 2020 Summer Festival a City-sponsored event; and,
4. Approve a Memorandum of Understanding and License Agreement with Boulevard Music in an Amount Not-to-Exceed \$46,032 for the 2020 Culver City Summer Concert Series; and,
5. Waive the \$119 City banner permit application fee and \$100.76 for the Tech Surcharge Fee; and,
6. Authorize the City Attorney to review/prepare the necessary documents; and,
7. Authorize the City Manager to execute such documents on behalf of the City.