



San Bernardino County

Legislation Text

File #: 4310, Agenda Item #: 76

**REPORT/RECOMMENDATION TO THE BOARD OF SUPERVISORS
OF THE COUNTY OF SAN BERNARDINO
AND RECORD OF ACTION**

June 8, 2021

FROM

BEAHTA R. DAVIS, Director, Regional Parks Department

SUBJECT

Amendment No. 11 to Contract 92-1023 with Live Nation Worldwide, Inc. to Extend the Contract Term Due to a Delay of Performance

RECOMMENDATION(S)

Approve Amendment No. 11 to Revenue Lease Agreement No. 92-1023 with Live Nation Worldwide, Inc. extending the contract expiration date from June 30, 2023 to June 30, 2024, with no change to the payment terms, due to a delay of performance caused by the Coronavirus pandemic.
(Presenter: Beahta R. Davis, Director, 387-2340)

COUNTY AND CHIEF EXECUTIVE OFFICER GOALS & OBJECTIVES

Operate in a Fiscally-Responsible and Business-Like Manner.

FINANCIAL IMPACT

Approval of this amendment does not require the use of additional Discretionary General Funding (Net County Cost). Pursuant to Amendment No. 11 to Contract No. 92-1023, Live Nation Worldwide, Inc. (Live Nation) will continue to pay an annual fixed minimum rent fee of \$1,400,000 or a percentage of net ticket sales rent, equal to 7.75% of net ticket sales, whichever is greater. Live Nation also agrees to pay 25% of the total "other revenue", which is defined as total gross revenue minus net ticket sales, when it exceeds the projected revenue for the designated lease year as set forth in the contract for the extended lease term through June 30, 2024. Additionally, Live Nation will continue to pay the Regional Parks Department (Department) \$1,500 per Electronic Dance Music (EDM) event for a maximum of four shows per year. While no lease payment will be received in 2020-21, adequate appropriation and revenue have been included in the Department's 2021-22 recommended budget and will be included in future recommended budgets.

BACKGROUND INFORMATION

The Department operates and maintains ten regional parks including Glen Helen Regional Park. This recommendation amends Contract No. 92-1023 with Live Nation extending the term of the contract by one year. In fiscal year 2020-21, Live Nation was unable to operate due the Coronavirus pandemic. They therefore requested a postponement of lease fees based on their inability to provide services as detailed in their lease, which resulted in a delay of performance. While lease fees will not be received during 2020-21, the contract will be extended one additional year and lease fees will be received for that extension period. This agreement aligns with the County and Chief Executive Officer's goal and objective to Operate in a Fiscally-Responsible and Business-Like Manner by enabling the Department to leverage its park property resources to generate revenue, with the purpose of reducing reliance upon Discretionary General Funding.

Live Nation is the current operator of the amphitheater at Glen Helen Regional Park (Park) in accordance with Contract No. 92-1023, which was approved by the Board on October 19, 1992 (Item No. 59). This contract has been amended ten previous times as indicated in the table below:

Amendment No.	Item No.	Date of Action	Action
1	30	March 22, 1993	The amphitheater name changed to "Glen Helen Blockbuster Pavilion".
2	56a	April 5, 1994	Assigned the contract to Pavilion Partners.
3	49	January 13, 1998	Revised the method used for revenue calculations and insurance provision update.
4	49	January 13, 1998	Removed the Lakeside area from premises.
5	28	June 9, 1998	Additional events can be scheduled by the County.
6	55	April 8, 2003	The amphitheater name changed from the "Glen Helen Blockbuster Pavilion" to "Hyundai Pavilion at Glen Helen". The County received \$120,000 annually for five years for naming rights.
7	13	August 25, 2009	The amphitheater name changed to "San Manuel Amphitheater".
8	61	January 29, 2013	Authorized four Electronic Dance Music (EDM) events per calendar year for a fee of \$1,500 per event.
9	53	March 3, 2015	Extended the term for naming rights effective retroactively from January 1, 2014 through December 31, 2017 for a total fee of \$240,000 for naming rights.
10	51	June 26, 2018	Extended the term of the contract through June 30, 2023 and required implementation of recommendations made by the Electronic Dance Music Task Force.

PROCUREMENT

N/A

REVIEW BY OTHERS

This item has been reviewed by County Counsel (Dawn Martin, Deputy County Counsel, 387-4322) on May 12, 2021; Finance (Elias Duenas, Administrative Analyst, 387-4052) on May 13, 2021; and County Finance and Administration (Robert Saldana, Deputy Executive Officer, 387-5423) on May 21, 2021.