



# REPORT TO COUNCIL 6

## City of Sacramento

915 I Street, Sacramento, CA 95814-2604  
www. CityofSacramento.org

Consent  
March 27, 2007

Honorable Mayor and  
Members of the City Council

**Title: Addendum #1 to City Agreement #2005-0062 with Tickets.com for Exclusive Ticketing Provider Services for the Sacramento Convention Center Complex.**

**Location/Council District:** Districts 1 and 3

**Recommendation: Adopt a Resolution** authorizing the City Manager to (1) execute Addendum #1 to City Agreement No. 2005-0062 with Tickets.com, changing the settlement payment obligation from post event to weekly payments; and (2) revise the equipment list to incorporate additional pieces of equipment provided by Vendor.

**Contact:** Tina McCarty, Administrative Officer, Convention Center, 808-5291

**Presenters:** N/A

**Department:** Convention, Culture, and Leisure

**Division:** Convention Center

**Organization No:** 4321

### Description/Analysis

**Issue:** In June of 2000, Council approved a five-year Agreement with Tickets.com for the exclusive ticketing provider services at the Sacramento Convention Center Complex ("Center"). In July 2005, Council awarded Tickets.com a new Agreement to provide ticketing services for a three-year term with up to two one-year extensions. The Center has requested that the Agreement be amended to change distribution of ticket proceeds from post event to weekly payments; and to incorporate additional pieces of equipment provided by Tickets.com into the existing equipment list.

Currently, all tickets for events occurring at the Center are sold exclusively through Tickets.com multiple ticket outlets, Website, and call centers; or through the Center's on-site Box Office. Revenue received from ticket sales are held in separate bank accounts, respectively, until the conclusion of each event. The final ticket receipts are reconciled by Tickets.com and the Center's Box Office, and all net receipts due are paid to the appropriate client/promoter ("Settlement").



For clients who host multiple week runs of performances, (i.e., Performing Arts Groups) Settlement is often requested on a weekly basis. Under the current Agreement, Tickets.com is not obligated to forward ticket sale proceeds to the Center until the conclusion of the event. This can cause the Center to have to request an advance on receipts from Tickets.com to cover client's weekly Settlement. The amendment will align Settlement procedures for both parties.

In addition, as part of the original Agreement, Tickets.com has provided and maintains on-site ticketing and Data communication equipment. This Agreement Addendum updates the current equipment provided by Tickets.com to encompass all equipment currently on-site.

**Policy Considerations:**

This report is consistent with the City's Strategic Plan Goal of Promoting and Supporting Economic Vitality by allowing the Convention Center Complex to remain competitive, thereby, drawing visitors and conventioners to the City.

**Environmental Considerations:**

The actions recommended in this report are exempt under CEQA guidelines, Section 15261(a).

**Rationale for Recommendation:**

The City will benefit from the change in payment procedure as this will ensure a more timely transfer of money from Tickets.com to the Center. Additionally, it is prudent to account for all equipment currently on-site at the Center that is owned and maintained by Tickets.com

**Financial Considerations:**

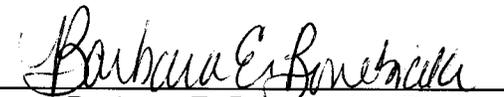
The Convention Center Complex operates as an Enterprise Fund and is primarily supported by the Transient Occupancy Tax and user fee revenues.

The current Agreement has brought \$450,000 for the 2005/2006 fiscal year, and is anticipated to meet or exceed projected revenue over the remaining term of the agreement. With nominal interest accrual, the proposed Addendum will have minimal financial impact on the current Agreement.

**Emerging Small Business Development (ESBD):**

Tickets.com is not an ESBD business.

Respectfully Submitted by:   
Judy Goldbar, General Manager  
Sacramento Convention Center

Approved by:   
Barbara E. Bonebrake, Director  
Convention, Culture, and Leisure Department

Recommendation Approved:

  
for Ray Kerridge  
City Manager

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**Background Information:**

- The Sacramento Convention Center Complex (“Center”) provides patrons with tickets for events held at the Convention Center, Memorial Auditorium, and the Community Center Theater.
- The Center housed approximately 600 events in fiscal year 2006 including 225 ticketed events, generating sales of over 250,000 single and season tickets, totaling more than \$12.6 million in sales for Center events.
- All Center tickets are exclusively sold through Tickets.com’s ticket outlets, website, and a toll-free phone number; or through the Center’s on-site Box Office.
- In June of 2000, Council approved a five-year Agreement with Tickets.com for the exclusive ticketing provider services at the Sacramento Convention Center Complex.
- In July 2005, after a Request for Proposal process, Council awarded Tickets.com a new Agreement to provide ticketing services for a three year term with up to two additional one year extensions.
- Tickets.com was selected as the best overall Vendor based on their current Customer Service track record; increased City share on service and processing fees; increased annual marketing payment of \$75,000; on-site ticketing and Data communication equipment provided and maintained by Vendor; local computer support; season and single ticket sales combined on one system; and enhanced software for internet purchase and season ticket sales.

**RESOLUTION NO.**

Adopted by the Sacramento City Council

**AUTHORIZING THE CITY MANAGER TO EXECUTE ADDENDUM #1 TO CITY AGREEMENT NO. 2005-0062 WITH TICKETS.COM FOR EXCLUSIVE TICKETING PROVIDER SERVICES FOR THE SACRAMENTO CONVENTION CENTER COMPLEX**

**BACKGROUND**

- A. In June of 2000, Council approved a five-year Agreement with Tickets.com for the exclusive ticketing provider services at the Sacramento Convention Center Complex.
- B. In July 2005, after a Request for Proposal process, Council awarded Tickets.com a new Agreement to provide ticketing services for a three-year term with up to two one-year extensions.
- C. Currently Box Office 'Settlement' is performed on a weekly basis for multiple week events. However, ticket revenue proceeds from Tickets.com are not paid to the Center until the conclusion of the event(s).
- D. Tickets.com has provided and maintains on-site ticketing and Data communication equipment.
- E. An Addendum to the Agreement is needed to change the Settlement payment obligations from post event to weekly payments; and to revise the Equipment List to incorporate additional pieces of Equipment provided by Vendor.

**BASED ON THE FACTS SET FORTH IN THE BACKGROUND, THE CITY COUNCIL RESOLVES AS FOLLOWS:**

- Section 1. The City Manager is authorized to execute Addendum #1 to City Agreement 2005-0062 to change the Settlement payment obligations from post event to weekly payments and to revise Exhibit B "Equipment" to incorporate additional pieces of Equipment provided by Vendor.