

# Agenda Report

**DATE:** DECEMBER 13, 1999

**TO:** CITY COUNCIL

**FROM:** CYNTHIA KURTZ, CITY MANAGER

**SUBJECT:** AUTHORIZATION TO ENTER INTO PROFESSIONAL SERVICES AGREEMENT WITH RAYMOND ENTERTAINMENT, ADOPT MITIGATED NEGATIVE DECLARATION MITIGATION MONITORING PROGRAM, AND ENDORSE THE TERMS AND CONDITIONS OF AN AGREEMENT WITH CIRQUE DU SOLEIL

## RECOMMENDATION:

It is recommended that the City Council:

1. Adopt the Mitigated Negative Declaration Mitigation Monitoring Program and the de minimize finding no impact on fish and wildlife and a similar annual event for four succeeding years.
2. Endorse the Terms and Conditions of an agreement with Cirque Du Soleil and authorize the City Manager to negotiate an agreement with Cirque Du Soleil based on these conditions (which include the conditions recommended by the Recreation and Parks Commission).
3. Authorize the City Manager to enter into a professional service agreement consistent with Attachment B with Raymond Entertainment to represent the City in negotiations with Cirque Du Soleil.
4. Direct the City Clerk to file a Notice of Determination regarding Cirque Du Soleil event with the Los Angeles County Registrar and Recorder/County Clerk.
5. To authorize the Director of Finance to transfer \$20,000 from the Unappropriated General Fund fund balance to account #101-681110 in the Housing and Development Department.

## BACKGROUND:

The City Council reviewed and endorsed a license agreement with Cirque Du Soleil in 1995. At that time Cirque Du Soleil chose an alternative Tour market, and the license agreement as approved was not finalized. This item represents a renewal of interest to engage in negotiations to attract the North American Tour of Cirque Du Soleil to Pasadena.

The Recreation and Parks Commission reviewed this proposal and their recommendations are part of the Terms and conditions being recommended as part of the agreement.

This recommendation would authorize the City Manager to enter into a professional services contract with Raymond Entertainment to act as the City of Pasadena's agent in attracting Cirque Du Soleil to the City of Pasadena and to coordinate this project. Raymond Entertainment originated and has maintained the interest of Cirque Du Soleil in Pasadena as a Tour destination. This recommendation also establishes the operational and financial terms and conditions under which the City would enter into an agreement with Cirque Du Soleil for use of Lot I in Brookside Park. The specific tour production dates would be likely to occur during 2000, and would be subject to negotiations. This recommendation authorizes the City Manager to negotiate a contract for Cirque Du Soleil consistent with the terms and conditions outlined on Attachment A.

Cirque Du Soleil is an internationally renowned production company, which is headquartered in Montreal, Canada, and has become well known for their engaging creativity in highly theatrical productions that include international circus talent, without animals. Cirque Du Soleil's productions are known as the most successful tours and permanent shows in the world. They currently have three international tours, Europe, Japan and North America, and four permanent shows, two in Las Vegas, at Disney World in Orlando and another in Berlin, Germany. Cirque Du Soleil productions have enjoyed a ticket sales average in excess of 95% of capacity.

Cirque Du Soleil productions feature colorful acrobats, gymnasts, dancers and musicians in their blue and yellow "Big Top" tent, which accommodates approximately 2,500 patrons. Since its beginnings in 1984, and successful run at the Los Angeles Olympic Arts Festival, this company has grown substantially and received considerable acclaim. The prestigious Cirque Du Soleil Tours are sought by cities all over the world, and under a very competitive process. Attached is a project summary which provides additional information on the site, parking as well as patronage.

### **Terms and Conditions**

The terms and conditions for the agreement provide for Cirque Du Soleil to establish its use for an initial tour of a six to nine week period in 2001 or 2002, and options to renew the license under a once every three years "rotation", for each of the following; 2004, 2007, 2010. During a typical eleven-week engagement, Cirque Du Soleil will have nine weeks of performances with up to 9 performances per week in their 2,500 seat tent, and approximately ten days for set-up and takedown. The City will receive \$22,500 for each week of performance from Cirque Du Soleil plus operation and parking and retain all parking revenues. In addition, the City will receive \$450 for each day during set-up and take-down periods. Cirque Du Soleil will license the site from the City. In addition, the City will retain all net parking revenues. The terms of this license are outlined on Attachment A.

Raymond Entertainment first presented the opportunity to attract Cirque Du Soleil to the City of Pasadena in 1994. Due to a new opportunity for Pasadena, Raymond Entertainment once again presented the City of Pasadena destination to the principals of Cirque Du Soleil.

Raymond Entertainment will be compensated for their services as the City's agent to manage the effort to attract this use to the City. They are also to coordinate and manage this event in conjunction with City staff. This will include interface with the City as they prepare to stage each tour, assisting in the applications for the required City and County permits. Raymond Entertainment will receive as compensation for their efforts \$60,000 30 days following the 2001 tour, \$30,000, 30 days following the 2004 tour, and \$30,000, 60 days following the 2007 tour with no compensation for the 2010 tour. In addition, they will be compensated for up to \$20,000 in expenses incurred in relation to this effort commencing with the effective date of the professional services agreement.

### Site

It is proposed that the site include a portion of Brookside Park designated as Lot I. As noted, the City will be responsible for parking in support of this event (and receive all parking revenues) and therefore will have the flexibility to accommodate other parking requirements and use. At no time will the activities of the licensee impact the current permitted users of Brookside Park and/or adjacent park areas.

The proposed site requirements for this production include an area for their performance tent and concessions, an area for the trailers and "back of house" operations, as well as parking for their patrons (approximately 700 cars per performance). The total production site is approximately 300' X 700' and will be located on the northern portion of Lot I. However, other than the "Big Top" performance tent much of the Cirque Du Soleil site plan is flexible and can be configured to maximize usable parking, and minimize any tree removal.

The proposed first season tour is to be negotiated and is anticipated to take place in January-May. Cirque Du Soleil has expressed a preference for staging this West Coast tour during the winter. This time does not conflict with any major events scheduled for the Rose Bowl. Discussion and meetings have taken place with staff of the Rose Bowl Operating Company (R.B.O.C.) concerning possible displacement of the tour performances based upon the potential of R.B.O.C. scheduling a major event in the Rose Bowl during the tour period. In the event, and only in the event, of a large event booking and/or staging at the Rose Bowl during the tour, as defined in license, Licensee would agree to suspend or reschedule performance(s) of entertainment presentations for a one day period, on the day of Rose Bowl use only.

City operations responsible for issuing permits in the Central Arroyo including Parks and Natural Resources and Planning and Permitting (City-Wide Special Events) and R.B.O.C. will work together in coordinating the scheduling of events to maximize the use of facilities in serving the community's interests

The license agreement will be incorporating the standard City event license as a base, including standard insurance and indemnity provisions. All compliances with City ordinances for use of parkland including the Arroyo Seco Ordinance will be adhered to.

### **Recreation and Parks Commission**

The Recreation and Parks Commission considered this item at their October meeting and at their November 2, 1999, meeting and after considerable discussion regarding the impact on Brookside Park and the surrounding neighborhoods endorsed the proposal with the following conditions:

1. That the promoter work with a subcommittee of the Commission in the development and implementation of the Operational Plan to ensure that the Commission's concerns regarding all significant and potentially significant environmental impacts, including, but not limited to noise levels, traffic circulation, parking consideration, and tree removal/replanting, are addressed to the Commission's satisfaction;
2. That all proceeds of the event be directed to Parks and Natural Resources for park improvement and maintenance above and beyond normal funding levels;
3. That the contract be cancelable after one tour; and
4. That the project makes a commitment to providing community wide access to performances via ticket availability.

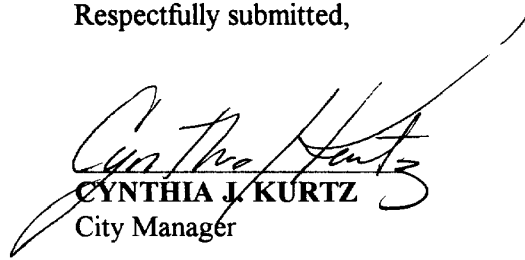
### **CEQA**

The Planning Department has prepared a Negative Declaration for this proposal. The City Council, at the time they consider this item will also act on the Negative Declaration. Based on an Initial Study, the Environmental Administrator has determined that the project, as mitigated, will have no significant impact on the environment. A mitigated Negative Declaration with a Mitigation Monitoring Program has been prepared. The Public Review period for the Mitigated Negative Declaration was August 10 through August 30. Revisions were made to the Initial Study and Mitigated Negative Declaration due to comments made on the project and documents. The Initial Study found possible impacts in the areas of Transportation/Circulation, Biological Resources, Noise, Aesthetics and Recreation. Mitigation measures to lessen the impacts to a level of insignificance are in the Initial Study and Mitigated Negative Declaration. The Initial Study, Mitigated Negative Declaration and Certificate of Fee Exemption are attached. The Certificate of Fee Exemption contains the de minimize finding of no impact on fish and wildlife.

### **FISCAL IMPACT:**


This event will generate net revenues estimated between \$240,400 and \$408,320 for a one-year tour and between \$1,018,940 and \$1,873,000 if the event happens all four years. If Raymond Entertainment is not successful in securing Cirque Du Soleil, the City's obligation is to reimburse Raymond Entertainment \$20,000 in expenses it incurred while attempting to attract this tour. These funds are to be transferred from the unappropriated General Fund fund balance. It is recommended that the first \$20,000 in net revenue be used to repay the General Fund and the net revenues be dedicated to park maintenance for the City of Pasadena.

Respectfully submitted,



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Prepared by:



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