

Agenda Report

DATE: SEPTEMBER 30, 2002

TO: CITY COUNCIL

FROM: CYNTHIA KURTZ, CITY MANAGER

SUBJECT: AUTHORIZATION TO RENEW THE TERMS OF A PROFESSIONAL SERVICES AGREEMENT WITH RAYMOND ENTERTAINMENT TO ASSIST WITH THE STAGING OF CIRQUE DU SOLEIL TOUR

RECOMMENDATION:

It is recommended that the City Council authorize the City Manager to renew a professional service agreement with Raymond Entertainment until December 31, 2004 to continue to assist the City in the staging of a Cirque du Soleil tour should they come to Pasadena.

BACKGROUND:

In January 2000, the City Council authorized the City Manager to enter into a professional service agreement with Raymond Entertainment to prepare and deliver a proposal to Cirque du Soleil for consideration.

The terms of the agreement with Raymond Entertainment were developed into five phases:

- Phase One: Project Design and Public Process
- Phase Two: Project Packaging
- Phase Three: Packaging of Offer: Research, Design and Development
- Phase Four: Project Negotiation and Conveyance of Offer
- Phase Five: Tour Staging

Raymond Entertainment completed phases one through four by October 2000 and was compensated \$20,000 per the contract for those efforts. Raymond Entertainment compiled a marketing package, including demographics and site maps. They also made contact with Cirque du Soleil and over the contract period educated the Cirque staff about the market area and the potential that the greater Pasadena area represents.



As a result of the proposal prepared by Raymond Entertainment, City staff met with and began negotiations with the Tour Development Staff of Cirque du Soleil in April 2001. At the time, they indicated an interest in bringing the tour to Pasadena. In October 2001, Cirque du Soleil made the decision to bring a tour to Pasadena and indicated their need to sell tickets within ten weeks of their request. Then in November 2001, Cirque notified the City stating their tight schedule would not allow them to bring to tour to Pasadena in 2002, but would consider Pasadena as a future venue. Although, Cirque du Soleil has not committed to any future dates, it is quite possible that through combined efforts of Raymond Entertainment and the City, they may consider bringing their production to Pasadena in 2003, but most likely in 2004.

As a result of Cirque's continued interest in Pasadena, participation by Raymond Entertainment is important in keeping the momentum of securing a production of Cirque du Soleil. Raymond Entertainment has established a good rapport with the Tour Development staff at Cirque du Soleil. Although the first four phases of the contract have been completed, the fifth phase cannot begin until a commitment is received from Cirque du Soleil.

TERMS OF CONTRACT

Raymond Entertainment's compensation for the final phase was conditioned upon a contract being finalized with Cirque prior to December 31, 2001 in order to provide a definite termination date as to the City's obligations. As stated in the contract, Raymond Entertainment will be responsible for the completion of Phase Five, which was to be paid per Section 5.3 of the Professional Services Agreement. This section states that "should tours of Cirque come to Pasadena primarily through the efforts of Contractor, then City shall compensate Contractor for Phase Five on a flat fee basis as follows:"

Initial tour - \$60,000 within 60 days after the last performance
Second Tour - \$20,000 within 60 days after the last performance
Third Tour - \$20,000 within 60 days after the last performance
Fourth Tour - no dollars

It is recommended that Raymond Entertainment contract be renewed to continue work on Phase Five, tour staging, including all of the elements of Phase Five in the original contract. This renewal would be accomplished by amending the contract to indicate that Raymond Entertainment would receive the stated compensation for any contract being finalized with Cirque prior to December 31, 2004. This would include: assist Cirque du Soleil, as necessary, in any and all production, permit and approval elements to ensure an efficient staging of the tour; assist local and regional businesses in creating a mutually beneficial relationships and cross-promotions with Cirque du Soleil; serve as an interface in implementing production mitigations.



The contract would be renewed to have an expiration date of December 31, 2004.

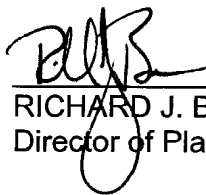
FISCAL IMPACT

It is anticipated that the City will see a net revenue increase of approximately \$174,000 should Cirque come to Pasadena. It is estimated that the City will generate approximately \$274,000 in license and parking fees per tour. The total cost of the Raymond Entertainment contract will not exceed \$100,000. The number of tours Cirque du Soleil stages in Pasadena will determine the total pay out of the contract. Raymond Entertainment will be paid out of the net proceeds of the Cirque du Soleil tour. There is no risk involved in the Phase Five portion of the contract in that Raymond Entertainment will not be paid unless Cirque du Soleil stages a tour in Pasadena.

Respectfully submitted,


CYNTHIA J. KURTZ
City Manager

Approved by:


RICHARD J. BRUCKNER
Director of Planning and Development

