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AGENDA
OXNARD CITY COUNCIL
COMMUNITY SERVICES COMMITTEE
Council Chambers, 305 West Third Street
November 12, 2019
Regular Meeting - 6:00 to 7:15 PM

A. ROLL CALL, POSTING OF AGENDA, FLAG SALUTE

B. PUBLIC COMMENTS ON ITEMS NOT ON THE AGENDA

At this time, the legislative body will consider public comments for a maximum of fifteen minutes. A person may address the legislative body only on matters not appearing on the agenda and within the subject matter jurisdiction of the legislative body. Speaker cards will not be accepted after the beginning of the general public comment period. Based on the number of speaker cards submitted, the presiding officer may impose time limits per speaker. Typically, speakers are limited to two minutes, but shorter time may be established as deemed necessary. A person not able to address the legislative body at this time because the fifteen minutes expires may do so just prior to adjournment of the meeting. The legislative body cannot enter into a detailed discussion or take action on any items presented during public comments at this time. Such items may only be referred to the City Manager for administrative action or scheduled on a subsequent agenda for discussion.

C. CONSENT AGENDA

1. City Clerk Department

SUBJECT: Approval of Minutes.

RECOMMENDATION: That the Community Services Committee approve the minutes of the October 22, 2019 regular meeting as presented.

Contact: Michelle Ascencion, (805) 385-7805

D. REPORTS

1. Cultural & Community Services Department

SUBJECT: Update on the Agreement with VenueTech for the management and operations of the Oxnard Performing Arts and Convention Center. (10/15/15)

RECOMMENDATION:

That the Community Services Committee:

1. Provide direction on entering into a three (3) year agreement with VenueTech Management

In compliance with the Americans with Disabilities Act, if you require special assistance to participate in a meeting, please contact the City Clerk's Office at 385-7803. Notice at least 72 hours prior to the meeting will enable the City to reasonably arrange for your accessibility to the meeting.

Agenda Item time estimates: (Staff Presentation / Committee Discussion / Public Comment)

Group Inc. for the operations and management of the Oxnard Performing Arts and Convention Center for the period of January 1, 2020 through December 31, 2022, with options to renew for three (3) additional terms; and

2. Provide direction for options to bypass this Committee with the Agreement to go straight to the full Council.

Contact: Terrel Harrison, (805) 385-7994

E. ITEMS FOR FUTURE AGENDAS

F. ADJOURNMENT

MINUTES
OXNARD CITY COUNCIL
COMMUNITY SERVICES COMMITTEE
Regular Meeting
October 22, 2019

A. ROLL CALL, POSTING OF AGENDA, FLAG SALUTE

At 6:03 p.m., Chair Ramirez called to order the regular meeting of the Oxnard City Council Community Services Committee in the City Hall Council Chambers at 305 W. Third Street, Oxnard, California. The City Clerk called the roll and announced the posting of the agenda. Members Gabriela Basua, Oscar Madrigal, and Chair Carmen Ramirez were present.

Staff members present were Ashley Golden, Assistant City Manager; Jason Zaragoza, Deputy City Attorney; Sofia Kimsey, City Librarian; Terrel Harrison, Cultural and Community Services Director; and Michelle Ascencion, City Clerk.

B. PUBLIC COMMENTS ON ITEMS NOT ON THE AGENDA

Public comments were received from Roy Jarrett (concerns on agreement with the Performing Arts Center), Cheryl Kewley (Oxnard Musical Youth Theater contract with the Performing Arts Center), Carolyn Mullin (current and upcoming activities at the Performing Arts Center), Darlene Miller Gonzales (conditions of the parks due to budget cuts, suggested volunteers help to maintain the park), Jack Villa (recent neighborhood cleanup in Hobson Park East).

C. CONSENT AGENDA

City Clerk Department

1. SUBJECT: Approval of Minutes.

RECOMMENDATION: That the Community Services Committee approve the minutes of the September 24, 2019 regular meeting as presented.

It was moved by Member Madrigal, seconded by Member Basua, to approve the minutes as presented. VOTE: Basua, Madrigal, and Ramirez voted in favor; the motion carried 3-0.

D. REPORTS

Cultural and Community Services Department

1. SUBJECT: Oxnard Public Library Donation Guidelines Report.

RECOMMENDATION: That the Community Services Committee receive a report regarding the Oxnard Public Library Material Donation Guidelines.

The City Librarian gave a report. Discussion ensued among the Committee and staff. Public comments were received from Darlene Miller Gonzales. Further discussion ensued. No action was required.

2. SUBJECT: Colonia Branch Library Fundraising.
RECOMMENDATION: That the Community Services Committee receive a report regarding the Colonia Branch Library Fundraising.

The City Librarian gave a report. Discussion ensued among the Committee and staff. No action was required.

E. ITEMS FOR FUTURE AGENDAS

The Assistant City Manager announced the next meeting will include a draft agreement for the Performing Arts Center operator. Member Madrigal requested an item to discuss a policy for memorials on public property. Chair Ramirez requested an update on use of volunteers in the parks, and a report on the fruit tree giveaway program.

F. ADJOURNMENT

There being no further business on the agenda, and without objection, Chair Ramirez adjourned the meeting at 6:50 p.m.

MICHELLE ASCENCION, CMC
City Clerk

CARMEN RAMIREZ
Chair



**COMMUNITY SERVICES COMMITTEE
AGENDA REPORT
REPORTS
AGENDA ITEM NO. D.1.**

DATE: November 12, 2019

TO: Community Services Committee

FROM: Terrel Harrison, Cultural & Community Services Director, (805) 385-7994,
terrel.harrison@oxnard.org

SUBJECT: Update on the Agreement with VenueTech for the management and operations of the Oxnard Performing Arts and Convention Center. (10/15/15)

RECOMMENDATION

That the Community Services Committee:

1. Provide direction on entering into a three (3) year agreement with VenueTech Management Group Inc. for the operations and management of the Oxnard Performing Arts and Convention Center for the period of January 1, 2020 through December 31, 2022, with options to renew for three (3) additional terms; and
2. Provide direction for options to bypass this Committee with the Agreement to go straight to the full Council.

BACKGROUND

The Oxnard Performing Arts and Convention Center ("PACC") was built in 1968. The PACC includes an auditorium with 1,604 seats and 8 additional meeting rooms. The PACC has held Broadway musicals and hosted famous comedians, prominent guest speakers, and numerous musical acts, which collectively have reached more than three million people. The theater and meeting rooms provide a convenient location for numerous cultural, educational, and entertainment opportunities that can hold 3,500 to 4,000 people. The enclosed patio provides a more intimate setting, perfect for community events including weddings, receptions, banquets, and more. There are approximately 500 parking stalls available on-site as well as loading areas for the venue spaces.

The table below provides a summary of the subsidy the City has provided for ongoing PACC operations for FY 16-17, 17-18 and 18-19.

Oxnard Performing Arts and Convention Center: City Subsidy, Expenses and Revenue			
Fiscal Year	Total Expenses	Total Revenue	Total Subsidy*
2016-17	\$ 1,642,420	\$ 1,565,359	\$ 838,590

Fiscal Year	Total Expenses	Total Revenue	Total Subsidy*
2017-18	\$ 2,332,549	\$ 2,344,377	\$ 1,619,651
2018-19	\$ 2,143,931	\$ 2,126,032	\$ 1,270,151

*Total subsidy includes funding from both the General Fund and Measure O

The present operating structure for the PACC is a management agreement that has been in place with the Oxnard Performing Arts Center Corporation (the “Corporation”) providing all areas of on-site management for the facility. The agreement ends December 31, 2019.

At the July 23, 2019, Community Services Committee meeting, staff sought Committee and public input on the scope of services for a request for proposals (RFP) for a PACC operator. That input was incorporated into an RFP that was released on August 5, 2019. The RFP sought proposals from qualified theater, convention center, and community center management professionals interested in entering into an agreement with the City for the management, maintenance and operation of the PACC.

DISCUSSION

The City’s primary objectives are to contract with a professional management firm able to demonstrate substantial experience in the operation and maintenance of a public performing arts complex, provide a high level of customer service and a quality experience for performers and patrons alike, create a positive public image for the City by maintaining or improving the existing facilities, and maximize the financial performance of the PACC, while remaining accountable and transparent to the City regarding booking activity, long-term maintenance, finances, viability and governance.

BIDDING PROCESS

The City’s RFP for the operation and management of the PACC proposed a three-year management agreement with options to renew for three additional terms, at the City’s discretion. The City received four proposals from interested companies. All of the proposals were responsive to the RFP requirements.

An evaluation committee was assembled to review and analyze the proposals. In September 2019, one of the proposal companies pulled out of the process and the remaining three were interviewed; two bidders were then brought back for a second interview where the final selection was made. The three companies were VenueTech Management Group (“VenueTech”), Lazer Broadcasting, and the Corporation/Sterling Venue Ventures.

After considerable deliberation, the evaluation committee ranked VenueTech as the top-rated company, based on a variety of factors. The committee was particularly persuaded by VenueTech’s experience with similar venues and the resources and marketing plan for the PACC. VenueTech is a full-service consulting and management firm involved in the planning, capital development, and management of community-based organizations and public assembly facilities, with experience working with government agencies and success at managing facilities for more than thirty years.

VenueTech has managed high-quality municipal venues with annual financial subsidies ranging from \$150,000

to \$700,000. In the past, its management has not only led to reduced financial subsidies but also to enhanced programming, community services, and public experience.

VenueTech currently manages five municipal performing arts facilities in California: Vacaville Performing Arts Theatre (Vacaville, California), Dougherty Valley Performing Arts Center (Theatre and Dance Studio) (San Ramon, California), Front Row Theatre (San Ramon, California), Heritage Theatre (Campbell, California), and Downey Theatre (Downey, California).

A sample of VenueTech's programming includes:

Art Garfunkel	Mariachi Divas	Pachuco Jose Y Los Diamantes
Mariachi Los Camperos	Los Chicos del 512 - The Selena Experience	Downey Dia de Los Muertos Art Festival
The Beach Boys	LeAnn Rimes	USAF Band of the Golden West
The Shanghai Acrobats	Smokey Robinson	Kenny Rogers
Jewel	Havana Cuba All-stars	Sergio Mendes

SUMMARY OF PROPOSED AGREEMENT

The agreement requires VenueTech to provide transition services; recommend operating budgets, programming models, rental rates, operating policies, short and long term PACC improvements, business strategies and changes to the Business Plan; provide full-time and part-time employees for PACC operations; manage custodial services; manage and operate the in-house food services, catering, concessions and merchandising program; manage the PACC master calendar; coordinate event production needs of all PACC clients; negotiate talent contracts; develop and implement marketing plans and plans to reduce the City's General Fund subsidy for the PACC; maintain the PACC website; operate a financial management system; and provide City with financial, programming, and operating reports.

City staff and VenueTech are still working to determine the total annual fee for service. However, the City and VenueTech agree that a management and consultant fee structure rather than an incentive structure is best suited for this type of agreement. With the proposed management fee structure, VenueTech would receive a monthly management fee but would not receive any revenue from the venue. The expenses and revenue would be part of the City's budget. See Attachment 1 for a list of categories of expenses and revenues.

VenueTech will require a subsidy each year it manages the facility, but the exact amount of the subsidy is still being negotiated and determined by City staff and VenueTech management. The subsidy is projected to decrease year over year as upfront capital and equipment needs decrease and revenues increase, but the City is the property owner so staff projects that a subsidy will not be completely eliminated.

OUTSTANDING ITEMS

During the RFP process potential bidders, including VenueTech, asked for information -- such as ticket sales, an equipment inventory list, settlement/show invoices, and capital improvement needs -- that the City does not have or cannot completely verify. This information is vital to determine the costs for service. As such, we recommend staff continue to compile and verify the following information so that VenueTech and the City can

develop a budget to present to Council. The primary outstanding items include: (1) a transition plan, (2) an equipment inventory (3) software and computer needs and (4) landscape and facility maintenance needs. Additionally, a lack of any bookings for the site after December 31, 2019, severely limits revenue sources. Revenue, primarily from rentals and programming, are the primary ways to reduce the City's overall subsidy and capital needs costs.

The transition plan, which will be carried out over several months, addresses four critical components:

1. Hiring and training on-site personnel;
2. Installing a professional management system, including a strong public interface, effective policies and procedures and a success-oriented work and event environment;
3. Developing a comprehensive business plan, through close cooperation with the City, to serve as a road map for the operation and programming of the facility; and
4. Undertaking efforts to re-establish relationships with clients whose 2020 events have been cancelled and beginning efforts to build a strong event business for the PACC.

During the transition period there will be no in-house programming, which severely limits revenue sources but also greatly reduces expenses. However, during the transition period the various spaces at the PACC can still be rented.

OPTIONS TO BYPASS COMMITTEE

City staff and VenueTech management have worked diligently to get an agreement in place so VenueTech can begin working as soon as possible. However, with all the unknowns and the budget not yet being identified, staff recommends a more time to negotiation rather than developing an agreement and budget based on the assumptions we have at this time. To shorten the downtime at the PACC, the Committee can give staff the direction to bypass the Committee once negotiations are complete and present the agreement straight to Council. Even if staff bypasses Committee, the Council and community need to understand that the transition (hiring and training staff), ramp up expenses, and time to rebook are limiting factors that cannot be overcome to allow events to start up effective January 1, 2020.

STRATEGIC PRIORITIES

This agenda item supports the Quality of Life strategy. The purpose of the Quality of Life strategy is to build relationships and create opportunities within the community for safe and vibrant neighborhoods, which will showcase the promising future of Oxnard. This item supports the following goals and objectives:

Goal 3. Strengthen neighborhood development, and connect City, community and culture.

Objective 3a. Create a renewed focus on establishing a positive outlook and orientation of our City, neighborhoods and overall community.

Objective 3f. Develop a co-sponsorship policy with criteria that would enable the City to encourage local community events

This agenda item supports the Economic Development strategy. The purpose of the Economic Development

strategy is to develop and enhance Oxnard's business climate, promote the City's fiscal health, and support economic growth in a manner consistent with the City's unique character. This item supports the following goals and objectives:

Goal 1. Create vibrant and economically sustainable commercial, industrial and retail industries throughout the City.

Objective 1a. Focus available resources on a comprehensive effort to promote economic activity in Oxnard, including a marketing program that communicates the City's available resources and assets.

This agenda item supports the Infrastructure and Natural Resources strategy. The purpose of the Infrastructure and Natural Resources strategy is to establish, preserve and improve our infrastructure and natural resources through effective planning, prioritization, and efficient use of available funding. This item supports the following goals and objectives:

Goal 3. Ensure Funding is adequate to meet the goals of the master plans.

Objective 3a. Maximize funding sources.

Objective 3b. Set rates and fees to fully recover cost.

FINANCIAL IMPACT

The FY 19-20 budget included money to operate the PACC through December 31, 2019. There is no money budgeted to operate the PACC from January 1 through June 30, 2020, and the budget forecast did not anticipate operating the PACC beyond June 2019. Operation of the PACC in any form will require an appropriation from the General Fund or Measure O. At this time staff is still negotiating the fee for service and revenue amounts with VenueTech. It is too soon to estimate a necessary appropriation at this time. Staff will have the financial impact explained when we return to Committee or Council (as directed).

Prepared by: Julie Estrada, Recreation Coordinator

ATTACHMENTS

1. Sample Expense and Revenue Categories
2. CSC VenueTech Presentation

Expense and Revenue Categories

Labor Expenses

1. Management Fee (monthly)
2. Box Office
3. Administration
4. Technicians
5. Event Staff
6. Maintenance
7. Benefits

Operating Expenses

1. Website, ISP, software & IT maintenance
2. Professional Memberships
3. Training, Conferences, Mileage
4. ASCAP/BMI/SESAC
5. Legal & Accounting
6. Utility - Water
7. Utility - Sewer
8. Utility - Natural Gas
9. Utility - Electricity
10. Utility - Refuse
11. Utility - Telephone
12. Repairs & Maintenance
13. Marketing
14. Technical Supplies
15. Office & General Supplies
16. Janitorial Services & Supplies
17. Equipment Rental & Leases
18. Equipment Repair & Replacement
19. General Liability Insurance
20. Postage
21. Banking Fees
22. Programming

Total Costs (Labor and Operating Expenses)

Revenue:

1. Rental Revenue
2. Concession Sales
3. Merchandise (Souvenir) Sales
4. Food & Beverage Catering Commissions
5. Programming Revenue

Financial Subsidy (Total Costs minus Total Revenue)

Update on an Agreement with VenueTech for the Management and Operations of the Oxnard Performing Arts and Convention Center (PACC)



Community Services Committee Meeting
November 12, 2019



Background

1. The Oxnard Performing Arts and Convention Center (“PACC”) opened in March 1968.
2. The City entered into an operating agreement with the Oxnard Performing Arts Center Corporation (“Corporation”) in 2000.
3. Over the last 3 fiscal years the city has subsidized the PACC the following amounts:

Fiscal Year	Total Subsidy
FY: 2016-17	\$ 838,589.87
FY: 2017-18	\$ 1,619,651.44
FY: 2018-19	\$ 1,270,151.00

Background

1. The present management agreement with the Oxnard Performing Arts Center Corporation ends December 31, 2019.
2. On July 23, 2019, staff sought Council Committee and public input on the scope of service for a Request for Proposals (RFP) for a PACC Operator.

Bidding Process

1. On August 5, 2019, the RFP was released.
2. The City received four proposals; one company withdrew
3. An evaluation committee interviewed:
 - a. VenueTech Management Group (“VenueTech”),
 - b. Lazer Broadcasting, and
 - c. PACC Corporation/Sterling Venue Ventures.
4. Two companies were brought back for a second interview resulting in the final selection of VenueTech.

Selection of VenueTech

VenueTech was selected because:

1. Experience working with government agencies
2. Over 30 years of successful management of facilities
3. Currently manages 5 municipal performing arts facilities in California:
 - a. Vacaville Performing Arts Theatre (Vacaville)
 - b. Dougherty Valley Performing Arts Center (San Ramon)
 - c. Front Row Theatre (San Ramon)
 - d. Heritage Theatre (Campbell), and
 - e. Downey Theatre (Downey)

Sample of VenueTech's Programming:

Art Garfunkel	Mariachi Divas	Mariachi Los Camperos
Pachuco Jose Y Los Diamantes	Los Chicos del 512 - The Selena Experience	Downey Dia de Los Muertos Art Festival
The Beach Boys	LeAnn Rimes	USAF Band of the Golden West
The Shanghai Acrobats	Smokey Robinson	Kenny Rogers
Jewel	Havana Cuba All-stars	Sergio Mendes
John Tesh	The Pointer Sisters	Wynonna

Summary of Proposed Agreement

VenueTech will provide:

1. Transition services
2. Operating budgets & financial reporting
3. Operating policies, marketing plans, programing and reporting
4. PACC improvement needs
5. Hiring and training employees
6. In-house food services, catering, concessions
7. All bookings, contract negotiations, and event production

Outstanding Items

Information being gathered to develop a budget are:

1. Transition plan budget and timing
2. Equipment inventory
3. Software and computer needs
4. Landscape & facility maintenance needs
5. Re-establishing relationships with clients whose 2020 events have been cancelled and beginning efforts to build a strong event business for the PACC

Option to Bypass Committee

Bypassing Committee will allow staff to:

1. Shorten downtime at the PACC
2. Work through the remaining unknowns to efficiently develop the budget
3. Expedite the formal agreement process

Financial Impact

1. FY 19-20 budget included money to Operate PACC through December 31, 2019
2. No current budget for January 1 - June 30, 2020
3. Operation of the PACC will require appropriation from General Fund or Measure O
4. Operating fee under negotiation, staff is unable to determine appropriation request at this time.

Recommendation

That Community Services Committee:

1. Provide direction on entering into a three (3) year agreement with VenueTech Management Group Inc. for the operations and management of the Oxnard Performing Arts Center for the period of January 1, 2020 - December 31, 2022, with options to renew for three (3) additional three (3) year terms; and
2. Provide direction for an option to bypass Committee with the Agreement to go straight to the full Council.



Questions?