



## COUNCIL AGENDA REPORT

### City of Anaheim CONVENTION, SPORTS & ENTERTAINMENT DEPARTMENT

**DATE:** MAY 12, 2020

**FROM:** CONVENTION, SPORTS & ENTERTAINMENT DEPARTMENT

**SUBJECT:** **FOURTH AMENDMENT TO THE CONCESSIONS AGREEMENT AND THE FOURTH AMENDMENT TO THE PARKING LICENSE AGREEMENT BETWEEN NEDERLANDER-GROVE, LLC AND THE CITY OF ANAHEIM FOR MANAGEMENT OF THE CITY NATIONAL GROVE OF ANAHEIM AND USE OF THE COMMON AREA PARKING IN SUPPORT OF THE CITY NATIONAL GROVE OF ANAHEIM**

**ATTACHMENT (Y/N):** YES ITEM # 12

**RECOMMENDATION:**

That the City Council, by Motion,

1. Approve the Fourth Amendment to the Concessions Agreement between the city of Anaheim and Nederlander-Grove, LLC to extend the term of the Agreement for two additional years through December 31, 2022, and modify the termination language to authorize the city, beginning August 1, 2021, to terminate the Agreement upon providing Nederlander-Grove no less than six months written termination notice; and
2. Approve the Fourth Amendment to the Parking License Agreement between the city of Anaheim and Nederlander-Grove, LLC to extend the term of the Agreement for two additional years through December 31, 2022, and modify the termination language to authorize the City, beginning August 1, 2021, to terminate the Agreement upon providing Nederlander-Grove no less than six months written termination notice; and
3. Authorize the Executive Director of the Convention, Sports & Entertainment Department to execute any other related documents, take any and all actions as are necessary to implement and administer the Concessions and Parking License Agreements.

**DISCUSSION:**

In September 2002, City Council approved a Purchase and Sale Agreement between the city of Anaheim and SMG for the City National Grove of Anaheim, then called the Sun Theatre. In October 2002, following a comprehensive Request For Proposal process,

City Council approved a Concessions Agreement with Nederlander-Grove for the management and operation of the City National Grove of Anaheim. In May 2009, City Council approved Amendments to the Concessions Agreement and the Parking License Agreement (the Agreements) to extend the base term of the Agreements through December 2015, and provide for an extended term through December 31, 2020. In June 2015, the City Council approved the extended term of both Agreements through December 31, 2020.

The city is currently working with Angels Baseball for the purchase and sale of the Anaheim Stadium Site encompassing Angel Stadium of Anaheim and the City National Grove of Anaheim, which process is expected to be ongoing through at least December 31, 2022. Upon the completion of the purchase and sale of the Anaheim Stadium Site, city operations at the City National Grove of Anaheim will, most likely, cease.

With the proposed Fourth Amendments, the city seeks to extend the Agreements between Nederlander-Grove and the city for an additional two years through December 31, 2022, as it is unlikely that another management company would desire to enter into a short term operating agreement for the facility with the pending purchase and sale of the property.

Extending the Agreements will allow the city to continue to benefit from Nederlander-Grove's team of industry veterans bringing extensive experience in talent, marketing, production and venue management. Nederlander-Grove's strong relationships with talent, agents, and their managers permits them to book a wide range of headline entertainment; create great routing leverage; and offer artists unique touring opportunities. Subject to the early-termination provisions in the Agreements, the proposed Fourth Amendments will allow Nederlander-Grove to continue to contract for business slated to potentially occur through December 31, 2022.

Should the purchase and sale of the Anaheim Stadium Site close prior to the end of the term of the Agreements, the Fourth Amendments provide for early termination upon six months written notice to Nederlander-Grove any time after August 1, 2021. If the Agreements remain in effect at the time of a sale, they may be assigned by the city to the new owner and will remain in full effect.

**IMPACT ON BUDGET:**

The revenues from this Agreement are included in the Convention, Sports and Entertainment Department's budget.

Respectfully submitted,

Joaquin Quesada, Acting Executive Director  
Convention, Sports & Entertainment Department

**Attachments:**

1. Fourth Amendment to the Concessions Agreement
2. Original Concessions Agreement with Amendments 1 - 3
3. Fourth Amendment to the Parking License Agreement
4. Original Parking License Agreement with Amendments 1 - 3