

METROPOLITAN EXPOSITION RECREATION COMMISSION

Resolution No. 15-08

For the purpose of approving a Third Amendment to the Automated Ticketing Services Agreement.

WHEREAS, the Metropolitan Exposition Recreation Commission (MERC) entered into an Automated Ticketing Services Agreement for Ticketing At The Portland Center For the Performing Arts Facilities ("Agreement") on January 4th, 2012, and;

WHEREAS, the initial term of the Agreement expires on June 30th, 2015 and MERC wants to extend the term of the Agreement for an additional two year term and provide flexibility for additional term extensions, and;

WHEREAS, one of the parties to the Agreement, Patron Solutions L.P., d/b/a New Era Tickets, has dissolved and TicketsWest.com has assumed all obligations of this entity and the Portland Center for the Performing Arts has changed its name to Portland's Centers for the Arts, and;


WHEREAS, MERC and TicketsWest.com wish to enter into the Third Amendment To Automated Ticketing Services attached hereto as Exhibit A to reflect the changes and the extension of the term; and

WHEREAS, Portland's Centers for the Arts has benefited from the Agreement and believes that it is in the best interest of MERC to extend the Agreement.

BE IT THEREFORE RESOLVED that the Metropolitan Exposition Recreation Commission:


1. Approves the Third Amendment To Ticketing Services Agreement in a form substantially similar to Exhibit A attached hereto, and;
2. Delegates authority to the General Manager of Visitor Venues to execute this Third Amendment and execute future extensions in accordance with the terms of the Agreement.

Passed by the Commission on May 6, 2015

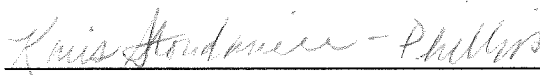


Chair

Approved as to Form:
Alison R. Kean, Metro Attorney

By: 

Nathan A. S. Sykes
Deputy Metro Attorney



FOR Secretary-Treasurer

MERC Staff Report

Agenda Item/Issue: For the Purpose of approving the Terms of the Third Amendment to the Automated Ticketing Services Agreement for Ticketing at Portland Center for the Arts Facilities and authorizing the General Manager for Visitor Venues to execute the amendment.

Resolution No.: 15-08

Presented By: Robyn Williams

Date: May 6th, 2015

Background and Analysis:

MERC and Ticket Agent entered into the Automated Ticketing Service Agreement for Ticketing at Portland Center for the Performing Arts facilities on January 12th, 2012 where MERC authorized Ticket Agent to act as MERC's exclusive agent for the sales of remote tickets. The agreement was amended in April, 2012 adjusting the "go live" date and amended again in March, 2013 to exclude local non profits from being required to use the system.

The ticketing system has been performing very well for Portland's clients and we have received accolades from major tenants like Broadway Across America for the successful on-sales we have handled for major shows. (Anne Francis, west coast Vice President for Broadway Across America said the Portland on-sale for Book of Mormon was the most successful of her accounts.)

The system has been a financial and operational success:

Fiscal Year	Ticket commission	Ticket Agency	# of shows
2008-2009	\$ 415,824.75	TM	158
2009-2010	\$ 349,346.32	TM	163
2010-2011	\$ 296,610.90	TM	146
2011-2012	\$ 497,996.00	TM	136
2012-2013	\$ 433,848.58	TM/TW	139
2013-2014	\$ 571,039.23	TW	127

Notes:

2008-2009 Wicked in town, 4 weeks, great sales
2009-2010 OSO pays flat fee, not per ticket fee; selling their specials only
2010-2011 OSO sales at box office window only
2011-2012 No OSO sales on our system, non-profits allowed to sell on their own system for a \$3 fee.
2012-2013 Resident companies allowed to sell on their own systems; no fees to P5

Resident companies are no longer a source of ticket revenue; new ticket contract allowed us to make up for this loss revenue and maintain or exceed ticket revenues.

In looking at comparable shows and similar numbers of tickets sold between Ticketmaster (TM) sales in 11/12 and TicketsWest (TW) sales in 13/14 we saw online sales increased by 2.6% and phone sales increased by 3%. The high quality of service and higher satisfaction with problem resolution provided by a local phone room downtown has prompted more people to buy tickets by phone than ever before particularly with seniors who may have trouble navigating an internet sale. Live client service representatives answer the phones versus an automated system that TM used.

Using the same statistics above with approximately 83,000 tickets sold, the TM commission paid to MERC was \$141,254. The TW commission paid to MERC was \$315,453. Instead of TM setting the service charge fee and paying MERC a small fee, MERC pays TW a flat fee and we set the service charges. This allows us to control the fee schedule and set higher fees on high grossing commercial shows and lower fees on family or small unproven shows that need lower barriers to purchases.

MERC also has increased control over the ticket operations:

- Faster editing and changing of event information
- Can add ticket types and discount offers
- Flexible fee rates set by P5 staff
- Dynamic pricing tool quickly changes prices as needed
- Have ability to build an event from scratch on the fly if needed
- We have a database system that retains client history and activity so repeat clients can get sales up and on sale faster
- Better automated reporting and maps of seats being held or are sold
- Scanning process is integrated and less labor intensive for ticket staff

It is in the best interest of Portland'5 and its clients to continue with this system.

- Excellent profitability.
- Brand identity is maintained; do not have to use the name of a ticketing company
- Can sell sponsorships on the ticketing page-could not do this with Ticketmaster
- "Donate here" button has generated \$3382 in past 4 months
- Excellent IT/client/customer service support just blocks away; dedicated client rep
- CEO of company is involved and quick to respond to needs
- Good product development; currently working with Broadway Across America in New York on items they would like to see
- No other company offers a local phone room
- Ticket staff has become proficient with the system; a change would become extremely disruptive to the P5 box office staff and the non-profit clients that have chosen to use this system.

Portland'5 desires to extend the term of the amended agreement that is scheduled to expire June 30th, 2015 for a period of two (2) years under the same conditions as the current amended contract and have the option at the end of that renewal term to extend for additional renewal terms.

Fiscal Impact:

Portland'5 establishes the service charge fee based on a sliding scale of ticket prices and event type. As ticket prices increase, service charges will increase accordingly. Sponsorship and donor opportunities are available and are anticipated to grow in FY16.

Recommendation: Staff recommends that the Metropolitan Exposition Recreation Commission approve the terms of the Third Amendment to the Automated Ticketing Services Agreement for Ticketing at Portland Center for the Performing Arts Facilities and authorize the General Manager for Visitor Venues to execute the amendment.

THIRD AMENDMENT TO AUTOMATED TICKETING SERVICES AGREEMENT

This Third Amendment to the Automated Ticketing Services Agreement For Ticketing at Portland Center For the Performing Arts Facilities (“Third Amendment”) is entered into on this ___ day of _____, 2015, by and between the Metropolitan Exposition Recreation Commission (“MERC” or “Commission”), an appointed commission of Metro that oversees the Portland’s Centers for the Arts and TicketsWest.com, Inc. (hereinafter referred to as “Ticket Agent”) (collectively referred to as “the Parties”).

RECITALS

- A. MERC and Ticket Agent entered into the Automated Ticketing Services Agreement For Ticketing at Portland Center for the Performing Arts Facilities (“Agreement”) on January 4, 2012, entered into the First Amendment To Automated Ticketing Services Agreement on April 24th, 2012 (“First Amendment”) and a Second Amendment To Automated Ticketing Services Agreement on March 3rd, 2013 (“Second Amendment”).
- B. Patron Solutions, L.P.d/b/a New Era Tickets has dissolved and no longer exists as an entity and TicketsWest.com, Inc. will assume all obligations and responsibilities under the Agreement, the First Amendment, the Second Amendment and this Third Amendment.
- C. MERC and Ticket Agent want to extend the term of the Agreement for two years and allow for additional extensions in the future.

AGREEMENT

In consideration of the mutual promises and covenants set forth herein, the Parties hereby agree as follows:

1. **Parties to the Agreement:** TicketsWest.com on behalf of itself and as successor to Patron Solutions, L.P. d/b/a New Era Tickets hereby agrees to assume all obligations and responsibilities under the Agreement, the First Amendment, the Second Amendment and the Third Amendment. MERC agrees that TicketsWest.com will become the “Ticket Agent” as that term is defined under the Agreement and the Amendments to the Agreement. This provision of the Agreement is also amended to change the name of Portland Center for the Performing Arts to Portland’s Centers for the Arts.
2. **Term of the Agreement:** The parties hereby agree that the Term of the Agreement shall be extended for an additional two year term as provided for in Section 3 of the Agreement based upon the same conditions as set forth in the Agreement and the First and Second Amendments. Section 3, after the first sentence, shall be replaced with the following language: “MERC shall have the option at the end of the initial term of this Agreement to extend this Agreement for an additional two year term (the “renewal term”) based upon the same conditions as set out in this Agreement. MERC shall have the option at the end of the renewal term to extend for additional renewal terms based on the same conditions applicable to the initial and renewal term. MERC shall have the right to renegotiate the terms and conditions of any additional renewal term to accommodate changes in the operations, circumstances or industry practice, provided

that any changes resulting from such renegotiations are acceptable to both parties. One Hundred (180) days written notice to the Ticket Agent by MERC prior to the expiration date of the renewal term of the Agreement shall be sufficient to exercise an additional renewal option. MERC may condition such notice upon renegotiation as provided herein. The initial term, the renewal term and any additional renewal terms shall be referred to collectively as the "Term." Except as expressly set forth in Section 2, all Attractions that go on sale during the Term of this Agreement will be governed by this Agreement.

3. **Conflicting Terms:**

In the event of a conflict arises between this Third Amendment, the Second Amendment, and the First Amendment and the terms and conditions of the Agreement, the terms and conditions of this Third Amendment shall control. Except as specifically set forth herein to the contrary, all of the terms and conditions of the Agreement are in full force and effect, shall continue in full force and effect throughout the term and are hereby ratified and confirmed by the parties.

In Witness Whereof, the parties have executed this Third Amendment as of the date set forth below.

TICKETSWEST.COM, INC.

**METROPOLITAN EXPOSITION
RECREATION COMMISSION**

By: _____

By: _____

Title: _____

Title: _____

Date: _____

Date: _____