

METROPOLITAN EXPOSITION-RECREATION COMMISSION

RESOLUTION NO. 93-11

Authorizing the General Manager to enter into an amendment to the Automated Ticketing Services Agreement with Ticketmaster and Fasttix effective July 1, 1993.

The Metropolitan Exposition-Recreation Commission finds:

1. That this amendment to the agreements is necessary to recognize the new relationship that exists between the Metropolitan Exposition-Recreation Commission, the Oregon Arena Corporation and Ticketmaster and Fasttix;

2. That this change in the contract has been agreed to by all parties as per attached letters establishing interim bonding arrangement attached as Exhibits 2 and 3;

3. That the amendment is in keeping with the agreement with the Oregon Arena Corporation to honor existing contracts for the terms of the contracts that were entered into by the Metropolitan Exposition-Recreation Commission during their operation of Memorial Coliseum;

4. That the Metropolitan Exposition-Recreation Commission has the authority to amend the existing contract.

BE IT THEREFORE RESOLVED that the Metropolitan Exposition-Recreation Commission authorizes the General Manager to execute the amendment attached as Exhibit 1 to the Automated Ticketing Services Agreement.

Passed by the Commission on September 8, 1993.


Chairman
Secretary/Treasurer

Approved As to Form:

Daniel B. Cooper, General Counsel

By: 

Mark B. Williams
Senior Assistant Council

MERC STAFF REPORT

Agenda/Item Issue: **AMENDMENT TO TICKETING SERVICES AGREEMENT**

Resolution No. 93-11

Date: September 8, 1993 Presented by: Patrick LaCrosse

Background and Analysis: The Oregon Arena Corporation took over the operation of the Memorial Coliseum on July 1, 1993. OAC agreed to honor certain existing contracts that were entered into by the Metropolitan Exposition-Recreation Commission until the expiration date of those contracts. The Automated Ticketing Services Agreements that exist both with Ticketmaster and Fasttix are two such contracts. Certain provisions of the contracts need to be amended in order to recognize the new relationship between all the parties. The amendment recognizes the contractual relationship between all the parties. Of particular importance is the change in bonding that recognizes bonding/letter of credit responsibility to both the Oregon Arena Corporation and the Metropolitan Exposition-Recreation Commission and the dollar threshold that the companies use to determine when funds are to be deposited with the Commission and/or the Oregon Arena Corporation. The General Manager sent letters to both Ticketmaster and Fasttix on July 19, 1993 which they signed acknowledging their agreement to the proposed changes to the contract.

Fiscal Impact: None.

Discussion with Commission: The General Manager informed the Commissioner's of the need for the amendment.

Recommendation: Staff recommends adoption of the Resolution allowing the General Manager to execute the agreement with all parties.

AMENDMENTS TO AUTOMATED TICKETING SERVICES AGREEMENT

WHEREAS, the Commission is a subdivision of Metro, a municipal corporation; and,

WHEREAS, the Automated Ticket Agent is an Oregon Corporation; and,

WHEREAS, the Oregon Arena Corporation (OAC) is an Oregon Corporation; and,

WHEREAS, the Commission and the Automated Ticket Agent entered into an Automated Ticketing Services Agreement in December of 1991; and,

WHEREAS, the Commission and the Automated Ticket Agent wish to amend the agreement, in order to reflect the change in management of the Memorial Coliseum from the Commission to the Oregon Arena Corporation, effective July 1, 1993; and,

WHEREAS, the Oregon Arena Corporation wishes to assume the rights, duties, and liabilities of the Automated Ticketing Services Agreement, with respect to the Memorial Coliseum only;

NOW, THEREFORE, the Automated Ticketing Services Agreement is hereby amended as follows:

1. Section 1(a) is amended to read as follows:

- a. "Commission Facilities" means facilities operated or managed by the Metropolitan Exposition-Recreation Commission, to include but not limited to the Oregon Convention Center, the Memorial Coliseum, the Civic Stadium, and the Portland Center for the Performing Arts. (PCPA). Provided, however, that, effective July 1, 1993, "Commission Facilities" shall not include the Memorial Coliseum. Effective July 1, 1993, the Memorial Coliseum shall be operated and managed by OAC. Effective July 1, 1993, OAC shall assume all rights, duties, and liabilities of the Automated Ticketing Services Agreement, previously enjoyed, held, or owed by Commission, with respect to the Memorial Coliseum only. Effective July 1, 1993, every use of the word "Commission" in this agreement shall, with respect to the Memorial Coliseum only, be understood to mean "OAC" instead.

2. A new section 1(l) is added, as follows:

With respect to Memorial Coliseum, effective July 1, 1993, the Automated Ticketing Agent shall follow the directions of OAC or its designated personnel in computing and collecting any User Fees.

3. Section 2 is amended to read as follows:

Subject to the terms of this agreement and the direction of the Commission's General Manager or such other Commission personnel as he may designate, the Ticket Agent shall provide ticketing services for events at Commission Facilities. This engagement is further subject to the relevant terms and conditions of any existing and subsequent use agreements between the Commission and Licensees authorized to promote, conduct events at, or otherwise use Commission Facilities.

Effective July 1, 1993, subject to the terms of this agreement and the direction of OAC, including such personnel as OAC may designate, the Ticket Agent shall provide ticketing services for events at the Memorial Coliseum. This engagement is further subject to the relevant terms and conditions of any existing and subsequent use agreements between OAC and Licensees authorized to promote, conduct events at, or otherwise use the Memorial Coliseum.

4. Section 12(c) is amended to read as follows:

The Ticket Agent shall notify the Commission when ticket sales for the week have reached the \$50,000 threshold. Ticket Agent shall make every attempt to deposit all receipts or excess funds over \$50,000 at the earliest convenience. All funds to settle Commission events will be available at the time of settlement for such events. Ticket Agent is responsible for ensuring such funds are available to Commission for settlement purposes regardless of the date the weekly settlement is due. If such funds are not available for Commission event settlement, then the Commission may declare Ticket Agent in default of this agreement and take the necessary steps outline in paragraph 14.

5. Section 15 is amended to read as follows:

The Ticket Agent at the time of execution of this agreement shall furnish the Commission with a valid surety bond in the minimum sum of \$200,000 issued by a surety company qualified to do business in the State of Oregon, acceptable to the Commission. Said surety bond shall be maintained and kept by the Ticket Agent in full force and effect during the entire term of this Agreement, and shall be conditioned to ensure the faithful and full performance by the Ticket Agent of all covenants, terms and conditions of this agreement and to stand as security for payments by the Ticket Agent of any

valid claim on the part of the Commission or its permittees against the Ticket Agent. The Agent may place an irrevocable letter of credit in lieu of this surety bond. Effective July 1, 1993, the Ticket Agent shall comply with this paragraph by furnishing the Commission with a \$100,000 bond or letter of credit, and by furnishing OAC with a \$100,000 bond or letter of credit. All other provisions of this paragraph shall remain in effect.

6. All other parts of the Automated Ticketing Services Agreement shall remain in full force and effect.

IN WITNESS WHEREOF, the parties hereto have executed this document as of the 8th day of September, 1993.


TICKET AGENT:

By 

Title President

**METROPOLITAN EXPOSITION-
RECREATION COMMISSION:**


Chair


Secretary-Treasurer

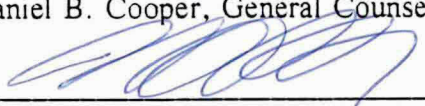
OREGON ARENA CORPORATION:

By 

Title Vice President

APPROVED AS TO FORM:

Daniel B. Cooper, General Counsel


By: Mark B. Williams

Senior Assistant Counsel

gl:529

Metropolitan Exposition-Recreation Commission

P.O. Box 2746 • Portland, Oregon 97208 • 503/731-7800 • Fax #731-7870 • 777 NE Martin Luther King Jr. Blvd.

Exhibit 2

July 19, 1993

Mr. Tom Lasley
Ticketmaster
1700 SW Fourth, Suite 100
Portland, Oregon 97201

Dear Tom,

As you know, management and operation of the Memorial Coliseum has been taken over by the Oregon Arena Corporation, effective July 1, 1993.

In order to arrange for an appropriate interim bonding arrangement, the Metro ERC is willing to agree that your company may comply with Section 15 of the Automated Ticketing Services Agreement by filing two separate \$100,000 bonds or irrevocable letters of credit, one in favor of Metro ERC, for the remaining Metro ERC facilities, and one in favor of OAC, for Memorial Coliseum--provided, however that the \$200,000 threshold for turning over funds to Metro ERC, referred to in Section 12(c) of the agreement, is reduced, to \$50,000 for the Metro ERC and \$50,000 for OAC.

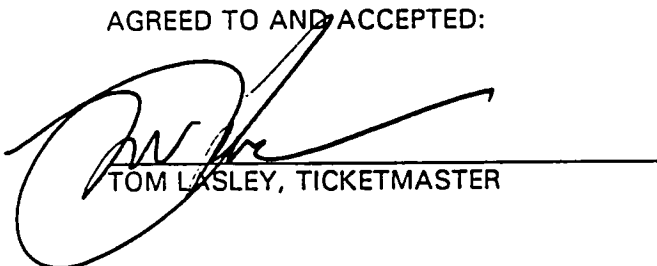
We anticipate that in the August meeting of the Metro ERC we will pass a resolution allowing the General Manager to enter into a formal amendment to the agreement, separating it into two agreements for the remainder of the current term of the contract, one governing the Coliseum, and one for the remaining Metro ERC facilities. In the meantime, however, if you agree with these interim arrangements, please sign this letter in the space indicated and return a copy to me.

Sincerely,



Patrick LaCrosse
General Manager

AGREED TO AND ACCEPTED:


TOM LASLEY, TICKETMASTER

cc: Jeff Blosser
Candy Cavanaugh
Robert A. Freedman
J. Isaac, Oregon Arena Corporation
John Doerfler
Mark Williams

Metropolitan Exposition - Recreation Commission

P.O. Box 2746 • Portland, Oregon 97208 • 503/731-7800 • Fax #731-7870 • 777 NE Martin Luther King Jr. Blvd.

Exhibit 3

July 19, 1993

Mr. Tom Keenan
Fasttix
3903 SW Kelly
Portland, Oregon 97201

Dear Tom,

As you know, management and operation of the Memorial Coliseum has been taken over by the Oregon Arena Corporation, effective July 1, 1993.

In order to arrange for an appropriate interim bonding arrangement, the Metro ERC is willing to agree that your company may comply with Section 15 of the Automated Ticketing Services Agreement by filing two separate \$100,000 bonds or irrevocable letters of credit, one in favor of Metro ERC, for the remaining Metro ERC facilities, and one in favor of OAC, for Memorial Coliseum--provided, however that the \$200,000 threshold for turning over funds to Metro ERC, referred to in Section 12(c) of the agreement, is reduced, to \$50,000 for the Metro ERC and \$50,000 for OAC.

We anticipate that in the August meeting of the Metro ERC we will pass a resolution allowing the General Manager to enter into a formal amendment to the agreement, separating it into two agreements for the remainder of the current term of the contract, one governing the Coliseum, and one for the remaining Metro ERC facilities. In the meantime, however, if you agree with these interim arrangements, please sign this letter in the space indicated and return a copy to me.

Sincerely,



Patrick LaCrosse
General Manager

AGREED TO AND ACCEPTED:


TOM KEENAN, FASTTIX

cc: Jeff Blosser
Candy Cavanaugh
Robert A. Freedman
J. Isaac, Oregon Arena Corporation
Barry Robinson
Mark Williams

RECEIVED JUL 27 1993