

Metropolitan Exposition-Recreation Commission

Resolution 97-65

For the Purpose of Authorizing MERC Staff to Negotiate and Execute Extension Agreements with MERC's Automated Ticketing Contractors

Whereas, the Commission has entered into non-exclusive Automated Ticketing Services Agreements with Ticketmaster of Oregon, Inc. and Oregon Ticket Company Inc. /dab/ Fastixx covering ticket sales at the Portland Center for the Performing Arts and Civic Stadium; and,

Whereas, the Commission has also entered into an exclusive ticketing agreement with Oregon Ticket Company Inc. /dab/ Fastixx covering ticket sales at the Oregon Convention Center and the Portland Metropolitan Exposition Center; and,

Whereas, all three agreements were for an initial three year term, expiring December 31, 1997; and,

Whereas, the Commission has the option to renew each ticketing agreement for an additional two year extension agreement; and,

Whereas, the Commission desires to extend the agreements, provided that the contractors can accommodate the changing business needs of the Commission and its customers;

BE IT THEREFORE RESOLVED AS FOLLOWS:

- 1. The Commission authorizes the General Manager to exercise the two year extension option available to the Commission in each current Commission ticketing agreement, provided that the General Manager determines that the terms of any extension meet the changing business needs of the Commission and its customers.**
- 2. The General Manager is further authorized to sign such extension agreement(s) of a duration less than two years if the General Manager determines a shorter extension to be necessary or advisable.**
- 3. The General Manager is directed to report back to the Commission upon successful negotiation and execution of any extension agreement(s).**

Passed by the Commission on December 10, 1997.

Ann Morris
Chair

George S. Bell
Secretary-Treasurer

APPROVED AS TO FORM:
Daniel B. Cooper, General Counsel

By: *Kathleen Pool*
Kathleen Pool, Senior Assistant Counsel

MERC Staff Report

Agenda Item/Issue:

For the purpose of authorizing MERC Staff to Negotiate and execute extension agreements with MERC's automated ticketing contractors.

Resolution 97-65

Presented by: Mark B. Williams

Date: December 10, 1997

Background:

Resolution 97 - 65 would authorize the General Manager to exercise the two year extension option available to the Commission in its automated ticketing services agreements.

The Commission currently has three separate automated ticketing services agreements. Two of these agreements are non-exclusive agreements with Ticketmaster of Oregon, Inc. and Oregon Ticket Company, Inc., /dab/ Fastixx, and apply to ticket sales at the PCPA and Civic Stadium. A third, exclusive ticketing contract applies to ticket sales at OCC and Expo, and is with Fastixx alone. All of the contracts expire on December 31, 1997. Each contract also gives the Commission the option to extend the agreement for an additional two year period.

A staff negotiating team consisting of Mark B. Williams, Jeff Blosser, Harriet Sherburne, Peggy Schaefer, and Bruce Burnett have met with both Ticketmaster and Fastixx to discuss the terms of any extension agreements. Both ticketing companies have indicated their desire to extend the agreements an additional two years. MERC staff have indicated their desire to see a few amendments to each agreement as part of any extension. The amendments MERC staff seek would provide for more realistic and timely financial settlements with each ticketing company, as well as provisions expressly acknowledging MERC's ability to contract ticketing arrangements with entities such as Broadway productions companies and the 1999 Women's World Cup, which have begun to negotiate certain aspects of their ticketing arrangements on a national basis (note that MERC believes that it already has the right to negotiate such arrangements—we merely seek explicit acknowledgment of that fact in the extension agreements).

Both ticketing companies have indicated a desire to work with us on these concerns, and MERC staff believes that we will soon reach agreement on the terms of the extensions, although it may be necessary to do a short term extension on a month to month basis until negotiations and paper work are completed

Recommendation:

Staff recommends that the Commission approve Resolution 97-65.