



MEMORANDUM

Community Services Department

DATE: April 18, 2018

TO: Parks and Recreation Commission

FROM: John R. Marchant, Recreation Manager

SUBJECT: Cosponsorship of Shoreline Amphitheatre Fourth of July Event

RECOMMENDATION

Review the cosponsorship report for Shoreline Amphitheatre's Annual Fourth of July Symphony and Fireworks Display and forward a recommendation to the City Council to enter into a new multi-year agreement with Live Nation to continue cosponsoring the event.

BACKGROUND

The City first cosponsored the Fourth of July Symphony and Fireworks Display at Shoreline Amphitheatre in 1987. The evening typically consists of preevent activities, including children's face painting, bounce-houses, and games followed by the San Francisco Symphony, a fireworks display, and a postfireworks raffle drawing.

The City Council has previously requested the Parks and Recreation Commission to review the City's cosponsorship of the Fourth of July event at Shoreline Amphitheatre. Typically, Shoreline Amphitheatre staff would request annual cosponsorship funding from the City. The request would then be reviewed annually by the Parks and Recreation Commission and approved by City Council. City staff met with Live Nation staff to discuss details of the cosponsorship prior to the 2013 request. Through this discussion, Live Nation supported a five-year agreement for cosponsorship of the Fourth of July event. A five-year agreement was approved by City Council on February 26, 2013 and provided the Amphitheatre with the City's cosponsorship between 2013 and 2017.

Based on success of the five-year agreement, staff is recommending a new multi-year agreement to continue the cosponsorship through the rest of the current ground lease of Shoreline Amphitheatre with Live Nation.

ANALYSIS

Overall attendance has increased for the event from approximately 11,500 in 2012 to approximately 15,000 in 2017. Mountain View residents using the free or discounted ticket program has increased from 2,862 in 2012 to 3,585 in 2017. A total of 2,000 free tickets are made available to Mountain View residents, and the number of complimentary tickets per resident family has historically been four.

The cost for discounted resident tickets has been \$13.50 since 2006 through 2017. The Amphitheatre will continue to provide low-cost ticket pricing for residents. Should there be any future increase to resident ticket prices, Live Nation must provide the City notification by February 1 of each year. Purchase of discounted tickets takes place up to and including the day of the show. Coupons for the free/discount tickets are printed in the *Mountain View Voice* prior to the event. Coupons are also available for downloading on the City's website and may be picked up in person at City facilities.

While the fireworks display is in conjunction with the Symphony's performance, the great majority of viewers are not concertgoers. Approximately 22,000 individuals from throughout the area view the fireworks display from Shoreline at Mountain View Park (Shoreline Golf Links and other open areas in the park), Charleston Park, the Stevens Creek Trail, various parking lots and overpasses in the North Bayshore. Fireworks can also be seen from many residences in Mountain View. Live Nation works with the pyrotechnic company each year to provide a popular show that ends with a robust finale.

The City has contributed to the Fourth of July Symphony and Fireworks Display since its inception in 1987. The City's contribution in 1987 was \$35,000 with four increases since that time. Between 2001 and 2011, the City contributed \$75,000 annually to the Shoreline Amphitheatre organization for the Fourth of July Symphony and Fireworks Display. In 2012, the cosponsorship level was reduced to \$67,500.

Through negotiations for a five-year agreement in 2013, the following cosponsorship levels were approved by the Parks and Recreation Commission and City Council:

2013:	\$60,750
2014:	\$54,675
2015:	\$50,000
2016:	\$50,000
2017:	\$50,000

While the cosponsorship level decreased over the five-year period, Live Nation ensured the quality of the event remained the same, including the San Francisco Symphony and fireworks display.

Live Nation's current ground lease will end on December 31, 2020; however, Live Nation has an option to extend for an additional five years, extending the lease through December 31, 2025. Due to the success of the five-year agreement, staff recommends entering into a new multi-year contract through the end of the existing ground lease.

FISCAL IMPACT

The cosponsorship is funded by the North Bayshore Fund and does not impact the General Fund. Other in-kind services provided by the City for the Fourth of July event for fireworks include site preparation, City staffing, Ranger patrols, etc. Also, as part of its agreement with Live Nation, the City derives revenue from the Amphitheatre operation.

It is recommended that the City enter into an agreement to cosponsor the Fourth of July event for \$50,000 per year from 2018 to 2020, and should Live Nation exercise the extended lease term through 2025, the agreement will automatically extend to the end of the term in 2025 at the same cosponsorship rate of \$50,000 per year.

SUMMARY

The City Council has previously requested the Parks and Recreation Commission review the City-cosponsored Fourth of July event at Shoreline Amphitheatre. The Commission is being asked to forward a recommendation to the City Council for the cosponsorship of the Fourth of July event with annual funding of \$50,000 per year. This funding level has remained the same since 2016. The agreement will again include 2,000 free tickets with discounts available once the free tickets have been exhausted. The Amphitheatre has indicated that without the City's cosponsorship, it would be very difficult to continue this event, particularly the offer of free and discounted tickets to residents.

JRM/AF/2/CSD

224-04-18-18M-E