

**ADDENDUM**



**CITY COUNCIL MEETING AGENDA**

**CITY COUNCIL CHAMBERS**

**109 E. OLIVE STREET, BLOOMINGTON, IL 61701**

**MONDAY, APRIL 25, 2016 7:00 P.M.**

**ADDITION TO CONSENT:**

- 7R Consideration of approving the Second Amendment to the Contract for Professional Services with VenuWorks for Temporary Management at the U.S. Cellular Coliseum. *(Recommend that the Second Amendment to Contract for Professional Services be approved and the City Manager and City Clerk be authorized to execute the Second Amendment.)*

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**NOTE:** Action may be taken by the City Council on the agenda's action items (those items listed on the Consent Agenda and Regular Agenda) beyond the motions listed and/or staff recommendations. Ordinances and resolutions listed on the agenda may further be amended and/or revised prior to adoption by the City Council. No action will be taken if the agenda item is listed as only informational.



## CONSENT AGENDA ITEM NO. 7R

FOR COUNCIL: April 25, 2016

**SUBJECT:** Consideration of approving the Second Amendment to the Contract for Professional Services with VenuWorks for Temporary Management at the U.S. Cellular Coliseum

**RECOMMENDATION/MOTION:** Recommend that the Second Amendment to Contract for Professional Services be approved and the City Manager and City Clerk be authorized to execute the Second Amendment.

**STRATEGIC PLAN LINK:** Goal 1. Financially sound City providing quality basic services.

**STRATEGIC PLAN SIGNIFICANCE:** Objective 1d. City services delivered in the most cost-effective, efficient manner.

**BACKGROUND:** On March 28, 2016, the City Council approved a Contract for Professional Services with VenuWorks of Bloomington, LLC, for the management of the U.S. Cellular Coliseum. The Contract is for 90-days while the parties finalize the details of a more formal management arrangement that will be for five years, with an option to terminate after three years.

In order to obtain a liquor license from the State of Illinois, the State Liquor Commission is requiring VenuWorks to demonstrate it has at least a one-year agreement to manage the Coliseum. Although the parties are preparing to enter into a five-year agreement (with the option to terminate after three years), the State has not found the interim agreement to be sufficient for the issuance of a liquor license. The State, however, has advised a simple amendment changing the term to 12 months will suffice. The Second Amendment accordingly provides the term of the Contract for Professional Services shall be for a period of 12 months (instead of three months), while expressing the intent to supersede the agreement with a more complete management agreement by July 1, 2016.

The Second Amendment also provides if the full-term management agreement is not negotiated and approved by July 1, 2016, as contemplated by the original agreement, a monthly management fee of \$9,500 will be implemented and charged by VenuWorks. Under the current interim three-month agreement, VenuWorks is not charging a monthly management fee. This interim arrangement was a large value to the City and has been very beneficial to the City.

Notwithstanding the extension of the term, the parties still anticipate having the more complete five-year management agreement negotiated and ready for public presentation and consideration within the next few weeks and approved prior to July 1, 2016. The Second Amendment also provides both parties the right to terminate the agreement with 60 days advance written notice.

In sum, the Second Amendment is designed to address a technical issue being raised by the State Liquor Commission. It is in the best interests of the City for VenuWorks to obtain a liquor license sooner rather than later as no commissions on the sale of concessions is being charged to the City in the interim management agreement and this creates other efficiencies in operations for the Coliseum.

**COMMUNITY GROUPS/INTERESTED PERSONS CONTACTED:** N/A

**FINANCIAL IMPACT:** N/A

Respectfully submitted for Council consideration.

Prepared by: Jeffrey R. Jurgens, Corporation Counsel

Recommended by:



David A. Hales  
City Manager

**Attachments:** Attachment 1. Second Amendment to Contract for Professional Services

Motion: Seconded by:

	Aye	Nay	Other		Aye	Nay	Other
Alderman Black				Alderman Painter			
Alderman Hauman				Alderman Sage			
Alderman Fruin				Alderman Schmidt			
Alderman Lower				Alderman Buragas			
Alderman Mwilambwe							
				Mayor Renner			

**SECOND AMENDMENT TO CONTRACT FOR PROFESSIONAL SERVICES**

This Second Amendment to the Contract for Professional Services is made on this 25<sup>th</sup> day of April, 2016, as set forth herein, between the CITY OF BLOOMINGTON, a municipal corporation in the County of McLean and State of Illinois (“City”), and VenuWorks of Bloomington, LLC, an Illinois limited liability company doing business in the State of Illinois (“VenuWorks”)

**RECITALS**

- A. The City owns a sports and entertainment center, known as the U.S. Cellular Coliseum (“Coliseum”).
- B. On March 28, 2016, the City and VenuWorks entered into a Contract for Professional Services to operate the Coliseum on a 90-day period while a final management contract is negotiated.
- C. In order to obtain a liquor license from the State of Illinois, VenuWorks must demonstrate it has a contract with the facility for at least 12 months.
- D. To permit VenuWorks the ability to obtain the necessary liquor license, the parties desire to amend the Contract for Professional Services to a one-year term. It is still the intention of the parties to enter into a longer, five-year agreement with the option to terminate after three years, on or before July 1, 2016. The Contract for Professional Services will therefore be replaced by the longer-term contract upon its successful negotiation.
- E. As part of the Contract for Professional Services, VenuWorks agreed not to charge a management fee during the interim three-month period. As the parties are agreeing to potentially extend the interim agreement for at least 12-months, the Contract will also be revised to reflect that a monthly management fee of \$9,500 will be implemented beginning on July 1, 2016, if the new five-year agreement has not yet been successfully negotiated or approved.

NOW, THEREFORE, in consideration of the foregoing and the mutual covenants set forth herein, the parties hereto, intending legally to be bound, agree to incorporate the above recitals as if fully restated herein and further agree as follows:

- 1. The recitals set forth above shall be incorporated into the terms and conditions of this First Amendment as if fully set forth herein.
- 2. The following paragraph shall replace Section 1 of the Contract for Professional Services:
  - 1. Term. This agreement shall be in effect for the period beginning April 1, 2016 and shall thereafter continue in effect for 12 months, and on a month-to-month basis thereafter, except that

this agreement may be superseded by the successful negotiation and acceptance of a more complete management agreement with a five-year term (with the right to terminate after three years) which shall replace all provisions of this agreement. If the City and VenuWorks are unable to agree to the terms of a new management agreement, VenuWorks agrees to cooperate with the City in transitioning out of the services provided under this Contract. This agreement may be terminated by giving the other party 60-days advance written notice.

3. The following paragraph shall replace Section 3 of the Contract for Professional Services:

3. Compensation. VenuWorks will receive compensation of \$1.00 per month for the first three months of this agreement. If the agreement is still in effect on July 1, 2016, VenuWorks will receive compensation of \$9,500 per month for each month this agreement continues thereafter. The compensation will be billed to the City by VenuWorks on a monthly basis, with payment due within fifteen (15) days of receipt of billing.

4. In all other respects the Contract for Professional Services shall remain unchanged and in full force and effect.

**IN WITNESS WHEREOF**, the parties hereto have executed this Second Amendment to Contract for Professional Services in duplicate this day and year first above written.

**CITY OF BLOOMINGTON**

**VENUWORKS OF BLOOMINGTON, LLC**

By: \_\_\_\_\_  
Its City Manager

By: \_\_\_\_\_  
Its President

ATTEST:

ATTEST:

By: \_\_\_\_\_  
Its City Clerk

By: \_\_\_\_\_  
Its Secretary