

FOR INFORMATION ONLY

CITY OF LOS ANGELES
DEPARTMENT OF RECREATION AND PARKS

TO: BOARD OF RECREATION AND PARK COMMISSIONERS

FROM: MICHAEL A. SHULL
General Manager



SUBJECT: GRIFFITH PARK - GREEK THEATRE CONCESSION UPDATE

On October 23, 2014, the Board of Recreation and Park Commissioners (Board) approved General Manager's Report No. 14-258, as amended, to: 1) APPROVE the Strategic Advisory Group, LLC's (SAG) recommended selection of Live Nation Entertainment, Inc. (Live Nation) as the highest ranked proposer to the Request for Proposal (RFP) for concessions and operations of the Greek Theatre and INSTRUCT the General Manager to obtain the City Council's concurrence with this selection; 2) AUTHORIZE and INSTRUCT the General Manager and designated staff, with the assistance of the Office of the City Attorney, to meet with representatives of Live Nation to develop a Concession Agreement substantially in conformance with the general terms and parameters set forth in the SAG report for ten (10) years with two (2) five-year extension options which will be returned to the Board for its approval; and 3) AUTHORIZE and INSTRUCT the General Manager to enter into discussion with Nederlander-Greek, Inc. and AEG Live, LLC (Nederlander-AEG), the second highest ranked proposer in the SAG report, should the Department of Recreation and Parks (RAP) and Live Nation fail to agree to the terms of the Concession Agreement.

The approved Report was transmitted to the City Clerk on October 31, 2014 and was assigned Council File No. 14-1500 (CF 14-1500). On January 26, 2015, the Arts, Parks, Health, Aging and River Committee (APHAR) held a public meeting to consider CF 14-1500. At the meeting, Department of Recreation and Parks (RAP) staff presented an overview of the RFP process, and the evaluation panel's recommendations. At the conclusion of RAP's presentation, Live Nation and Nederlander-Greek, Inc. and AEG Live, LLC, a joint venture, were afforded ten (10) minutes each for presentations to the APHAR members.

Due to the extensive public hearings held by the Board, public comments in support of and oppose to RAP's recommendation were provided twenty (20) minutes each on the item. Following the public comments relating to this item, a general public comment period of 10 (ten) minutes was provided to members of the public.

At the conclusion of comments, APHAR members asked RAP staff questions relating to the item.

Two (2) motions were introduced on this item. One (1) motion was to continue the item and request the City Administrative Office (CAO) to report back to APHAR with a side-by-side comparison of the two (2) proposals. The other motion was to not concur with the Board action selecting Live Nation as the highest ranked proposer to the RFP.

The motion to request the CAO for a report back to APHAR was not approved by a 3 NO to 2 YES vote and the other motion to reject the Board action was approved by a 4 YES to 1 NO vote. The APHAR recommendation for Council action is to not concur with the Board's action of October 23, 2014. Exhibit A is the APHAR report to the City Council.

At the February 11, 2015 City Council (Council) Meeting, the Council considered the APHAR report to not concur with the October 24, 2014 Board action. Since this item had several lengthy public comment periods, public comments in support of the APHAR recommendation not to concur with the Board action and opposed to the APHAR recommendation were provided twenty (20) minutes each on the item. Following this public comment period, Board President Sylvia Patsouras delivered a prepared statement urging the Council to concur with the Board action selecting Live Nation as the highest ranked proposer to the RFP. General Manager Michael Shull then briefly explained RAP's RFP process and some distinguishing factors between the two proposals, which ultimately concluded with the RFP's independent evaluation panel, RAP staff and the Board to all unanimously select Live Nation as the highest ranked proposer to the RFP.

Council then recessed to closed session pursuant to Government Code Section 54956.9(d)(2) & (e)(5) in order to confer with legal counsel concerning exposure to risk in the form of a threat of litigation regarding this item. Upon returning to the public meeting, councilmembers had several questions for RAP staff regarding the RFP process and RAP staff responded to all questions.

At the conclusion of the question and answer period, two (2) motions were introduced. One (1) motion was to Note and File the APHAR report and the second sought to amend the APHAR report to specifically request the Board to consider preparing, in consultation with the community and the Arts, Parks, Health, Aging and River Committee, a new RFP for concessions and operations of the Greek Theatre to be released after review and approval by the City Council. Exhibit B is the second motion, Motion 10-A.

Of the 14 councilmembers present at the February 11, 2015 Council Meeting, the motion to Note and File the APHAR report was not approved by a 4 YES to 10 NO vote. The amending Motion 10-A to request the Board consider a new RFP for the Greek Theatre was approved by an 11 YES to 3 NO vote. The City Council then voted to adopt the APHAR report as amended by Motion 10-A. That passed with an identical 11 YES to 3 NO vote. This matter is returned to the Board and RAP for consideration of next steps for the Greek Theatre Concession.

This Report was prepared by Agnes Ko, Senior Management Analyst II, Concessions Unit, Finance Division.

File No. 14-1500

ARTS, PARKS, HEALTH, AGING AND RIVER COMMITTEE REPORT relative to the selection of Live Nation Entertainment, Inc. (Live Nation) as the highest ranked proposer to the Request for Proposal (RFP) for concessions and operations of the Greek Theatre.

Recommendation for Council action:

NOT CONCUR with the Board of Recreation and Park Commissioners' (Board) action of October 23, 2014 to approve the Strategic Advisory Group LLC's recommended selection of Live Nation as the highest ranked proposer to the RFP for concessions and operations of the Greek Theatre.

Fiscal Impact Statement: The Board reports that authorization to enter into discussions for a new concessions agreement has no impact on the General Fund.

Community Impact Statement: Yes.

Submitted by:

Hollywood United Neighborhood Council
Central Hollywood Neighborhood Council
Atwater Village Neighborhood Council
Studio City Neighborhood Council
Greater Wilshire Neighborhood Council
Los Feliz Neighborhood Council
Silver Lake Neighborhood Council
Greater Toluca Lake Neighborhood Council
East Hollywood Neighborhood Council

Summary:

On January 26, 2015, the Arts, Parks, Health, Aging and River Committee considered an October 31, 2014 report requesting concurrence with the Board's action of October 23, 2014 approving the selection of Live Nation as the highest ranked proposer to the RFP for concessions and operations of the Greek Theatre. The report, attached to the Council file, provides background information. During the discussion of this item, representatives from the Department of Recreation Parks provided an overview of the RFP selection process and responded to numerous related questions from the Committee members. Each proposer was then given the opportunity to address the Committee.

During a lengthy public comment period, the Committee afforded equal time to the proponents and the opponents of the selected bidder and also considered general public comment. After additional discussion, Councilmember Buscaino urged the Committee to concur with the Board's action in the selection of Live Nation as the highest ranked proposer to the RFP. He then recommended that the item be continued in Committee and that the

City Administrative Officer be requested to provide a side by side analysis of both proposals, as advocated by the Neighborhood Council Budget Advocates and by Assemblymember Richard Bloom. The Committee vote on this recommendation was 3 "no" and 2 "yes". The Committee then recommended that Council not concur with the Board's action of October 23, 2014, as reflected above. The vote on this action was 4 "yes" and 1 "no". This matter is now submitted to Council for its consideration.

Respectfully Submitted,

ARTS, PARKS, HEALTH, AGING AND RIVER COMMITTEE

MEMBER VOTE

O'FARRELL: YES

LABONGE: YES

BUSCAINO: NO

CEDILLO: YES

PRICE: YES

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-NOT OFFICIAL UNTIL COUNCIL ACTS-

ITEM No. 10 - A

MOTION

I MOVE that the matter of the Arts, Parks, Health, Aging and River Committee Report relative to the selection of Live Nation Entertainment, Inc. (Live Nation) as the highest ranked proposer to the Request for Proposal (RFP) for concessions and operations of the Greek Theatre, Item No. 10 on today's Council Agenda (CF 14-1500), BE AMENDED to request the Board of Recreation and Parks Commissioners to consider preparing, in consultation with the community and the Arts, Parks, Health, Aging and River Committee, a new RFP for concessions and operations of the Greek Theatre to be released after review and approval by the City Council.

PRESENTED BY:


TOM LABONGE
Councilman, 4th District

SECONDED BY:


CURREN D. PRICE, Jr.
Councilman, 9th District

ORIGINAL

February 11, 2015