



## REPORT TO CITY COUNCIL

**To:** Honorable Mayor and Members of the City Council

**From:** Jason Simpson, City Manager

**Prepared by:** Johnathan Oliver Skinner, Director of Community Services

**Date:** November 12, 2024

**Subject:** Professional Services Agreement with SMAX Entertainment LLC

### **Recommendation**

Approve and authorize the City Manager to execute an agreement with SMAX Entertainment LLC in an amount not to exceed (1) \$16,000 for entertainment consulting services and (2) \$66,000 for artist fees and related booking fees, in such final form as approved by the City Attorney, and further authorize the City Manager to execute change orders not exceeding \$6,600 for uncertainties and adjustments.

### **Background**

The City of Lake Elsinore has recently expanded its lineup of live performances, ranging from local events and community concerts to large-scale regional gatherings that attract thousands of visitors. In order to further elevate the City's and Launch Pointe's reputation for hosting live performances, the City seeks the expertise of SMAX Entertainment. With deep industry expertise, SMAX Entertainment LLC will ensure high-quality events and performances, filling key gaps to deliver exceptional concert experiences.

### **Discussion**

As the City and Launch Pointe expand their lineup of local and regional events for the community's enjoyment, concert production, attendee experience, and talent quality must reflect the high standards and exceptional facilities that Launch Pointe provides.

With extensive experience in producing concerts for communities and venues of all sizes—from intimate local shows to large-scale events at casinos and premier venues—SMAX Entertainment LLC is well-equipped to elevate Launch Pointe's event offerings. SMAX Entertainment LLC offers a full range of entertainment services customized to meet the City's specific needs in enhancing events and securing and managing talent. SMAX will assist the City in assessing, producing, and booking exclusive, intimate, ticketed events.

## SMAX Entertainment Agreement

The agreement covers several key aspects of producing high-quality concert events. First, a general monthly retainer of \$2,000 (active through June 20, 2025) will be paid to SMAX for consulting on industry best practices in areas such as site planning, concert production, marketing strategy, ticket pricing, talent acquisition, and retainer management.

Secondly, SMAX will handle payments and contract processing for secured talent. Once a performer is selected and terms are agreed upon, SMAX will manage both the initial deposit and the final payment to the artist. SMAX will receive a 10% booking fee.

Performer fees and related booking fees are estimated at \$66,000. It is anticipated that the cost of these live performances will be offset by concert revenues generated by ticket sales, food and beverage sales, parking, and other revenue-generating opportunities, as summarized below.

### **Fiscal Impact**

Funding for live performance entertainment services is available in the Launch Pointe FY 2024/2025 budget. The concert series is designed with two main objectives: first, to position the resort and City as a premier entertainment destination, and second, to generate revenue and profits that will support future concerts, entertainment offerings, and Launch Pointe operations and promotions. Below is a model inspired by other successful local concert experiences:

<b>Launch Pointe Concert Proposal</b>			
<b>Estimated Expenditures</b>			
<b>Category</b>	<b>Cost</b>	<b>Items</b>	<b>Total</b>
SMAX Consultant	\$ 16,000.00	1	\$ 16,000.00
Artist	\$ 60,000.00	1	\$ 60,000.00
SMAX Booking fee	\$ 6,000.00	1	\$ 6,000.00
Sound/ Light Production	\$ 12,000.00	1	\$ 12,000.00
Seats	\$ 2.00	1500	\$ 3,000.00
Fence	0	1000'	\$ -
Stage	0	1	\$ -
Security	2500	1	\$ 2,500.00
		<b>Subtotal</b>	<b>\$ 99,500.00</b>
<b>Estimated Revenues</b>			
<b>Category</b>	<b>Price</b>	<b>Total Aval.</b>	<b>Revenue</b>
Meet and Greet	\$ 200.00	50	\$ 10,000.00
VIP Package	\$ 100.00	200	\$ 20,000.00
Premium	\$ 60.00	250	\$ 15,000.00
Preferred	\$ 40.00	350	\$ 14,000.00

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Reserved	\$ 30.00	400	\$ 12,000.00
GENERAL (STANDING)	\$ 20.00	250	\$ 5,000.00
RV Site Weekend Premium	\$ 20.00	240	\$ 4,800.00
Parking	\$ 20.00	500	\$ 10,000.00
Sponsors	\$ 5,000.00	1	\$ 5,000.00
F&B (food & beverage)	\$ 34.00	1500	\$ 51,000.00
		<b>Subtotal</b>	<b>\$ 146,800.00</b>
<b>Net Estimated Concert Value</b>			
Revenues	\$ 146,800.00		
Expenditures	\$ 99,500.00		
Total	\$ 47,300.00		

### Attachments

Attachment 1 - Agreement  
Exhibit A - Proposal