



## REPORT TO CITY COUNCIL

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

**From:** Jason Simpson, City Manager

**Prepared by:** Beau Davis, Assistant Community Services Director

**Date:** February 28, 2023

**Subject:** **License Agreement with Common Sense Events, Inc. for the Operation of a Wedding and Event Venue at Launch Pointe**

### **Recommendation**

Approve and authorize the City Manager to execute a License Agreement and any subsequent extensions with Common Sense Events, Inc. to manage a variety of wedding and event activities in such final form as approved by the City Attorney.

### **Background**

In the Spring of 2020 Community Services took over operations of Launch Pointe Recreation Destination & RV Park. All aspects of the resort were managed by the team during the pandemic. While many aspects of this management have been successful, challenges pertaining to the operation and management of this world-class venue have not met revenue expectations.

The Launch Pointe team began brainstorming ideas in late Summer 2022 on how to improve profitability of this signature City amenity, including exploring partnering with an established venue management company to maximize exposure, utilize industry-standard marketing tools, and placing specialized agents that will enhance the operations of the venue.

### **Discussion**

Common Sense Events has a successful history of taking underutilized properties and turning them into profit-producing locations. With venues in Ramona, Temecula, Vista, and Escondido, Common Sense Events can assist Launch Pointe with tapping into new markets. Commons Sense's model of providing best in class service, a trained on-site team for all events, and providing a focused marketing strategy should result in a significant increase in Launch Pointe's revenue generation as an event venue.

### **Fiscal Impact**

Common Sense Events will pay a guaranteed Minimum Annual License Fee of \$12,000 the first year, which will then increase to \$20,000 in Year Two. Subsequent years increases will be based on the CPI for the Riverside area. In addition to the guaranteed minimum, a gross revenue share will be split based on revenues generated through bookings. The initial estimations will have Launch Pointe generating \$300,000 in net revenue. Ideally, all Minimum License Fees will be drawn from the gross revenues split. No negative fiscal impact is anticipated.

### **Attachments**

Attachment 1- CSE License Agreement