



COUNCIL AGENDA ITEM MEMORANDUM

DEPT./DIVISION SUBMISSION & REVIEW:

Kevin Beavers, Director of Parks & Recreation
Leah Anderson, Assistant Director of Parks & Recreation

ITEM DESCRIPTION: Consider adopting a resolution ratifying a professional consulting services agreement with Soundkilz, Inc. of New Braunfels for planning, producing, and promoting an inaugural iconic music festival, to be compensated in a percentage fee based on the event budget, talent booking fees, and the sponsorship, solicitation and support acquired by Soundkilz, as well as a profit share split between the parties, if any is realized after expenditures and revenues are reconciled.

BACKGROUND: Authorization of this item will ratify a professional consulting services agreement with Soundkilz, Inc. for planning, producing, and promoting the City's new iconic music festival. The City's Destination Events Strategic Plan recommended a new iconic event for the City to be held in September.

Request for Proposals #32-03-24 was issued to procure the production and promotion services for this inaugural iconic event. Four proposals were received from B-Weiss Entertainment Group, LLC of Dallas; Event Production Services, LLC of Austin; Soundkilz, Inc.; and The T. Ronise Group, LLC of Houston. An evaluation committee was comprised of Parks & Recreation, City Manager's Office, City Attorney's Office, Finance, and Communications & Marketing staff, as well as the City's destination events strategic planning consultant. The top three firms from the review of proposals – B-Weiss Entertainment Group, LLC; Event Production Services, LLC; and Soundkilz – were invited to participate in the interview phase. The evaluation committee determined Soundkilz would provide the best value for the City based on their proposal and interview as shown in the attached evaluation tabulation. Evaluation factors included demonstrated experience and qualifications, the visioning of the proposed event, the event budget, and compensation and revenue share proposal.

Services provided by Soundkilz will include budget preparation, talent procurement and management, site coordination and management, food and beverage vendor management, marketing and promotional management, sponsorship acquisition and support, and ticket sales. The inaugural event is planned to be held over two days in September 2025 at the MLK Festival Grounds.

Under the Agreement, the City will compensate Soundskilz as follows:

- An Initial Producer Fee of \$25,000, paid upon execution of the Agreement for services needed to determine the Event Budget; the Total Producer Fee will include the Initial Producer Fee paid to Soundskilz.
- A Producer Fee of 12.5% of the approved Event Budget, excluding Talent Fees expenses and Talent Booking Fee, when the total Event Budget is less than \$4 million or a Producer Fee of 10% of the approved Event Budget, excluding Talent Fees expenses and Talent Booking Fee, when the total Event Budget is \$4 million or more.
- A Talent Booking Fee of 10% paid against all Talent Fees contracted by Soundskilz, paid outside of the Event Budget.
- A Sponsorship Solicitation and Support Fee of 10%, paid against all non-ticketed revenue obtained by Soundskilz.
- Profit Sharing, if any, with 70% of net profits to the City and 30% to Soundskilz.

The City entered into a Professional Consulting Services Agreement with Soundskilz in June 2024 for the Initial Producer Fee of \$25,000 to develop the Event Budget. Ratification of this Agreement will allow the City to continue to work with Soundskilz for the planning, production, and promotion of the iconic event and to be compensated at a percentage of the Event Budget, Talent Booking Fees, and Sponsorship, Solicitation and Support.

The Event Budget established under the Agreement anticipates estimated revenues in the amount of \$2,527,889 and estimated expenses in the amount of \$3,024,024. Soundskilz will reimburse the City for expenditures using revenue received from ticket sales, sponsorships, vendors, sales, etc. Soundskilz cannot exceed the established Event Budget for the festival without prior express written approval from the City. The goal of Staff and Soundskilz is to recoup all event costs. If, after expenditures and revenues are reconciled, the Event produces a profit, the City and Soundskilz will share the profit 70% to the City and 30% to Soundskilz. The City and Soundskilz anticipate that revenue and profits will increase with each subsequent year of production. Based on estimates, a net loss can be expected in the first year of the new event in an estimated amount of \$496,135. It is anticipated that a net profit will be realized after three events with continued growth and success.

Soundskilz will work in cooperation with City staff to plan and produce the iconic event. The responsibilities of Soundskilz shall include, but are not limited to, all services needed to successfully hold an iconic event, such as staffing and event management, talent buying and related artist services, technical production services, marketing and advertising, sponsorship acquisition, and ticket sales, however, this list is not exhaustive or all-inclusive. Soundskilz will provide turnkey event production services to the City and work as a partner with the City and produce the iconic event from planning stages through execution and debriefing. The City will provide the following to assist Soundskilz – use of City property; notification to surrounding neighbors of the Event; City-required on-site inspections, refuse containers (trash cans, roll-offs, etc.) and disposal of roll-off containers at the conclusion of each Event day (the City will not be responsible for collection or disposal of trash cans during the Event); coordination with Temple Police Department to provide Event security, provided, however, the cost of TPD's services will be included in the calculation of net profit – any third party security services are to be obtained and provided by Soundskilz.

The term of the Agreement is June 17, 2024, through December 31, 2027, with the option to renew for up to three additional events, if agreeable to both parties.

ALIGNMENT WITH ADOPTED PLANS:

Plan	Comments
Strategic Plan	This item supports the City of Temple’s Strategic Plan goal of “Beautiful spaces and unique experiences,” and the commitment to “Develop and showcase Temple as a unique place with amazing arts, culture, dining, and recreation experiences and amenities.”

STAFF RECOMMENDATION: Adopt resolution as presented in item description.

BOARDS & COMMISSIONS RECOMMENDATION: This item was not reviewed by any of the official boards and commissions.

FISCAL IMPACT: Funding for the professional consulting services agreement with Soundkilz, Inc. for planning, producing, and promoting an iconic music festival, with an estimated event budget of \$3,024,024, is included in the FY 2025 Budget. Soundkilz will contract and pay for all talent and services required for the festival and will remit all revenue received for the festival to the City. Soundkilz’ fees are included in the estimated event budget. They will be compensated for their services at 12.5% of the event budget, 10% of talent booking fees, 10% of sponsorship, solicitation, and support acquired by Soundkilz, as well as a profit share of 30%, if any is realized after reconciliation of expenses and revenues.

The estimated event budget of \$3,024,024 is included in the FY 2025 Budget in account 240-3281-551-2623; based on estimated revenues for the first year of the festival, a net loss of \$496,135 can be expected. It is anticipated that a net profit will be realized after three years of continued growth and success.

ATTACHMENTS:

- Resolution
- Proposal Evaluation Tabulation
- Contract Agreement for Professional Consulting Services
- Exhibit C to Agreement – Event Budget