

# Management Services Agreement with Wave Old Town LLC at Naftzger Park (District I)

*Department of Park and Recreation*



CITY OF

**WICHITA**

*February 4, 2020*



## Background

- Naftzger Park land acquired in 1980
- Stronger activation of the park desired to support downtown activities near Old Town, Intrust Bank Arena
- In 2017, City approved \$1,500,000 in Tax Increment Funds for improvements in the park in addition to \$1,000,000 in General Obligation funds
- \$1.4 million sponsorship by Evergy for enhancements to the park including Evergy Pavilion
- RFP published on September 9, 2019, seeking a company with experience in producing special events, concerts, festivals and alcohol concessions to produce year-round operations at Naftzger Park

## Selection

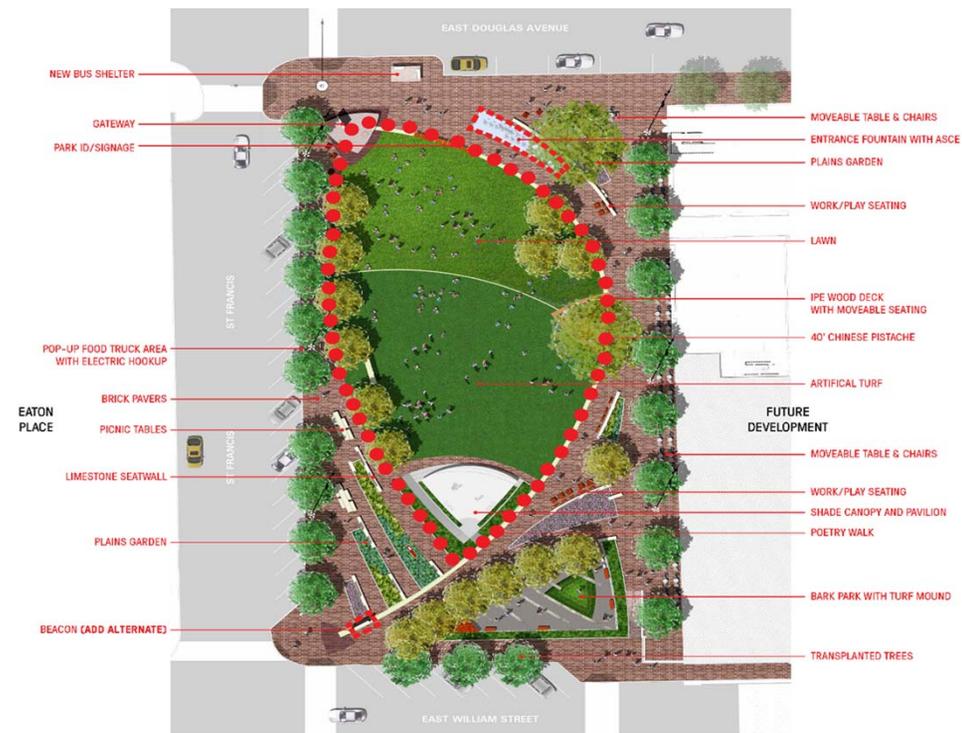
- On October 17, 2019, Wave Old Town LLC (Wave) selected by a panel of staff from Finance, Law and Park and Recreation, as well as a Park Board member
- Responsible for:
  - Administration
  - Talent acquisition
  - Staff and venue operation
  - Arranging reasonable safety and security during events
  - Financial management
  - Production
  - Marketing
  - Concession operation including alcohol service

## Wave Old Town LLC

- Hosted nearly 400 events in 2018, the first year of operation
- Helped to develop First Friday Music Crawl
  - Connecting the community and businesses to local and touring music
- Assists booking for Cotillion and Riverfest
  - Implemented new safety and security measures including crowd care initiatives

# Analysis - Property Operation

- City is responsible for maintenance of the Property
- Wave will provide a standard operating plan for all events
- Wave will be responsible for all show related expenses
- Wave is responsible for returning the venue to the state it was provided to them
  - Wave is responsible for the property and damages caused by staff negligence during time of control (5 hours before/after the event)



## Analysis - Event Scheduling

- Wave and the City will have shared control of the event calendar with established operating procedures
- Event parameters for booking will be established by both parties
  - If a show falls outside these parameters, Wave shall request approval from the City, which should not be unreasonably withheld
- Wave and the City will work together to schedule events hosted by either party

## Public Programming

- Free programming, similar to other parks, will take place in Naftzger
  - Yoga in the Park
  - Tailgating watch-parties on the video screen
  - Connection to Open Streets ICT
- Partnering with Wave to enhance the Park programming through music and entertainment events
- If City schedules use of the property by others, Wave has first right of refusal to provide services or equipment
  - If other providers are suggested or interested, price points will be considered

## Park Access

- Intention for most events to be open to the public
  - All public parks can be rented for private use following established rental procedures
- Majority of ticketing for Wave events at Naftzger are free general admission tickets
- Fencing off areas of the Park:
  - VIP tickets will access a fenced area of a portion of the park
  - All areas serving alcohol must be fenced for service and consumption
  - Park will never be fully fenced off from the public, people can still utilize the sidewalks and have access to businesses on East side

## Financial Analysis

- Terms: January 1, 2020 – December 31, 2020
  - May extend two terms of 5 years each
- Wave will retain 100% of all net profit up to \$49,999 during any calendar year
- A portion of the net profit above \$50,000 will be provided to the City
- Wave and City will share responsibility of the net loss up to \$50,000, funded through the Park and Recreation Department's budget

## Net Profit/Loss Sharing

<b>Profit</b>	\$150,000 and above	10% rebate to City
	\$50,000 - \$149,999	5% rebate to City
	\$1 - \$49,999	All profit to Wave
<b>Loss</b>	\$1 - \$9,999	85/15 Wave/City split
	\$10,000 - \$24,999	75/25 Wave/City split
	\$25,000 - \$50,000	50/50 Wave/City split
	In excess of \$50,000	Wave responsibility

## Additional Considerations

- All signs, sponsorships, marketing and promotions procured by Wave will require written approval by the Park and Recreation Director
- Wave will acquire general liability insurance and maintain a liquor license at own cost
- On December 9, 2019, the Agreement was presented to and supported by the Park Board
- Contract approved as to form by the law department

## Recommended Action

- It is recommended that the City Council approve the contract and authorize the necessary signatures.

# Non-Exclusive Use Agreement with Wave Old Town LLC at Naftzger Park (District I)

*Department of Park and Recreation*

