

CITY COUNCIL RESEARCH DIVISION LEGISLATIVE SUMMARY



JEFFREY R. CLEMENTS
Chief of Research
(904) 255-5137

117 West Duval Street
City Hall, Suite 425
Jacksonville, FL 32202
FAX (904) 255-5229

Bill Type and Number: Ordinance 2021-754

Introducer/Sponsor(s): Council President at the request of the Mayor

Date of Introduction: October 12, 2021

Committee(s) of Reference: NCSPHS, F

Date of Analysis: October 14, 2021

Type of Action: Authorizing execution of agreement; designation of oversight agency; request for emergency passage on second reading

Bill Summary: The bill authorizes execution of an amended and restated agreement among the City and the Athletic Associations at the University of Georgia and University of Florida for the conduct of the annual Florida/Georgia football game at TIAA Bank Field. The agreement is for a period of 5 years for the 2021 through 2025 games, representing an initial 3-year term (2021-2023) and one future 2-year option (2024-2025). The City Sports and Entertainment Office is designated as the oversight agency for the contract with a requirement to provide a final revenue and expense settlement report for each game to the Council Auditor immediately upon its completion. Emergency approval on second reading is requested so that the agreement can be in force and govern the 2021 game to be played on October 30th.

Background Information: The revised agreement provides that the schools shall equally share the revenue from all ticket sales (including suite seats controlled by the Jacksonville Jaguars). It provides that no temporary seating will be installed in the North End Zone for the 2021 game and the City shall make a payment of \$400,000 to each school to compensate for lost ticket revenue. For future games the City will pay each team \$400,000 if no temporary seats are installed in the North End Zone, \$200,000 if no temporary seats are installed in the South End Zone, and/or \$150,000 if no temporary seats are installed in the East and West Clubs. Assuming full stadium capacity is allowed, the City has a right to receive 250 tickets from each school (20% club seats, 40% lower bowl, 40% upper deck) and to purchase 500 game tickets from each school (100 club seats, 200 lower bowl, 200 upper deck). The City agrees to waive any ticket surcharges, taxes or user fees on game tickets. The City and the Jaguars shall provide each school with 2 suites for each game (one 24-person suite and one 16-person suite); the City shall pay the teams the price for all tickets for those suites. The City shall provide each school with 1,500 stadium parking spaces at no cost; the schools may each purchase up to 1,062 additional spaces at \$25 apiece.

The minimum guaranteed royalty payments to the teams are as follows: 2021- \$1 million per school; 2022-23 - \$1.25 million; 2024-25 (if option is exercised) - \$1.5 million. The City will pay each school \$60,000 per game for travel, lodging and game day expenses; in addition the City will pay the University of Georgia's air fare for a chartered flight from Athens to Jacksonville. The City shall pay all game-day stadium operating expenses and appropriate security and traffic control. The City reserves the right to control food and beverage sales and revenues. The schools control all sponsorship, marketing and merchandising rights and revenues, but shall pay the City 10% of Adjusted Merchandise Revenues (as defined).

The agreement provides that in the event of a Force Majeure Event causing a postponement of a game, the parties shall make best efforts to reschedule the game within that season. If a game is forced to be cancelled or relocated then the parties agree to make reasonable efforts to minimize and mitigate the financial impact. The City shall only be responsible for school travel costs actually incurred and paid. The City shall not be obligated to host a

game affected by a Force Majeure Event or Force Majeure Consequences. The agreement provides that if at any time during the term of the agreement the stadium ceases to be the home of a National Football League franchise, then the parties shall renegotiate in good faith the terms of the agreement with regard to pre-existing rights held by the Jacksonville Jaguars.

Policy Impact Area: Tourism development

Fiscal Impact: Undetermined

Analyst: Clements