

**Council Auditor's Office  
2022-321 - ASM Contract Summary**

	Current Contract	Proposed Contract
<b>Term</b>	Ends 3/31/23	10/1/22 - 9/30/27
<b>Renewals</b>	One 1-year renewal period remains	One 5-year renewal period
<b>Payment Structure</b>		
<b>Fixed Fee</b>	Adjusted annually on April 1 by CPI	Adjusted annually on October 1 by 3%
<b>Incentive Fee</b>	Paid in an amount up to Fixed Fee based on Performance Evaluation	Paid in an amount up to Fixed Fee based on Performance Evaluation
<b>Performance Fee</b>	5.5% of gross sales from Concession Services; capped at \$500,000 annually	2.6% of Total Revenues; no annual cap
<b>ASM Contributions</b>	\$1.1 million one-time contribution (\$220,000 amortized annually)	\$1.6 million one-time contribution (\$320,000 amortized annually)
<b>ASM Event Development Fund Contribution</b>	\$250,000	\$0

**Financial Impact**

	FY 2016/17 Audit		FY 2017/18 Audit		FY 2018/19 Audit		FY 2019/20 Audit	
<b>Operating Revenue</b>		\$20,962,841		\$28,380,224		\$28,639,417		\$17,756,235
<b>Non-Operating Revenue</b>		\$6,201		\$14,510		\$15,489		\$10,241
<b>Total Revenue</b>		\$20,969,042		\$28,394,734		\$28,654,906		\$17,766,476
	<u>Current</u>	<u>Proposed</u>	<u>Current</u>	<u>Proposed</u>	<u>Current</u>	<u>Proposed</u>	<u>Current</u>	<u>Proposed</u>
<b>Performance Fee</b>		\$545,195		\$738,263		\$745,028		\$461,928
<b>Concession Services Fee<sup>1</sup></b>	\$284,872		\$425,491		\$500,000		\$385,183	
<b>Amortization of Capital</b>	\$220,000	\$320,000	\$220,000	\$320,000	\$220,000	\$320,000	\$220,000	\$320,000
<b>Net Fees</b>	\$64,872	\$225,195	\$205,491	\$418,263	\$280,000	\$425,028	\$165,183	\$141,928
<b>Increase/(Decreased) Fee<sup>2</sup></b>		\$ 160,323		\$ 212,772		\$ 145,028		\$ (23,255)

<sup>1</sup> Concession Services Fee of 5.5% amount derived from SMG/ASM annual audited Financial Statements

<sup>2</sup> The Fixed Fee and Incentive Fee are not considered as they remain relatively constant from current contract to proposed.

Based on prior year audited financials, the change in Performance Fee will result in an additional cost to the City of \$123K per year on average. This includes 2020 in which the City was shut down for a period of time. Removing 2020 results in an average increase of \$172K annually.