



**AGENDA MEMORANDUM**  
City Council Meeting September 20, 2022

**DATE:** September 20, 2022  
**TO:** Peter Zanoni, City Manager  
**FROM:** Elsy Borgstedte, Assistant Director of Aviation  
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**Resolution authorizing agreements with Global Spectrum, L.P. d/b/a OVG 360 and Ovation Food Services of Texas, LLC for the management of the American Bank Center for a period of five years**

Resolution authorizing two management agreements for the American Bank Center, one with Global Spectrum, L.P., dba OVG360, for management of the facility, with an estimated annual base management fee of \$144,000 adjusted annually and the possibility to earn additional incentive fees, and one with Ovation Food Services of Texas, LLC for management of the food and beverage services at the facility with an estimated annual management fee of \$240,000, each for an initial term of five years, beginning October 1, 2022, with an option to renew for an additional five years.

**SUMMARY:**

This resolution authorizes the execution of agreements with Global Spectrum, L.P. d/b/a OVG360 to provide management services for the American Bank Center and with Ovations Food Services of Texas, LLC for the management of food and beverage services at the facility, beginning October 1, 2022 with a five-year term and an option to renew for an additional five years.

**BACKGROUND AND FINDINGS:**

The American Bank Center (ABC) is a city-owned sports, entertainment, and convention center venue managed by a third-party professional operator. On June 1, 2022, the City and SMG, the prior operator, executed an amendment to the management agreement ending SMG's services on June 30, 2022. On July 1, 2022, the City entered into short-term agreements with Global Spectrum, L.P., dba OVG360 and Ovations Food Services of Texas, LLC (collectively, "OVG") for the management of the ABC and the food and beverage services effective July 1, 2022. Those agreements expire on September 30, 2022.

OVG was selected based on its extensive experience operating and managing significant venues worldwide, in the United States, and major venues in Texas. Including several years of experience in the Coastal Bend Region while managing the Solomon P. Ortiz International Center and Richard M. Borchard Regional Fairgrounds. In addition, OVG is the only operating service venue management company in the United States that provides food and beverages to its clients in-house. On July 1, 2022, operations at ABC transitioned to OVG to provide full-service venue management, event programming, hospitality, catering, and beverage services.

OVG 360, a division of the Oak View Group (OVG), is a full-service venue management and event

programming company built on the foundation of truly putting the clients first. Founded in 2015 by Irving Azoff and Tim Leiweke with Madison Square Garden Entertainment, OVG 360 has one simple goal—to provide venues with customized services that produce results. In addition, OVG has award-winning culinarians and food services & hospitality teams that strive to deliver the best accommodations, highest-quality amenities, and premium food and beverages to guests across North America. The goal is to provide exciting and memorable experiences that lead visitors to return to the venue. OVG annually serves over 250,000 events and 40 million guests across different venues.

The proposed long-term agreements will provide for OVG to manage the facility for the next five years, with the option to renew for an additional five-year term. The estimated base management fee for the facility is \$144,000 annually, with additional incentives based on performance, which may be earned with increased revenue at that facility and the sale of commercial rights. The estimated fee for management of the food and beverage services is \$240,000, which represents 7% of the gross revenue for food and beverage services. The agreements require the City to provide funding for operating costs of the facility and capital improvement projects to be managed by the City of Corpus Christi.

### **ALTERNATIVES:**

An alternative would be for the City to conduct a Request for Proposals (RFP) to identify a management firm for the American Bank Center, but that will lead to an interruption in services at the Facility.

### **FISCAL IMPACT:**

#### **FUNDING DETAIL:**

#### **MANAGEMENT:**

Fund: 4710

Organization/Activity:13600

Mission Element: 734

Account: 530000

#### **FOOD AND BEVERAGE:**

Fund: 4710

Organization/Activity:13625

Mission Element: 734

Account: 530000

### **RECOMMENDATION:**

Staff recommends approval of the resolution to authorize the execution of the management agreements for the American Bank Center.

### **LIST OF SUPPORTING DOCUMENTS:**

Resolution

Presentation

Venue Management Agreement with Global Spectrum, L.P., dba OVG360

Food and Beverage Agreement with Ovation Food Services of Texas, LLC