

# Mayor and Council Communication

**DATE:** 04/09/24

**M&C FILE NUMBER:** M&C 24-0304

**LOG NAME:** 80THETRINITYCOLLABORATIVEINC-MAYFEST

## **SUBJECT**

(ALL) Authorize the Execution of a New License Agreement with Mayfest, Inc., dba The Trinity Collaborative, Inc., for the Use of a Portion of Trinity Park for the Annual Mayfest Event

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## **RECOMMENDATION:**

It is recommended that the City Council authorize the execution of a new License Agreement with Mayfest, Inc., dba The Trinity Collaborative, Inc., for the use of a portion of Trinity Park for the annual Mayfest event.

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## **DISCUSSION:**

Mayfest has been a popular and successful event in Trinity Park since 1973. Mayfest, Inc., is a Texas non-profit corporation doing business as The Trinity Collaborative, Inc., organized for the sole purpose of presenting Mayfest, an event that has given back more than \$7.5 million to benefit the City of Fort Worth (COFW) and its citizens.

Mayfest attendance typically exceeds 200,000 persons. Historically, the COFW received an annual rental fee of twenty percent of net operating profits from the Mayfest event. These proceeds were used to support the Park & Recreation Department (PARC) programs, equipment purchases, and facility improvements. The Trinity Collaborative, Inc. disbursed the other eighty percent of net operating profits to the Junior League of Fort Worth and Streams and Valleys, Inc., who in turn support the community through various projects and support programs. This rental structure was continued in the most recent license agreement from 2009, authorized by Mayor and Council (M&C) Communication C-23491, the same being City Secretary Contract (CSC) Number 38500.

On May 16, 2011, the parties amended CSC No. 38500 to convert the annual rental fee from a percentage rental fee to a fixed dollar rental fee, to allow both parties more certainty for planning and budgeting purposes. Under the terms of the amended agreement, The Trinity Collaborative, Inc. paid an annual base rent amount (\$25,000 per year in the initial term; and \$26,250 per year beginning with the first renewal) plus ten percent of the net operating profits from the Mayfest event (collectively, the License Fee), authorized by M&C-24777, the same being CSC No. 38500-A1.

The funds paid to the COFW are appropriated into the PARC General Capital Project Fund each year and allocated to make improvements to Trinity Park, primarily within the festival site. Past improvements have included park infrastructure, shelters, playground improvements, and portable restroom enclosures. While these improvements are targeted at enhancing the festival site and improving the efficiency of the festival set-up and operation, the park improvement benefits Fort Worth residents year-round.

For the five years prior to COVID-19 (2015 through 2019) the PARC received the following amounts from Mayfest events:

\$131,250.00 in Fixed Lease Fees;

\$135,255.00 in 10% Net Profits; and

\$173,342.00 in Mayfest Grants (2015-2018).

In 2019, there were no Mayfest grants awarded, but The Trinity Collaborative, Inc. did "pass-through" a \$30,000.00 grant from the Amon G. Carter Foundation. These funds were used to install a permanent enclosure for one accessible portable restroom unit.

The festival was cancelled in 2020 and 2021 due to the COVID-19 pandemic. These cancellations resulted in financial losses which had an impact on the ongoing operations of the festival. In 2022, the PARC received a request from The Trinity Collaborative, Inc. for the Mayfest license fee to not be assessed.

On April 26, 2022, the City Council found a public purpose and approved a one-time reduction to the License Fee totaling \$262.50, in order to facilitate the success of the first post-COVID-19 Mayfest event.

On April 29, 2024, CSC No. 38500 will expire, and it is the collective desire of the parties to enter into a new license agreement effective April 30, 2024, and expiring on April 29, 2034, with the option to renew for two successive five-year terms for the annual Mayfest event. The license fee for the initial term shall be a base rent of Twenty-Six Thousand Five Hundred Dollars (\$26,500.00) plus ten percent of the net operating profits from the annual Mayfest events. Beginning with the first renewal, the amount of the base rent shall be Twenty-Nine Thousand One Hundred and Fifty Dollars (\$29,150.00). The portion of the license fee consisting of the ten percent of net operating profits from Mayfest events shall remain the same during any renewal periods.

The Trinity Collaborative, Inc. will not be charged any additional fees by the PARC for the use of the park, facilities, or services provided by the PARC associated with the Mayfest event. The Trinity Collaborative, Inc., will provide the necessary insurance as required by the COFW. Either party may terminate the Agreement without cause upon at least 90 days' written notice to the other during the initial term or any renewal term.

Trinity Park is located in COUNCIL DISTRICT 9, and Mayfest is a city-wide family-oriented event.

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**FISCAL INFORMATION / CERTIFICATION:**

The Director of Finance certifies that upon approval of the above recommendation and execution of the agreement, funds will be deposited into the Mayfest Lease Agreement programmable project within the General Capital Projects Fund. The Park & Recreation Department (and Financial Management Services) is responsible for the collection and deposit of funds due to the City.

**Submitted for City Manager's Office by:**    Jessica L. McEachern    5804

**Originating Business Unit Head:**                Richard Zavala                5704

**Additional Information Contact:**