



Chicago Park District

Legislation Details (With Text)

File #: 24-1109-0710 **Name:** Multi-Year Permit Agreement with La Cultura Presenta LLC to Hold Suenos Festival in Grant Park

Type: Action Item **Status:** Passed

File created: 6/14/2024 **In control:** Board of Commissioners

On agenda: 7/10/2024 **Final action:** 7/10/2024

Title: AUTHORIZATION TO ENTER INTO A MULTI-YEAR PERMIT AGREEMENT WITH LA CULTURA PRESENTA LLC TO HOLD THE SUEÑOS FESTIVAL IN GRANT PARK

Sponsors: Revenue

Indexes: Permit Agreement

Code sections:

Attachments:

| Date | Ver. | Action By | Action | Result |
|-----------|------|------------------------|--------|--------|
| 7/10/2024 | 1 | Board of Commissioners | | |

AUTHORIZATION TO ENTER INTO A MULTI-YEAR PERMIT AGREEMENT WITH LA CULTURA PRESENTA LLC TO HOLD THE SUEÑOS FESTIVAL IN GRANT PARK

To the Honorable Board of Commissioners of the Chicago Park District

I. Recommendation

It is recommended that the General Superintendent and CEO or her designee enter into a multi-year permit agreement with La Cultura Presenta LLC to hold the Sueños Festival in Grant Park.

II. Information

Parties: La Cultura Presenta LLC
1645 E. 6th Street, Suite 150
Austin, Texas 78702

Majority Interests: C2 Acquisitions, LLC 50%
Collectiv PBB, LLC 50%

Contract Type: Multi-year festival permit agreement

Contract Term: Five (5) years with a five (5) year extension option

Contract Fees: Permit Fee equal to the greater of:

- (i) Guaranteed Payment of \$1.5 million for a two-day festival or \$2 million for a three-day festival;
OR
- (ii) Per Ticket Fee
2025 - \$15.00
2026 - \$16.00
2027 - \$17.00

2028 - \$18.00
2029 - \$19.00

Per ticket fee applies to tickets sold for admission to the festival (excluding guest, gratis, sponsor, working, artist, and charity guest passes). The Per Ticket Fee is calculated by paid public tickets to the festival with a two-day ticket counting as two tickets and a three-day ticket counting as three tickets.

Authorization: Authorize the General Counsel to include other relevant terms and conditions in the written Agreement. Authorize the General Superintendent to execute the Agreement and the Secretary to attest as to the signing of the Agreement and keep an original copy of the Agreement on file.

III. Budget and Financial Information

Budget Classification: Operating
Fiscal Year: 2024-2029
Source of Funds: n/a

IV. Explanation

In October 2021, the Chicago Park District and La Cultura Presenta LLC (formerly C2 Acquisitions, LLC) entered into an agreement to hold a Latin-themed festival in Grant Park. The Sueños Music Festival was held in 2022, 2023 and 2024 as a two-day, single-stage festival over Memorial Day weekend in Grant Park, featuring Latin artists, food and beverage vendors, and various experiential activations.

Drawing attendance of approximately 38,000 per day in its first year and growing to more than 60,000 in the most current year, the events have proven to be a successful addition to the festival lineup in Chicago. According to a July 2023 study commissioned by the event organizer, the inaugural festival in 2022 generated \$120.9 million to Chicago's economy, including nearly \$1.5 million in fees to the Chicago Park District. The second annual Sueños Music Festival in 2023 generated \$181.6 million to Chicago's economy, including more than \$1.9 million in fees to the Chicago Park District and \$1.6 million in amusement tax revenue to the City of Chicago, and was responsible for 1,564 full-time job equivalents hired or sustained.

Based on these successes, the Chicago Park District and La Cultura wish to enter into a multi-year agreement to continue to produce the festival for Chicago residents and visitors.

Key elements of the agreement include:

- The festival shall be held on the weekend directly preceding the Monday of Memorial Day.
- The festival area is within Grant Park in upper and lower Hutchinson
- Paid attendance at the festival shall not exceed 75,000 people per day unless otherwise mutually agreed to by the parties.
- The festival may increase from a two-day festival to a three-day festival in any given year during the term upon mutual agreement.
- La Cultura shall be responsible for organizing, producing and holding the festivals and for the payment of all related costs and expenses, including all reasonable costs related to repairing and restoring the festival area to its pre-festival condition.
- La Cultura will pay fees as detailed above in consideration of the Festival Permit.

- Either party may terminate the agreement at any time for convenience by providing ninety (90) days' prior written notice thereof.

V. General Conditions

1) *Conflicts*: The Agreement shall not be legally binding on the Chicago Park District if entered into in violation of the provisions of 50 ILCS 105, the Public Officer Prohibited Activities Act.

2) *Ethics*: The agreement shall contain a provision requiring compliance with the Chapter III of the Code of the Chicago Park District ("Governmental Ethics").

3) *Contingent Liability*: Any agreement lawfully entered into for a period of more than one year shall be executory only for the amounts for which the Park District may become liable in succeeding fiscal years pursuant to Section 17(i) of the Chicago Park District Act, 70 ILCS 1505/17(i). All agreements authorized herein shall contain a clause that any expenditure beyond the current fiscal year is subject to appropriation in the subsequent fiscal year budget.

4) *Economic Disclosure Statement ("EDS")*: Contractor has submitted a full and complete EDS form.