



OUR EVENT IS
YOUR EXPERIENCE

City Council Briefing
AXS Digital, LLC. – Ticketing Services Provider
Denver Arts & Venues
Ginger White, Executive Director

AXS DIGITAL, LLC

AXS provides ticketing services, box office operations, marketing support and patron care services via DPAC info desk and call center for City venues including Colorado Convention Center/Bellco Theater, Denver Coliseum, Denver Performing Arts Complex, McNichols Civic Center Building and Red Rocks Amphitheatre.

- DAV sells more tickets than Broncos, Rockies, Avs and Nuggets combined, but had no cohesive way to sell, manage box office and collate demographics – only venues in the region still allowing for individual promoter selection before system was brought in-house
- Modernized practice allowed for standardized processes, increased tax payments, basic consumer info
- Per 2019 BMO Budget Book, revenue to Arts & Venues from ticketing operations is nearly \$4 million – along with venue rental, food and beverage, corporate partnerships and parking comprising the revenue taken in by the agency
- Since Year 1 (2014): 4,828,685 orders processed; 10,155,735 tickets sold

RFP Process and Selection

- National RFP Issued by City of Denver Purchasing – April 2019
- Six RFP Respondents including AXS Digital, Etix, EventBrite, SquadUp and Ticketmaster - May 2019
- Selection panel narrows qualified responses to AXS and Ticketmaster – June 2019
- In-person qualification interviews held – August 2019

Incumbent selected based on ability to handle Red Rocks and convention center volumes, ability to deliver relevant technologies, on-site operations programs, financial packages and assets including marketing, customer retention management and other systems

AXS is the second-largest ticket service provider in the US (after Ticketmaster)

PRIMARY CONTRACTOR FUNCTIONS

- Sales of more than 2.5 million tickets annually at City-owned venues
- 1.3 million at Red Rocks Amphitheatre
- 120,000+ tickets for Great American Beer Festival and Comic Con at Colorado Convention Center
- Box office operations including management, staffing and customer service at all City venues
- Includes City Council-requested Saturday Coliseum box office sales 52 weeks per year.
- Operation of call center and information desks located at Arts Complex
- Partner in the management and coordination of ADA compliance and venue accessibility
- Collection and settlement of all concert-related ticket funds with payment to promoters (LiveNation, AEG Presents, etc.)
- Collection of event-related Facilities Development Admission (FDA) seat tax for direct payment to City and County of Denver Treasury
- Provide marketing support for event sales and collection of blind consumer data
- Safety and Security- enables access control at venues and provides important coordination with venue security

KEY CONTRACT POINTS

- Hybrid revenue/expense contract
- \$3 per ticket fee collected by contractor* – covers software systems for primary and verified fan-to-fan marketplace ticket sales, all event set-up, box office operations, Flash Seat ticket delivery, event fund collection/settlement, website and mobile app programs
- Additional \$4 million in equipment, venue and tech upgrades, marketing support provided by contractor to City
- Additional allowable expenses of \$500,000/annual on ticket stock, souvenir ticket fulfillment, website hosting and event-related operations
- M/WBE goals: Not included per Purchasing and DSBO as a service not covered and without local contractors
- 5-year term; Total contract expenditure amount: \$5,010,613

*This fee is on full-priced tickets – sliding scale allows for low-cost, small and charitable events

BEHIND THE SCENES: THE TRUTH ABOUT CONVENIENCE FEES

Fiction: A misconception among consumers is that venues and ticketing companies set ticket prices and keep all fees.

Facts: Arts & Venues acts as the “landlord” with almost all shows at City venues. Promoters and presenters take the financial risk in booking a show, bearing all artist fees and production expenses. It is the promoter’s or presenter’s role to set ticket prices and add most fees based on market demands. While the ‘service fee’ may vary based on ticket price, the actual ticket fee paid to the contractor is firm.

For example: A Red Rocks face value ticket of \$50 results in a \$17 total service fee – but barely \$5 is the ticket fee.

The current AXS/City contract fee allocations are:

- Base ticket fee
 - \$3.00 of service fee is paid to AXS (maximum allowed in contract).
 - \$2.00 of service fee is retained by City.
 - \$1.70 i.e. 3.% Merchant CC processing (non-payable with cash)
- Promoter Fee
 - Balance of convenience fee is levied by promoter on a show-by-show basis as promoter/artist revenue.
 - Nearly 2/3 of total convenience fee is a promoter add on – not a true ticketing fee. Importantly, this is industry standard and is the practice whether it’s a live theatre performance, a game or concert at Pepsi Center, a Broncos ticket or a college dance performance.

Additional Benefits – Did you know?

- **Visibility and Control of Facilities Development Admission Tax**
 - Over \$35 million in FDA (seat) tax has been collected and directly remitted by AXS to City of Denver Treasury, rather than relying on promoter self-reporting and FDA tax remittance
- **Accessibility via Technology**
 - The Flash Seats technology became an important part of the 2019 consent decree settling lawsuits against City regarding accessibility issues at Red Rocks Amphitheatre; Rows 1-4 can be restricted for the benefit of fans with a variety of needs
- **Business Strategy and Insight**
 - Basic consumer data is now available to City – important when analyzing success of venues, audience demographics and tourism promotion
 - More than 25% of Red Rocks consumers attend from out-of-state with Chicago, Los Angeles and Dallas represented in the venue's Top 10 markets – information used by Visit Denver in external promotions.

Questions