

**ST PETERSBURG CITY COUNCIL
MEETING OF OCTOBER 15, 2009**

CONSENT AGENDA

TO: The Honorable Jeff Danner, Chair and Members of City Council

SUBJECT: Resolution Approving the Fifth Amendment to the Agreement with Andretti Green Promotions, L.L.C. to extend the term of such agreement; consenting to an ownership change; and providing an effective date.

BACKGROUND: At its meeting of August 20, 2009, City Council was scheduled to act on the one year extension request to the Agreement for the Conduct of Professional Automobile Racing in Downtown St. Petersburg ("Agreement") but no action was taken as the result of the announcement of an anticipated change among the owners of the event. Subsequent to the August 20th meeting the current owners of Andretti Green Promotions, L.L.C. (AGP) which conducts the Honda Grand Prix of St. Petersburg executed a formal corporate reorganization agreement and the documents finalizing the new ownership interests are scheduled to be executed by the end of October.

Current Situation:

After reviewing the new ownership structure with respect to the previous request for a one year extension and the Agreement, the following items are presented for necessary action.

I. Ownership Restructuring

The current ownership of AGP consists of three owners, Kevin Savoree, Kim Green and Michael Andretti. Kevin Savoree is the current Managing Director of AGP and has served in this capacity for the last 4 years. After the proposed ownership restructuring Michael Andretti will no longer be one of the owners; however, Kevin Savoree and Kim Green will remain as owners of the promotions company which will be renamed in the near future. Kevin Savoree will continue in his capacity as Managing Director for the event and the local Honda Grand Prix General Manager, Tim Ramsberger, and his staff will remain unchanged.

The Agreement provides that AGP shall not assign the Agreement without obtaining the consent of City Council and that any change in the majority ownership of AGP constitutes an assignment of the Agreement. AGP's agreement with the City for the storage of race event materials ("Storage Agreement") contains a similar provision.

Therefore, the Agreement and Storage Agreement require City Council consent for the ownership change described above.

Action Item: The attached resolution provides City Council consent with respect to the ownership change as required by the Agreement and Storage Agreement.

II. One Year Extension

On May 1, 2008, City Council approved The Fourth Amendment to the Agreement. The Fourth Amendment extended the term of the Agreement so that it expires on April 30, 2013 and further provided for future extensions subject to the length of the lease term limitations of the City Charter. AGP is now requesting a contract extension of one additional year (the maximum amount allowed under the City Charter).

Action Item:

The attached resolution approves the Fifth Amendment to the Agreement to extend the term of the Agreement for one (1) additional year to April 30, 2014.

SUMMARY: The Honda Grand Prix of St. Petersburg has accomplished the City's goal of providing a new and diverse community event with national and international exposure that generates direct economic benefit and entertainment value for our community. The City has solidified our permanent place as one of the few national and international cities which will be part of the IRL schedule for years to come in the future. Maintaining our race on the schedule is even more important because of the 2008 reunification of the IRL and Champ Car which resulted in a surplus of locations that will be competing for a limited number of spots on future IRL race calendars.

The City's consent to the ownership change and approval of the one year contract extension enhances the ability of the promoter, the IRL and major sponsors to continue their long term commitments for our race. Attached for Council consideration is a resolution consenting to the ownership change and approving The Fifth Amendment to the Agreement which provides for a one year extension of the term of the Agreement to April 30, 2014.

Attachments: Resolution, Fifth Amendment to Agreement, Andretti Green Correspondence

RESOLUTION NO. _____

APPROVING LENGTHENING THE TIME PERIOD FOR ANDRETTI GREEN PROMOTIONS, LLC TO SUBMIT A WRITTEN REQUEST FOR AN EXTENSION OF THE TERM OF THE AGREEMENT BETWEEN THE CITY OF ST. PETERSBURG, FLORIDA AND ANDRETTI GREEN PROMOTIONS, LLC FOR THE CONDUCT OF PROFESSIONAL AUTOMOBILE RACING IN DOWNTOWN ST. PETERSBURG; APPROVING THE FIFTH AMENDMENT TO THE AGREEMENT TO EXTEND THE TERM OF SUCH AGREEMENT; CONSENTING TO AN OWNERSHIP CHANGE; AND PROVIDING AN EFFECTIVE DATE.

WHEREAS, the City of St. Petersburg, Florida (“City”) and Andretti Green Promotions, LLC (“Andretti Green”) entered into an agreement for the conduct of professional automobile racing in downtown St. Petersburg, dated September 16, 2004 (“Agreement”); and

WHEREAS, on May 1, 2008, City Council approved the Fourth Amendment to the Agreement extending the term of the Agreement to April 30, 2013; and

WHEREAS, the Fourth Amendment also added a new Paragraph 5.2 providing for future extensions to the term of the Agreement of one or more years subject to the length of lease term limitations of the City Charter; and

WHEREAS, Paragraph 5.2 (1) states that if Andretti Green desires an extension to the term of the Agreement it shall submit a written request for an extension, along with any proposed amendments to the Agreement that Andretti Green believes are necessary, within twenty days after April 30 of each year subsequent to the year 2008 (“Extension Request Due Date”); and

WHEREAS, Paragraph 5.2(5) provides that any of the time periods contained in Paragraph 5.2 (e.g., the Extension Request Due Date) can be lengthened upon the mutual written agreement of the parties; and

WHEREAS, prior to the 2009 Extension Request Due Date, Andretti Green submitted a written request for an extension of such due date to July 31, 2009; and

WHEREAS, on July 30, 2009, Andretti Green submitted its written request to extend the term of the Agreement for one (1) additional year to April 30, 2014; and

WHEREAS, the Fifth Amendment to the Agreement provides for the term of the Agreement to be extended for one (1) additional year to April 30, 2014, per Andretti Green’s request; and

WHEREAS, the Agreement provides that Andretti Green shall not assign the Agreement without obtaining the consent of City Council and that any change in the majority ownership of Andretti Green constitutes an assignment of the Agreement; and

WHEREAS, Andretti Green's agreement with the City for the storage of race event materials dated March 28, 2005 ("Storage Agreement"), contains a similar provision; and

WHEREAS, the current ownership of Andretti Green consists of three owners, Kevin Savoree, Kim Green and Michael Andretti; and

WHEREAS, the current owners of Andretti Green have executed a corporate reorganization agreement and the documents finalizing the new ownership interests are scheduled to be executed by the end of October; and

WHEREAS, after the proposed ownership restructuring Michael Andretti will no longer be one of the owners; however, Kevin Savoree and Kim Green will remain as owners of the promotions company which will be renamed in the near future; and

WHEREAS, Andretti Green requests City Council consent for such ownership change as required by the Agreement and Storage Agreement.

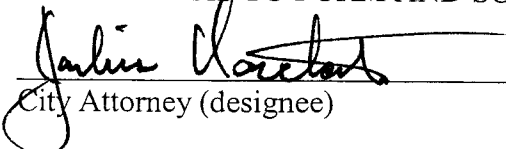
NOW, THEREFORE, BE IT RESOLVED by the City Council of the City of St. Petersburg, Florida that lengthening the time period for Andretti Green Promotions, LLC to submit a written request for an extension of the term of the Agreement Between the City of St. Petersburg, Florida and Andretti Green Promotions, LLC for the Conduct of Professional Automobile Racing in Downtown St. Petersburg to July 31, 2009 is hereby approved.

BE IT FURTHER RESOLVED that the Fifth Amendment to the Agreement Between the City of St. Petersburg, Florida and Andretti Green Promotions, LLC for the Conduct of Professional Automobile Racing in Downtown St. Petersburg to extend the term of such agreement is hereby approved.

BE IT FURTHER RESOLVED that consent to the ownership change in Andretti Green which will result in Kevin Savoree and Kim Green remaining as owners of a re-named promotions company is hereby given.

This resolution shall become effective immediately upon its adoption.

APPROVED AS TO FORM AND SUBSTANCE:



City Attorney (designee)

FIFTH AMENDMENT TO AGREEMENT
Between
THE CITY OF ST. PETERSBURG, FLORIDA
And
ANDRETTI GREEN PROMOTIONS, LLC
For
THE CONDUCT OF PROFESSIONAL AUTOMOBILE RACING
IN DOWNTOWN ST. PETERSBURG

THIS FIFTH AMENDMENT ("Fifth Amendment") is made and entered into as of the _____ day of _____, 2009, by and between the City of St. Petersburg, Florida, a municipal corporation ("City"), and Andretti Green Promotions, LLC, an Indiana limited liability company ("Andretti Green"), (collectively "Parties").

WHEREAS, the City and Andretti Green entered into an agreement for the conduct of professional automobile racing in downtown St. Petersburg, dated September 16, 2004 ("Agreement"); and

WHEREAS, on May 1, 2008, City Council approved the Fourth Amendment to the Agreement extending the term of the Agreement to April 30, 2013; and

WHEREAS, the Fourth Amendment also added a new Paragraph 5.2 providing for future extensions to the term of the Agreement of one or more years subject to the length of lease term limitations of the City Charter; and

WHEREAS, within a time period mutually agreed upon by the parties, Andretti Green submitted its written request to extend the term of the Agreement for one (1) additional year to April 30, 2014; and

NOW, THEREFORE, for and in consideration of the mutual promises, covenants, and conditions herein contained and other good and valuable consideration, the receipt and adequacy of which are hereby acknowledged, the City and Andretti Green hereby agree as follows:

1. The Agreement is hereby amended as follows:

Paragraph 5.1 of the Agreement is deleted and replaced with the following:

5.1 Term and Extension. This Agreement was for an initial term of three (3) years with an option to extend the term for two (2) additional years. Andretti Green exercised that option so that the original Agreement would have had an expiration date of September 15, 2009. Pursuant to Paragraph 5.2 of this Agreement, the parties previously extended the term of this Agreement to April 30, 2013 and are now further extending the term of this Agreement so that the expiration date is April 30, 2014. This Agreement may be further extended pursuant to Paragraph 5.2 of this

Agreement. References in this Agreement to "Term" shall include the initial term and all extensions thereof.

- 2. All other terms and conditions of the Agreement (as previously amended) shall remain in full force and effect.

IN WITNESS WHEREOF the Parties have caused this Fifth Amendment to be executed by their duly authorized representatives on the date first above written.

CITY OF ST. PETERSBURG, FLORIDA:

ATTEST:

By: _____
Rick Baker
As Its: Mayor

Eva Andujar, City Clerk

(Seal)

Witnesses:

Sign: _____
Print: _____
ANDRETTI GREEN PROMOTIONS, LLC

Sign: _____
Print: _____

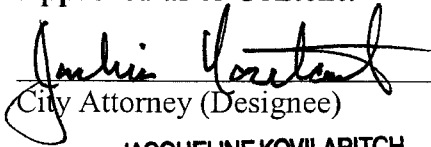
Sign: _____
Print: _____
Title: _____

Witnesses:

Sign: _____
Print: _____

Sign: _____
Print: _____

Approved as to Content:



City Attorney (Designee)
JACQUELINE KOVILARITCH
By: _____
Assistant City Attorney

Approved as to Form:

City Attorney (Designee)
By: _____
Assistant City Attorney



| 25 2nd Street North, Suite 160 | St. Petersburg, Florida 33701 | 727 898 INDY | gpstpete.com |

October 2, 2009

HAND DELIVERED
Honorable Mayor Rick Baker
City Hall
175 Fifth Street, North
St. Petersburg, Florida 33701

Re: Honda Grand Prix of St. Petersburg

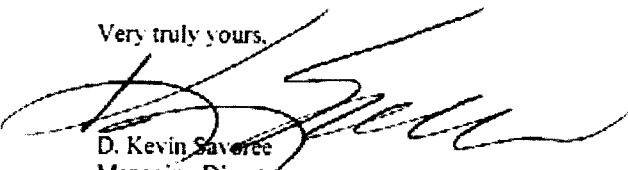
Dear Mayor Baker:

As you are aware at the City Council meeting of August 20th I asked that no action be taken on Andretti Green Promotions request for a one year extension because of a potential change in the current ownership composition of Andretti Green Promotions (AGP). Subsequent to August 20th the current partners of Andretti Green have entered into a formal agreement to restructure our various companies and we expect to finalize new ownership entities by the end of October. As I indicated to City Council on August 20th, Michael Andretti will no longer participate in the ownership of the Promotions Company which conducts the Honda Grand Prix of St. Petersburg, however, the other owners of the event, myself and Kim Green will continue in our ownership capacity. Additionally, I will remain the Managing Director of the event (as I have been for the previous four races) and Tim Ramsberger, General Manager and his staff for the Honda Grand Prix of St. Petersburg will continue in their current capacities. It is our belief that this enhanced focus and ongoing commitment to St. Petersburg will enable us to ownership continue to grow this internationally recognized event.

In conclusion, I am pleased to request that you resubmit to City Council our earlier request for a one year extension to our current License Agreement. Since we are concluding our contractual documents for the modified ownership by the end of October it would be greatly appreciated if City Council action on this request be scheduled prior to the end of this month. As always we appreciate the City of St. Petersburg as our partner. We look forward to conducting the first domestic race of the 2010 international IRL race season in St. Petersburg, Florida.

Thank you for your consideration.

Very truly yours,



D. Kevin Savoree
Managing Director

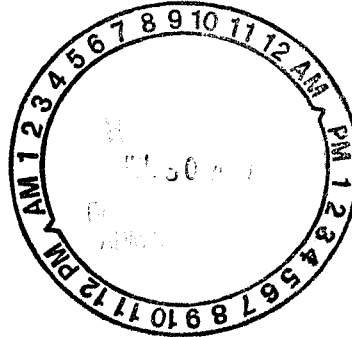
cc: St. Petersburg City Council
Mr. Kevin M. Dunn
City of St. Petersburg





25 2nd Street North, Suite 160
St. Petersburg, Florida 33701
(t) 727.898.INDY (f) 727.896.8031
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July 30, 2009



HAND DELIVERED
Honorable Mayor Rick Baker
City of St. Petersburg
City Hall
175 Fifth Street, North
St. Petersburg, Florida 33701

Re: Honda Grand Prix of St. Petersburg

Dear Mayor Baker:

Pursuant to paragraph 5.2 of the Agreement between The City of St. Petersburg, Florida ("City") and Andretti Green Promotions, LLC ("AGP") for the Conduct of Professional Automobile Racing in Downtown St. Petersburg, dated September 16, 2004 ("Agreement"), which was added by the Fourth Amendment thereto, and the May 20, 2009 letter agreement between the City and AGP, AGP hereby requests an extension of the term of the Agreement for one (1) additional year, beginning May 1, 2013 through April 30, 2014. AGP also requests an amendment to the Agreement deleting paragraph 2.4A of Article II from the Agreement.

AGP requests confirmation that the Al Lang Field facility (Progress Energy Park complex and practice field) will be available to be used for the Event.

Thank you for your consideration.

Very truly yours,)

D. Kevin Savoree

cc: St. Petersburg City Council
Mr. Kevin M. Dunn, Managing Director
City of St. Petersburg





25 2nd Street North, Suite 160
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May 20, 2009

Honorable Mayor Rick Baker
City of St. Petersburg
City Hall
175 Fifth Street, North
St. Petersburg, Florida 33701

Re: Honda Grand Prix of St. Petersburg

Dear Mayor Baker:

Pursuant to paragraph 5.2 of the Agreement between The City of St. Petersburg, Florida ("City") and Andretti Green Promotions, LLC ("AGP") for the Conduct of Professional Automobile Racing in Downtown St. Petersburg, dated September 16, 2004 ("Agreement"), which was added by the Fourth Amendment thereto, AGP hereby respectfully requests that the twenty days time period for delivering to the City Council and Mayor a request for an extension of the contract term and amendment be extended to July 31, 2009.

If the City is in agreement with the additional time requested above, please sign and date below.

Thank you for your consideration.

Very truly yours,

ANDRETTI GREEN PROMOTIONS, LLC

D. Kevin Savoree
Manager

CITY OF ST. PETERSBURG, FLORIDA

ATTEST:

By: _____ Date: _____ City Clerk

cc: City Attorney of St. Petersburg
Mr. Kevin M. Dunn

