



AGENCY FEE DISCUSSION FOR COMPREHENSIVE INTERNATIONAL HOT AIR BALLOON FESTIVAL

Our fee structure is designed to provide transparent pricing while accommodating the unique needs of each event. We offer competitive rates that reflect the depth of our expertise and the quality of our services. In our experience, we have seen many different ways of operating financially in the context of a municipal services contract – and these are most often (and necessarily) determined by specific financial conditions set forth by the agency. The factors that must be considered in any Fee Proposal for this RFP include, but are not limited to:

- Budget expectations and fiscal year approved funds for the event
- Quantity of events produced per year
- Level of talent desired (if any) and total talent budget allocated for the event
- Funds for general tourism, advertising and promotional campaigns which may or may not offset event advertising costs
- Mandate of event to drive bottom line revenue gains, break even or operate as loss leader
- Known costs for mandatory and specific services required from the agency based on approved scope
- Ability of City to waive specific fees or provide in-kind services and assets such as venues, power, water, Fire, PD, Public Works, OOH advertising assets, etc.
- Inflationary outlook for the event window which is 6+ months away

Without having a significantly deeper discussion with the City to ascertain the above data points, and those outlined in the paragraphs above, we are only able to outline proposed fees. Everything is up for discussion and negotiation.

We are able to outline a practical scenario around which a financial arrangement can be modeled if we are awarded the contract. This model has been proven successful in our prior arrangements with other municipalities, and we remain open and willing to discuss and/or negotiate specific terms during a final round interview with the agency to clarify a final Fee Proposal amenable to the parties.

Flat Fee

SoundSkilz and city will negotiate a flat fee for execution of desired program. An example flat fee would be somewhere between \$200,000 - \$300,000 but could vary

based upon final negotiations and direction from the city. Remaining funds to be secured and raised through ticket sales, sponsorships, food and beverage, etc. Soundskilz agency fee will be the profit after expenses of these sales measures.