



# AGENDA

Finance Committee  
Special Meeting  
Village Hall

1900 Hassell Road, Hoffman Estates, IL 60169

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**May 12, 2025**

**Council Chambers**

**Immediately Following General  
Administration and Personnel  
Committee**

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1. **CALL TO ORDER/ROLL CALL**
2. **PUBLIC COMMENT**
3. **OLD BUSINESS**
4. **NEW BUSINESS**
  - A. Request approval of an amendment to the Licensed User Agreement between the Village of Hoffman Estates and Ticketmaster LLC to provide a Pricing Addendum.
5. **ADJOURNMENT**

Further details and information can be found in the agenda packet attached hereto and incorporated herein and can also be viewed online at [www.hoffmanestates.org](http://www.hoffmanestates.org) and/or in person in the Village Clerk's office. The Village of Hoffman Estates complies with the Americans with Disabilities Act (ADA). For accessibility assistance, call the ADA Coordinator at 847/882-9100.



## AGENDA ITEM REPORT

Finance Committee

May 12, 2025

ITEM 4A

**REQUEST:** Request approval of an amendment to the Licensed User Agreement between the Village of Hoffman Estates and Ticketmaster LLC to provide a Pricing Addendum.

**FROM:** Ben Gibbs, General Manager - NOW Arena  
Dan O'Malley, Deputy Village Manager

**ITEM TYPE:** Agreement - Committee

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### REQUEST SUMMARY

The Village approved a five-year agreement with Ticketmaster in 2024 to provide ticketing services for the NOW arena through June 30, 2029. Ticketmaster has been a good partner with the arena and arena staff have been very satisfied with their ticketing services. Ticketmaster handles all ticketing needs of the NOW Arena and is the exclusive vendor. Arena revenue is generated by fees to customers for online tickets sold through Ticketmaster for each event. This is the convenience fee and the arena receives a portion of this revenue. In addition to the convenience fee, there is an order fee that is charged which is a one-time fee applied to the entire ticket order. The order fee revenue is generated solely to the NOW Arena. As of May 2025, the Federal Trade Commission (FTC) passed a new rule that has changed the fee structure of event ticketing. Ticketmaster can no longer charge an order fee, only the per ticket convenience fee is permitted.

With the new FTC rule, the order fee will no longer be applied to each online Ticketmaster ticket order. Historically, the NOW Arena has applied charges to the order fee for each order, which generates annual revenue. To avoid losing this revenue, the per ticket convenience fee would be increased approximately \$1.75 per ticket. This was calculated based on the average order of three tickets. As such, increasing the convenience fee by this amount, the NOW Arena should maintain the revenue currently generated. The current Ticketmaster agreement allows for the NOW Arena to increase convenience fees without restriction. However, if the fee per ticket exceeds a certain threshold, Ticketmaster would receive a portion of the additional revenue. As the NOW Arena intends to increase the per ticket convenience fee to maintain existing revenues, the Arena does not want to surpass this threshold. Accordingly, the proposed amendment would increase the per ticket threshold by \$3.25 to \$16, which should be sufficient given the anticipated increase is substantially less. In addition, the NOW Arena generates revenue from Platinum and VIP tickets. These are specialty ticket packages created by promoters of the event and usually include additional amenities at a premium price. At present, Ticketmaster charges the customer 18% for each VIP/Platinum ticket sold, and the NOW Arena receives 30% of that amount. The proposed amendment would increase the 18% to 22%, which could provide additional revenue on the sales of these premium tickets.

## **FINANCIAL IMPACT**

The purpose of this amendment is to comply with the FTC regulation and keep the impact of compliance net neutral to the arena revenue. The proposed increase of fees is based on historic averages of the number of tickets per order. If the number of tickets per order is substantially different from historic averages, it is possible the arena could generate more or less revenue compared to the current agreement. Despite this uncertainty, the per ticket average has been stable for several years, and it would seem unlikely the customer buying behavior would change dramatically. The agreement does permit the NOW Arena to change the convenience fees on an event-by-event basis, which ensures the fees can be adjusted if the data indicates the need to do so. Also, the proposed amendment includes a true up provision that allows Ticketmaster and NOW Arena to seek reimbursement if the new fee structure has materially disadvantaged either party.

## **RECOMMENDATION**

Request approval of an amendment to the Licensed User Agreement between the Village of Hoffman Estates and Ticketmaster LLC to provide a Pricing Addendum.

## **ATTACHMENTS**

1. TM Licensed User Agreement Amendment 2025

## PRICING ADDENDUM TO LICENSED USER AGREEMENT

THIS PRICING ADDENDUM TO LICENSED USER AGREEMENT ("Addendum") is entered and made effective as of April 1, 2025 ("Effective Date"), by and between Ticketmaster L.L.C., a Virginia limited liability company ("Ticketmaster"), on the one hand, and Village of Hoffman Estates ("Principal"), with reference to the following:

**A.** Ticketmaster and Principal entered into that certain Licensed User Agreement dated as of October 15, 2024 (as may or may not have been amended, the "Agreement").

**B.** Ticketmaster and Principal desire to amend the Agreement in certain respects as set forth below.

NOW, THEREFORE, in consideration of the mutual promises and covenants set forth below, the parties agree, effective as of the Effective Date (unless otherwise expressly set forth in this Addendum), as follows:

**1. Defined Terms.** The meanings of capitalized terms used and not otherwise defined within this Addendum have the meanings assigned to them in the Agreement.

**2. Fee Adjustments.**

- a. Beginning May 12, 2025, the parties agree to: (i) eliminate the assessment of per order processing fees charged to consumers in connection with the sale of Tickets to Attractions in compliance with the FTC's Rule on Unfair or Deceptive Fees, 16 CFR Part 464 (effective May 12, 2025) (the "FTC Rule"), and (ii) amend the per ticket convenience charges assessable against consumers in connection with the sale of tickets to Attractions, each as set forth below. The parties' intent is to reasonably compensate the parties for the resulting lost fee revenue that would otherwise be due each party under the terms of the Agreement as it existed prior to this Addendum.
- b. For avoidance of doubt, neither Ticketmaster nor Principal shall assess any per order processing fee, per order handling charge, or similar per order fee against consumers purchasing tickets to Principal's Attractions, and neither Principal nor Ticketmaster shall be entitled to retain any portion of such per order fee as a royalty. For clarity, except as expressly modified by this Addendum, all elements of the existing economics under the Agreement shall remain in effect.
- c. The following modifications reflects the parties' best efforts to determine fee adjustments necessary to maintain revenue parity based on your actual ticket sales, total orders, and collected processing fees over the past 12 months under the Agreement.
  - i. Ticket Fee Split Cap Increase of \$3.25 to \$16.00
  - ii. Platinum and VIP Buyer Fee will increase to 22%

**3. Process.** Beginning May 12, 2025, all new Attractions set-up will reflect the foregoing adjustments. Ticketmaster shall work in good faith with Principal to determine implementation of the foregoing adjustments for already set-up Attractions as of the Effective Date.

**4. Intent; True Up Process.** The parties hereby acknowledge that this Addendum is being agreed in response to the FTC Rule. Despite the fee adjustments detailed in Section 2 (above), it is the parties' express intent to maintain the status quo as it relates to the overall economics of the Agreement as it existed prior to this Addendum, such that no party is disadvantaged by this Addendum. In accordance with the foregoing, Ticketmaster and Principal agree that on a mutually agreed date within twelve (12) months following execution of this Addendum, the parties shall review the fees paid pursuant to the Agreement (and in accordance with this Addendum), to ensure that the adjustments hereunder do not materially disadvantage either Ticketmaster or Principal. If it is uncovered that either of Ticketmaster or Principal is so materially disadvantaged by the adjustments contemplated by this Addendum, the parties shall negotiate in good faith (i) new adjustments to the fee structure contained within the Agreement, as modified by this Addendum, to ensure such party is not materially disadvantaged going forward, and (ii) to ensure any

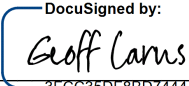
materially disadvantaged Party is fairly compensated for any loss of revenue incurred up to the date of any such review, as agreed between the parties. The fees review referenced above will compare the additional service charge revenue generated under the terms of this Addendum versus what the order processing fee revenue would have been in lieu of the FTC ruling. Following such negotiations, the parties shall memorialize a revised fee structure in good faith by subsequent amendment or addendum executed by the parties in writing. For avoidance of doubt, the foregoing review shall only occur once following execution of this Addendum.

**5. Conflicting Terms.** In the event of any conflict between the terms and conditions of this Addendum and the terms and conditions of the Agreement, the terms and conditions of this Addendum shall control. Except as specifically set forth in this Addendum to the contrary, all terms and conditions of the Agreement are in full force and effect, shall continue in full force and effect throughout the Term and are ratified and confirmed by the parties.

IN WITNESS WHEREOF, the parties have duly executed this Addendum as of the Effective Date:

**TICKETMASTER L.L.C.,**  
a Virginia limited liability company

**Village of Hoffman Estates**

By:  \_\_\_\_\_  
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By: \_\_\_\_\_

Title: SVP – Venues & Promoters

Title: Mayor of Hoffman Estates

Name: Geoff Carns

Name: William McLeod