

THE CITY OF
PORTSMOUTH

November 8, 2005

The Honorable Mayor and
Members of the City Council
City of Portsmouth
Portsmouth, VA 23704

Dear Council Members:

I am attaching a letter from Purchasing Agent John Groom to the companies that submitted proposals for management of the nTelos Pavilion at Harbor Center informing them of the ranking of the firms by our Evaluation Committee. As you can see, Integrated Management Group and Compass Productions were selected as the top two firms for purposes of negotiation. The City will now conduct negotiations with the top proposer, Integrated Management Group, and I am attaching the cover letter of their proposal to give you background information on that firm.

The City does not ordinarily release this information until a contract has been negotiated, but this is not an ordinary process. There is considerable public interest in this process because of the City's considerable interest in the nTelos Pavilion at Harbor Center as an icon, people generator and economic development magnet and because of the history of the operation of the pavilion so far. As you can imagine, there are numerous rumors in the community about who was selected for negotiation, so we believe it is in the best public interest to provide this information to the proposing firms and to the public. I do want to point out that the ranking system simply orders the city's negotiating process. At this point, no bidder is eliminated.

I would also remind you that the final decision on this contract will be made by the City Council.

Please let me know if you have questions or need further information.

Sincerely,



James B. Oliver Jr.
City Manager

Office of the City Manager

801 Crawford Street • Portsmouth, VA 23704-3822 • (757) 393-8641 • Fax: (757) 393-5241

THE CITY OF
PORTSMOUTH

November 7, 2005

Mr. Ken McDonald
Integrated Management Group
397 Little Neck Road
Virginia Beach, VA 23452

Mr. Steven L. Peters
Compass Facility Management, Inc.
Park Plaza Building, suite 200
6th and Duff
P.O. Box 625
Ames, Iowa 50010

Mr. Thomas E. Mendenhall
Clear Channel - Cellar Door Ventures
3550 Cellar Door Way
Virginia Beach, VA 23456

Mr. A. William Reid
Harbor Center Joint Venture
317 Monticello Avenue
Norfolk, Virginia 23510

Mr. Randy Forrest
Ma & Pa Productions
3036 Golden Hind Road
Chesapeake, VA 23321

Re: **Request for Proposals #04-05-JG**
Management Services for nTelos Pavilion Harbor Center

Dear Proposers:

This letter will inform you of the current status of RFP #04-05-JG, concerning Management Services for nTelos Pavilion Harbor Center (the "RFP").

The RFP was issued July 1, 2005, with a closing date of September 2, 2005. Vendors were invited to submit proposals, with the ultimate selection to be based on competitive

negotiations as per *Portsmouth City Code* §12- 276. The RFP provided that proposals would be reviewed and evaluated by a committee of City staff and citizen representatives (the "Evaluation Committee"). *RFP* §IV(A)(3). There were nine voting members of that committee.

Proposals were timely received from each of your companies. Interviews of your companies with the Evaluation Committee occurred on September 21, 2005.

The Evaluation Committee rated each firm based on the criteria of experience, capability and skill, proposal responsiveness, knowledge of entertainment market, interview presentation, and price, with point ratings for each criterion. The firms were then ultimately rated in an overall hierarchy, based on ranking within each of said criteria.

After careful consideration, the Evaluation Committee gave a hierarchical ranking of the firms as follows:

1. Integrated Management Group
2. Compass Productions
3. Harbor Center Joint Venture (tie)
3. Clear Channel Entertainment (tie)
5. Ma and Pa Productions

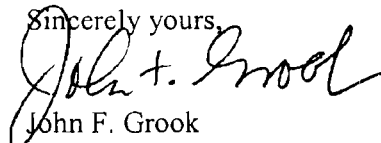
Integrated Management Group was also first based on point totals.

Pursuant to the RFQ and *Portsmouth City Code* §12-276, the City will now conduct competitive negotiations with the top proposer, Integrated Management Group. The negotiations will be conducted by a panel consisting of Deputy City Manager L. Pettis Patton, Consultant William H. Luther and assisted by legal counsel. If for any reason the negotiating panel is not able to negotiate a contract it can recommend to City Council with the top proposer, then negotiations may proceed with the next highest-ranked proposer.

Ultimately, a contract will be recommended to City Council for official consideration and official action, as per Addendum #1 to the RFQ. It is anticipated that the final decision will be made by City Council prior to December 31, 2005.

Please feel free to contact me if you have any questions.

Sincerely yours,



John F. Grook
Purchasing Agent

IMAGE

September 1, 2005

Mr. John F. Grook
City of Portsmouth, Virginia
Attn: Purchasing
801 Crawford Street, 5th Floor
Portsmouth, VA 23704

Dear Mr. Grook,

Integrated Management Group has been following the progress of the Portsmouth Pavilion since its beginning and we submit this proposal to officially contend for the contract to manage and program the Pavilion.

Ken MacDonald and Michael Jones are the most knowledgeable and experienced venue managers and concert promoters in southeastern Virginia. Their resumes are extensive and include associations with many of the most prominent performers in entertainment today. Further they have earned an enviable reputation in the local and national music industry as dependable and trustworthy individuals whose principal interest is the welfare of the communities in which they work. As longtime residents of Hampton Roads, they have followed with interest the decline of the Harbor Center nTelos Pavilion in Portsmouth and are eager to have an opportunity to restore that attraction to its rightful place among the finest mid-size outdoor amphitheaters in the country.

We appreciate that the City has spent significant time investigating the approach of private management. The rationale for this cover letter, therefore, is to emphasize the strengths of Integrated Management Group and the reasons why we should be selected as the manager and programmer for the Pavilion.

Integrated Management is a diverse group of individuals with many years of experience in the concert and event production fields. Our staff has provided management and programming services for:

- The Virginia Beach Amphitheater

IMAGE

Mr. John F. Grook
Page 2

- The Classic Amphitheater in Richmond, VA
- The Boathouse in Norfolk, VA
- The Charlottesville Pavilion

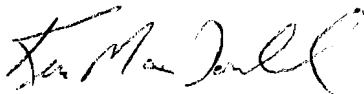
The members have also promoted or managed thousands of events generating millions of dollars in gross revenue and attended by millions of fans mostly in Hampton Roads including Beach Events in Virginia Beach and Festevents in Norfolk.

The Testimonials from our clients and references, as evidenced in the RFP, demonstrate our achievements and exceptional performance.

An advantage Integrated Management has over many competitors is that we have a stake and are active in the Hampton Roads Community. The City will have direct access to upper management. The City will get the time, attention and follow up that it deserves and have assurances that if any problems should develop they will be handled swiftly, fairly and resolutely.

We view the Pavilion as an economic driver for Portsmouth and look forward to working with the City, citizens and businesses. Our proposal is complete and straightforwardly responsive to your requests. We are grateful for this opportunity and look forward to next step in the process.

Sincerely,



Ken MacDonald
Co - President



Michael Jones
Co - President