

# ORGANIZING LIVE EVENTS IN THE LIVE ENTERTAINMENT CAPITAL OF THE WORLD

BY MATTHEW PRUITT, ESQ.

Nevada is well-known for its live events. Just about every casino in the state has a show of its own, intended to bring in the crowds. But not all of Nevada's live events occur in gambling halls. Whether the venue is a casino, an outdoor park or a hip dive bar, the production of all live events in Nevada requires proper preparation and careful navigation of local regulations. Clients will depend on you, as the attorney, to be up-to-date on the process required to prepare for a live event, and to be aware of your local permitting and licensing requirements. The process and permits will vary depending on your location; however, there are common things to be aware of and watch out for regardless of venue. The following is an overview of necessary considerations when helping prepare a client to host a live event.

## Identify a Location

The first thing to do when getting ready to host a live event (aside from planning the content), is to select a location. A number of factors should be reviewed when determining a site for the event, including venue capacity, cost and resources. It is also important to choose a venue that resonates with your expected audience and embraces your type of event.

Size is perhaps one of the most important considerations and often relates closely to cost. If you choose too large a venue, your client will end up overpaying and when you can't fill the space, the event will be perceived as a flop. On the other hand, choosing a venue that is too small may mean passing up an opportunity for additional revenue. It might also upset fans and patrons who are unable to score tickets. However, in certain cases, choosing a slightly smaller venue can be a very smart

strategy. Many bands have learned that it's better to pack a small bar than perform to an empty concert hall; filling a small space and making tickets slightly harder to come by can lend an illusion of inflated popularity that can help propel an act and build buzz.

When considering the cost of a venue, you will want to review the venue capacity, and then multiply it by the greatest ticket price you expect to be able to charge while still filling the space. If the cost of the venue is greater than that number, you will want to find another place — unless, that is, you will be able to produce revenue in other ways, such as through sponsorships and vendors.

Finally, you will want to consider the resources available at the chosen location. If your client is holding a large festival, there should be plenty of available parking, access to potable water, available waste disposal and a power source. Different events will

*continued on page 18*

have different considerations, so you will want to plan carefully in advance to make sure that the resources your event requires are all available at the chosen location.

### Consider Forming an LLC and Obtaining Insurance

Before getting started on contracts, licensing and permits, consider setting up a separate company to operate the event. Live events are typically high-risk and high-liability. We've all heard crazy concert stories; don't let some kid's injury in a mosh pit put an end to your client's business, or possibly even drain his or her personal assets. A Nevada limited liability company is usually a good vehicle for protecting a client's assets, but there will be occasions when another type of entity is appropriate. In any case, make sure your client's business is structured appropriately to protect it from claims.

It's also a good idea for your client to obtain liability insurance covering the event; this may even be required. Some venues carry their own insurance, but many will still require promoters to obtain their own policies. You should check with the venue and review your local laws regarding insurance requirements.

### Apply for Licenses and Permits

Every event needs permits and licenses. Sometimes the venue will already have the appropriate permits and licenses, but never assume they do. It's not a good feeling to have your event cut short because you failed to prepare. If your client's event takes place in an established venue that hosts events as a regular part of its business, that venue may already have the permits and licenses required to produce the event. If, however, your client is hosting the event in a park, or another place that is not a typical venue, you may need to obtain a host of licenses and permits.

Every business in Nevada is required to secure a state business license, unless it qualifies for a specific exemption. Most live events will not qualify for an exemption. Most clients will also need to obtain a local business license; they may even need more than one local business license, depending on the type of event. To determine which licenses your client will need, first determine the jurisdiction in which their event will be hosted. For example, if your clients' event will be located in unincorporated Clark County, then they will need to obtain a business

# ORGANIZING LIVE EVENTS IN THE LIVE ENTERTAINMENT CAPITAL OF THE WORLD

license from Clark County; however, if their event is located in an incorporated area of Clark County, such as the city of Las Vegas, they will typically only need to be licensed through the city.

Check with your jurisdiction's business licensing department to determine which licenses are required. One event may require multiple licenses, such as a promoter's license, an event admissions license, a liquor license or a vendor's license.

Your business licensing department may also be able to give you some direction when it comes to obtaining the permits required for your event. Permits are often obtained through local parks and recreation departments. You may also need permits to gather in certain public places, to alter or restrict traffic and to exceed local noise ordinances. You will also want to check with your local zoning authority and obtain any zoning variances, if required.

### Obtain Sponsors

Sometimes ticket sales provide only enough income to cover venue, talent and production costs, but sponsorships can sometimes make the event profitable, even without ticket sales. Sponsors aren't right for every event, but if sponsors suit your plans, and your venue allows them, start looking for sponsors right away. Not only will sponsors provide welcome revenue, but they will often help promote your event.

### Plan for a Rainy Day

No matter how well you plan for a live event, often elements completely outside of your control can spell disaster. So always prepare for a rainy day by including a contingency plan in your client's contracts with not only the venue, but also the talent, vendors, staff, contractors, ticket brokers, sponsors, advertising outlets and others. Live events, by nature, are subject to

unpredictable disruption. You may end up with a sick performer, a stormy afternoon, a labor strike, a natural disaster or countless other unexpected complications. Make sure you plan for the worst in all of your agreements. Learn to expect the unexpected.

### Advertise and Promote

No one will come to your event if you don't promote it. Find the best ways to reach your audience, and focus on promoting through those methods. If you're planning a concert, find and advertise through a particular radio station that plays the type of music your event will feature. You may even want to partner with that radio station in order to do promotional giveaways and similar marketing. You certainly shouldn't overlook promoting through social media these days, unless your event caters to an older audience that is less likely to utilize social media outlets.

### Plan and Execute an Entertaining Event

At the heart of any successful live entertainment event is the entertainment itself. The most important thing your clients can do is to plan entertainment that is appealing to their chosen audience. Going the extra mile to make sure the attendee has a great time will create returns for years to come. This not only requires getting to know your audience through thorough market research, but also demands thinking outside the box with creativity and ingenuity.

Nevada is a great place to host a live event. While the laws and ordinances affecting live events vary from location to location, following the aforementioned guidelines and properly preparing will help ensure that your clients' event is a success and attracts a crowd. **NL**



#### MATTHEW PRUITT

currently works as an attorney at Alverson, Taylor, Mortensen & Sanders and is Vice-Chair of the Entertainment Law Section of the State Bar of Nevada. He has extensive experience in entertainment and live events, having worked as both an agent and a manager in the music business. Matthew spent two years on the management team of multi-platinum rock band, The Killers. He subsequently founded the Hungry Tiger Agency, a booking and management agency for musicians that helped launch platinum-selling, local rock-band, Imagine Dragons.