

Agenda Report

January 25, 2016

TO: Honorable Mayor and City Council
FROM: Rose Bowl Operating Company (RBOC)
SUBJECT: License Agreements with Live Nation for the Presentation of Concerts to be Held on May 14, 2016 & August 20 and/or 21, 2016

RECOMMENDATION:

It is recommended that the CITY COUNCIL approve and find:

1. Find that the license agreements proposed herein are categorically exempt under California Environmental Quality Act (CEQA) Guidelines Section 15323 (Normal Operations of Facilities for Public Gatherings);
2. Authorize the General Manager to negotiate and enter into license agreements with Live Nation for the presentation of up to three (3) concerts at the Rose Bowl to occur on May 14, 2016 and August 20 and/or 21, 2016;
3. Acknowledge that the General Manager will issue permits to Live Nation for the purposes of sound check on the day prior to each show between the hours of noon – 10:00 p.m. (intermittent) and on event days between the hours of 10:00 a.m. – 11:00 p.m.; and
4. Make the required finding, pursuant to Pasadena Municipal Code Section 3.32.270, to authorize the presentation of the proposed May 14, 2016 and August 20 and/or 21, 2016 concerts to be held at the Rose Bowl as displacement events.
5. Direct the City Clerk to file a Notice of Exemption with the County Clerk within 5 days.

BACKGROUND:

The Rose Bowl has an opportunity to host up to three (3) major concerts on May 14, 2016 and August 20 and/or 21, 2016 by partnering with Live Nation. At this point, it has not been determined if the concert(s) on August 20th and/or 21st will be one or two nights by the performing band. As is customary, the promoter would like to have the option to go to two nights based on ticket sales to the first August show. The May 14th concert will only be one day. It is recommended that the RBOC approve the framework for the hosting of the events, recognizing that the specific variables are still subject to negotiation.

The framework for the key deal points with Live Nation are anticipated to be similar to the recent events that Live Nation has presented at the Rose Bowl (U2, Justin Timberlake/Jay-Z, One Direction).

They are as follows:

- Flat License Fee
 - o \$352,500
- Admission tax
 - o \$1.61 per ticket

Both the license fee and admission tax are RBOC revenue streams.

Developing revenue shares of ancillary income has proven to be very effective with the promoters in certain categories:

- o Net concession income
- o Net parking income (and traffic)
- o Novelty income
- o Ticketmaster rebate
- o Pavilion seating
- o Picnic in the Park (a pre-event in area H that is designed to get fans to the stadium sooner in the day in order to help mitigate traffic closer to show time).

In addition, the below are expenses for which the promoter would assume full cost responsibility:

- Facility damages, including Field Damage
- VIP special requests related expenses
- Stagehands expenses
- Permit expenses
- Pre-coverage, move-in, move out & production expenses

The events will have a stage that is expected to be located in the south end of the stadium, similar to past concerts at the stadium. This configuration will provide a capacity of up to approximately 60,000 spectators. The events are anticipated to begin at approximately 7:00 p.m. and end no later than 11:00 p.m. (specific times have not been defined as of yet, but will be within this timeframe). As traditionally occurs for a major concert at the Rose Bowl, amplified noise will exceed non-event day sound levels originating from the stadium. A sound permit exempting each event from the general standards of the noise ordinance and allowing noise levels up to the limits specified in the Noise Element of the City's General Plan will be issued pursuant to Section 9.36.170 of the Pasadena Municipal Code. This will permit amplified noise to occur to the following levels: not exceeding an average (Leq) of 85 decibels (dBa) over 15 minutes at the outer limits of the property line, and not exceeding an average (Leq) of 75 dBa over 15 minutes at selected points in residential areas around the Arroyo, consistent with past practice. It is not a violation of these permits, however, for instantaneous or short term noise to intermittently spike above those average levels, as the Noise Element of the City's General Plan indicates is the historical norm for this permitted activity. As was successful for the Kenny Chesney stadium show in 2015 the RBOC shall have its sound consultant work with the promoter in the weeks leading up to the shows, and during the shows, as it relates to speaker placement, sound levels, and direction of sound in order to minimize noise in the neighborhoods adjacent to the stadium. The Rose Bowl shall also place noise monitors at various locations throughout the area during the sound amplification to monitor compliance.

At this time, Live Nation has requested the artists not be named, which is customary, as the tours have nationwide marketing strategies and the timing of the announcement of the shows is very important to the promoter and artists.

A pre-event will be planned in order to attract fans to come to the stadium early, and other traffic mitigation measures will be put into place. Communication between stadium, police and neighborhood associations will occur regularly leading up to the concerts.

DISPLACEMENT EVENTS

The Arroyo Public Lands Ordinance (Pasadena Municipal Code Section 3.32.270) establishes guidelines and policies related to the administration of the Arroyo Seco, including the Rose Bowl. The ordinance states that the City seeks to achieve a balance between the use of the Rose Bowl and impact of such use on surrounding residential areas. To achieve that balance, Section 3.32.370 of the ordinance limits the number of displacement events to no more than 12 in any calendar year except with the

permission of the City Council. In order to exceed 12 displacement events, the City Council and the RBOC must make certain findings.

These concerts would be the 13th, 14th and 15th displacement events in 2016. The first 12 displacement events are: Rose Bowl Game, Autism Speaks (also being proposed to RBOC tonight for approval), Copa America Soccer (three matches), AmericaFest, and six UCLA Games.

Below are the findings and the rationale for making such findings for the potential concert dates, which would be the 13th, 14th and 15th displacement events:

1. “The additional event represents a unique opportunity that will enhance the stature of the Rose Bowl.” The concert(s) would be similar in terms of artists and appeal as the Justin Timberlake/Jay-Z concerts held in July 2013 and are in the genre of pop/rock. The event would attract to the Rose Bowl primarily people in their 20’s and 30’s and would garnish significant publicity for the Rose Bowl and Pasadena leading up to the event(s).
2. “The revenue generating potential from the additional event justifies its consideration.” It is estimated that the event(s) will directly generate approximately \$300,000 for the RBOC per each event date. In addition, the City of Pasadena would receive the economic impact as a result of the portion of sales tax and bed tax that will revert to the City and to businesses in the City.
3. “It is anticipated that this event will not create undue conflicts with Arroyo Seco activities taking place at the same time.” The events would be planned for weekends and would result in minimal conflict with current activities scheduled. Staff will work closely with the Parks and Natural Resources Division of the City of Pasadena, as well as the Pasadena Police Department to best control the displacement of other activities in the Arroyo Seco.
4. “The event does not impose undue adverse impacts on the surrounding residential area.” Planning and preparation will be implemented to minimize impact of the event(s) to the surrounding neighborhoods. The Police Department and staff have been successful recently in hosting displacement events with minimal disruption, notably the USA vs. Mexico Soccer, Barcelona vs. Galaxy soccer match and the Kenny Chesney Concert, which all took place at the stadium in 2015.

It should be noted that in addition to the displacement events noted within this report, staff has been in discussions concerning a potential international soccer match in late July. It should also be recognized that the Arroyo Seco Music & Arts Festival, which initially was hoped to begin in 2016, will not occur this year and the goal is to have the first year of the festival occur in 2017.

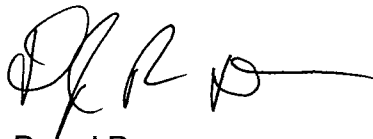
ENVIRONMENTAL:

State CEQA Guidelines Section 15323 exempts from CEQA review the “normal operations of facilities for public gatherings for which the facilities were designed, where there is a past history of the facility being used for the same or similar kind of purpose.” Stadiums are specifically enumerated as one of the types of activities covered by this exemption. The Rose Bowl Stadium has hosted numerous concerts over its history, and particularly within the past two years. There is no indication that these concerts will be any different in terms of noise than any other concert hosted in the Bowl in the past, and any noise generated from these concerts are expected to be within the parameters allowed by the Noise Element of the General Plan.

FISCAL IMPACT:

It is anticipated that the RBOC will generate in excess of \$300,000 from each event. This will enable the RBOC to help meet its operating budget for fy17, and generate additional revenue to help fund the RBOC operating budget and unfunded capital projects.

Respectfully submitted,

A handwritten signature in black ink, appearing to read 'D. Dunn', with a long horizontal flourish extending to the right.

Darryl Dunn
General Manager