

# Agenda Report

March 29, 1999

**TO:** City Council  
**FROM:** The Rose Bowl Operating Company  
**SUBJECT: R.G. CANNING ENTERPRISES CONTRACT RENEWAL**

**RECOMMENDATION:**

It is recommended that the City Council approves and authorizes a ten-year license agreement (with an option to renew six additional years) with R.G. Canning Enterprises for the presentation of a monthly flea market at the Rose Bowl.

**BACKGROUND:**

In 1968, R.G. Canning Enterprises entered into a 16-year contract with the City of Pasadena to license the Rose Bowl Stadium for the presentation of a monthly Flea Market. In 1983, a new 16-year contract was signed by R.G. Canning, which has a termination date of May 1999. Since R.G. Canning has been a tenant of the Rose Bowl Stadium for more than 30 years, staff requests a new ten (10) year license agreement, with an option to renew six (6) additional years, with R.G. Canning Enterprises.

RBOC is required to go before City Council to seek approval of same pursuant to Arroyo Seco Ordinance Section 3.32.260 (F) (Rose Bowl Area – Administration) of the Pasadena Municipal Code which states: all proposed contracts involving the use of the Rose Bowl for a duration of more than 5 years must be approved by the City Council with the recommendation of the RBOC.

The following are the proposed deal points for the new contract:

1. Contract will be with the Rose Bowl Operating Company as an agent of the City of Pasadena.
2. General admission price will be increased by \$1.00 (currently the admission price is \$5.00). The RBOC and R.G. Canning Enterprises will equally share the revenues derived from the increase.
3. Area H will be used as preferred parking for the event. The current parking fee is \$2.00. Rose Bowl proposes that an increase of \$1.00 be added to the current fee. All revenues derived from the preferred parking program will be retained by the RBOC.

4. A provision to promote Rose Bowl merchandise, subject to agreement of both parties, has been proposed.
5. Licensed areas have been modified to include: Lot K (excluding the Galaxy practice field), Lot F and the Rose Bowl Concourse.

**FISCAL IMPACT:**


R.G. Canning currently generates approximately \$800,000 annually for the Rose Bowl Fund. This new contract, based on the new deal points, will generate the RBOC an additional \$72,000 annually (see matrix below) and over \$1.1 million during the contract term.

**ESTIMATED ADDITIONAL REVENUE**

Average # of patrons (per month)	x	Number of months	x	General Admission price increase (\$1.00)*	=	Additional annual admission revenue
10,000		12		.50		\$60,000
Average # of Cars parked (per month)	x	Number of months	x	Preferred Parking price increase (\$1.00)	=	Additional annual parking revenue
1,000		12		1.00		\$12,000

\*Revenue derived from the General Admission price increase is shared equally between RBOC and R.G. Canning Enterprises.

Respectfully submitted,

  
 DANIEL CASTRO, PRESIDENT  
 ROSE BOWL OPERATING COMPANY

Approved by:

  
 DAVID J. JACOBS  
 GENERAL MANAGER