

# Agenda Report

April 26, 2004

TO: City Council via Economic Development and Technology Committee  
FROM: Rose Bowl Operating Company  
SUBJECT: July 4, 2004 event

## **RECOMMENDATION:**

It is recommended that the City Council Approve:

1. A license agreement with Clear Channel for the presentation of a July 4, 2004 event, entitled "AmericaFest."
2. A flyover on July 4, 2004, RBOC policy No. 1100 (City Council action not required).
3. Make the required finding, pursuant to Arroyo Seco Ordinance Section 3.32.270, to authorize the presentation of a 4<sup>th</sup> of July celebration, to be held at the Rose Bowl as a displacement event.
4. Direct the City Clerk to file a Notice of Exemption with the Los Angeles County Recorder.

## **BACKGROUND:**

The Rose Bowl has hosted a July 4th celebration for the past 77 years. In 2004 it is proposed that like in 2003, the RBOC should partner with Clear Channel, as well as two of our vendors, PyroSpectaculars and Contemporary Services Corporation to produce a July 4th event, "AmericaFest."

In 2003, an agreement was not reached until mid-May. The event attracted more than 27,000 attendees. This was due primarily to the enormous reach of Clear Channel, who owns nine local radio stations and produces the annual Wango Tango concert that has occurred at the Rose Bowl for the past three years (including 2004).

The event in 2004, will be very similar to 2003, with the star of the evening being a 40 minute fireworks celebration, that will be fitting for the tradition of July 4th at the Rose Bowl. In addition, there will be food booths planned focusing on different food types from across America (e.g. Texas Chili).

Due to the significant costs associated with producing this event, staff has once again sought out investors who could help reduce risk associated with the RBOC. The two entities who once again have expressed an interest in participating are: PyroSpectacular, who will produce the fireworks show and Contemporary Services Corporation (CSC) who is the security provider and event related services to the stadium. Each entity will provide approximately \$100,000 worth of its services and the RBOC will also be risking \$100,000 worth of costs (police, fire, electricians, janitorial, etc...). Each entity, after it would recover its costs would become revenue partners in this event.

It is anticipated that the evening would unfold as follows.....

There would be a five-hour event, gates would open at 5:00 p.m. with different types of entertainment on the outer concourse (Dixieland bands, etc...). Inside the stadium on the field will be entertainment for kids (last year there was a carnival), with a stage located on the north end of the stadium that will host 2-3 musical performances. At 9:00 p.m., the star of the evening the fireworks would begin.

Clear Channel will provide a minimum of \$500,000 worth of promotion time related to the event, and would pay for all related production costs in the stadium (excluding fireworks). They would receive the right to solicit sponsors for the event (e.g. Subway).

- PyroSpectacular would provide a fireworks show valued at \$100,000
- CSC would provide approximately \$100,000 worth of services
- RBOC would provide approximately \$100,000 worth of services

The revenue split would work as follows (revenue includes ticket sales, food/beverage and parking):

1. PyroSpectacular, CSC and the RBOC would take the first \$300,000 of revenue and pay themselves back
2. RBOC would receive a rental fee of \$30,000
3. Once revenue (as defined above) meets expenses (#'s 1 & 2), then Clear Channel becomes a revenue partner in the ticket sales portion exclusively on a sliding scale:
  - a. From \$1 - \$499,999, Clear Channel would receive 33%
  - b. From \$500,000 - \$749,999 Clear Channel would receive 42%
  - c. From \$750,000 plus Clear Channel would receive 50%
4. PyroSpectacular, CSC and RBOC would equally split all other proceeds (parking, concessions)

### **Displacement Events**

The Arroyo Public Lands Ordinance 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 a calendar year except with the authorization of the City Council.

During the calendar year 2004, the following are expected to be displacement events:

- Rose Bowl Game
- 6 UCLA Football Games
- 5 Billy Graham events (July 29 – August 1)
- Wango Tango (May 15)

In order to be acceptable, the City Council and the RBOC must find that each additional permitted event meets all of the following requirements:

1. “The additional event represents a unique opportunity that will enhance the stature of the Rose Bowl.” July 4<sup>th</sup> / Independence Day is considered to be a lucrative concert event and is an opportunity for the Rose Bowl and the City of Pasadena to send a message to promoters that the Rose Bowl is a competitive and viable venue. This event will provide the Rose Bowl and Pasadena with extensive publicity throughout Southern California leading up to and during the concert.
2. “The revenue generating potential from the additional event justifies its consideration.” It is estimated that this event will directly generate at least \$30,000 for the RBOC. Adding to this economic impact is the portion of sales tax that will revert back from the State of California to the City of Pasadena and the employment opportunities that will be created as a result of this event.
3. “It is anticipated that this event will not create undue conflicts with Arroyo Seco activities taking place at the same time.” Staff will work closely with the Parks and Natural Resources Division of the City of Pasadena’s Public Works Department, 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 attempted to minimize impact of this event to the surrounding neighborhoods. The Police Department will take the lead in preparing a traffic plan that will include measures to prevent traffic from congesting neighborhood streets. Neighborhood notification will be provided at least thirty (30) days prior to the event.

### **Environmental Impact**

The Master Environmental Impact Report for the Arroyo Seco Master Plans analyzes potential impacts that could result from 25 events at the Rose Bowl. The City Council certified the MEIR for the Arroyo Seco Master Plans on April 14, 2003. The project is consistent with the environmental analysis in the MEIR.

**Fiscal impact**

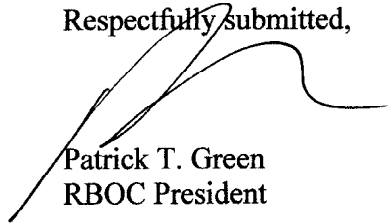
It is estimated the RBOC will net a minimum of \$30,000 from the production of the July 4, 2004 event.

Prepared by,



Darryl Dunn  
General Manager

Respectfully submitted,



Patrick T. Green  
RBOC President