



Agenda Report

January 12, 2004

TO: City Council
FROM: Rose Bowl Operating Company (RBOC)
SUBJECT: Lease Agreement Between UCLA and the RBOC

RECOMMENDATION:

It is recommended that the City Council approve :

1. Adopt the Negative Declaration and de minimis findings for no impact on fish and game or their habitat related to the lease and prospective capital improvements at the Rose Bowl.
2. Approve a 20-year lease agreement between UCLA and the RBOC to play intercollegiate football games at the Rose Bowl stadium;
3. Commitment on the part of the RBOC to construct new stadium locker rooms and media center with an approximate cost of \$12.5 million;
4. An amendment to the FY 2004 Capital Improvement Program (CIP) adding the locker room and media center project with an initial appropriation of \$250,000 from retained earnings;
5. An amendment to the FY 2004 CIP adding a seismic strengthening project for the stadium with an appropriation of \$386,400 from retained earnings to complete the required work in all but the south end of the stadium;
6. Direct the City Clerk to file the Notice of Determination and Certificate of Exemption from State Fish and Game Fees with the Los Angeles County Registrar-Recorder/County Clerk.

BACKGROUND:

The University of California at Los Angeles (UCLA) has been playing its home football games at the Rose Bowl since 1981. The RBOC and UCLA have reached a tentative agreement in negotiations that will keep the Rose Bowl as UCLA's home stadium for the next 20 years, through December 15, 2023. Previously, the duration of UCLA's agreements have been 4 years, 10 years and 7 years respectively. This long-term commitment will provide stability to the Rose Bowl stadium, which will be 100 years old at the conclusion of the proposed agreement.

The deal points associated with the proposed agreement are detailed in attachment A; however, the following highlights the major points:

- Capital Improvements – Under the terms of the proposed agreement the RBOC will be required to construct new locker rooms and a media center below the South end of the stadium. Based upon preliminary estimates, the cost of the project is estimated in the range of \$12.5 million, although the figure will not be firm until there is further design development. Additionally, actual construction is not expected to begin for 24 months and is somewhat contingent on the outcome of discussions between the National Football League and the City of Pasadena/RBOC. Nevertheless, at this time it is necessary to proceed with design and development work so that should the project proceed it can do so in a timely fashion. The estimated cost for this initial phase is \$250,000. Funding for this work and the project as a whole will come from the refinancing of current Rose Bowl bonds and the capital improvement contribution of \$1.8 million made by the Tournament of Roses as part of its master license agreement with the City. It should be noted that construction documents will need to be drafted 6 months prior to the beginning of construction, which is estimated to cost an additional \$300,000.
- Video Board System Repairs – The proposed agreement requires the RBOC to perform repairs to the video board system. The estimated cost for the repairs is expected to be approximately \$350,000 and include upgraded video equipment, and a room re-configuration. The need for these repairs is consistent with a recent condition report prepared for the RBOC which identified a number of items requiring attention in order to maintain the stadium in its current state over the next 20 years. As with the proposed new lockers and media center, these repairs are not expected to begin for 24 months while the City/RBOC continue negotiations with the NFL.
- Seismic Strengthening - UCLA requires that the Rose Bowl meet the requirements of the UC Seismic Safety Policy for Purchased and Leased Buildings. A number of substantial seismic repairs have been accomplished over the past twenty years at the stadium, however, the RBOC will be agreeing to bring the entire stadium to the current UC standards, before the beginning of the 2005 UCLA season. Based on a study prepared by the structural engineering firm of Brandow and Johnston an estimated \$386,400 will be required to bring all but the South End of the Stadium to the UC standard. Cost studies are being undertaken and the work could cost up to \$600,000.
- RBOC Board Participation – As part of the proposed agreement, UCLA will have a seat on the RBOC Board of Directors for the duration of the lease term. By agreeing to a 20-year term UCLA has shown its commitment to the further

success of the Rose Bowl stadium. It is appropriate to recognize this by re-establishing a seat on the RBOC Board for UCLA. It is expected that the school's participation will strengthen the Board and contribute positively to the management of the Rose Bowl facilities.

- Participation in NFL negotiations – UCLA will be provided a meaningful role related to NFL negotiations. On May 20, 2003 the City Council and RBOC adopted a set of negotiating guidelines relative to discussions with the NFL. These guidelines call for UCLA not to be harmed as a result of any rehabilitation of the Rose Bowl stadium to accommodate an NFL franchise. Staff believes the best way to ensure the interests of the stadium's current major tenant is to allow UCLA a meaningful role in negotiations with the NFL.

Environmental

The proposed project is a new lease between the City of Pasadena (Rose Bowl Operating Company - RBOC) and the University of California, Los Angeles (UCLA) for purposes of UCLA home football games for a period not to exceed 20 years. The lease would require the renovation of the locker rooms and addition of a media room at the south end of the existing stadium, minor changes to a former locker room in the north end of the stadium, and seismic strengthening of the stadium to meet the seismic rating required by the University of California seismic policy. The project was reviewed in accordance with the California Environmental Quality Act. No potential for impact was identified. The project includes measures to protect the existing structure and no change in operations of the Rose Bowl are anticipated to result from the project. Minor construction impacts would occur. A Negative Declaration was prepared and circulated for public review, December 2 to January 1, 2004. Minor comments were received from Caltrans that reminded the City that large sized construction equipment using state highways would require a Caltrans permit and recommended that such equipment be transported during off-peak hours.

The City Council, before they consider this project will act on the Negative Declaration. Based on the Initial Study, the Environmental Administrator has determined that the project will have no significant impact on the environment. The Initial Study, Mitigated Negative Declaration and Certificate of Fee Exemption are (Attachment E). The Certificate of Fee Exemption contains the de minimize finding of no impact on fish and wildlife”

Financial Analysis

While the RBOC has been able to meet its financial obligations, without the continued support of the Golf Course Fund, the Rose Bowl Fund would have serious problems. The primary reason for this is the current Rose Bowl debt service burden. This, coupled with the uncertainty of attracting enough profitable special events and unstable advertising revenues, will continue to plague the Rose Bowl for at least the next 10 years, the time at

which the 1991 press box debt will be retired. Today, the only guaranteed events include UCLA, the Tournament of Roses, and the flea market. This is nothing new and has been discussed with the RBOC Board and the City Council numerous times over the past several years. In addition, there are numerous issues facing the Rose Bowl that cannot be taken lightly. These include the likelihood of an NFL team returning to the greater Los Angeles area, the long-term capital needs of the Rose Bowl and Golf Course, paying for these improvements, preservation of relationships with long term tenants, and the ability to attract additional tenants or events to the Rose Bowl that are acceptable to the RBOC, City Council and community.

With these issues as a backdrop, staff believes it is in the City's best interest to secure a long term relationship with UCLA, at similar terms to the existing agreement (Attachment A). While this does not significantly improve the cashflow for the RBOC, it definitely protects the RBOC and ultimately the City from further deterioration. A financial pro-forma has been developed that projects the cashflow of the RBOC under the terms of the recommended UCLA lease. While the model is carried out through 2023, the projected expiration of the UCLA lease, there is no question that the reliability of these numbers dramatically diminishes after the first three to five years. Attached for your reference (Attachment B) is a summary schedule that reflects the projected financial operating results of the Rose Bowl Operating Company. It breaks out the projected income and expenses by event type. (Attachment C) presents the same information, but combines the revenues and expenses for each event type so that the reader can see the net contribution or obligation each event/cost center places on the RBOC. It is clear from these two schedules that the long term concern for the RBOC and ultimately the City is being able to satisfy the existing debt service and capital maintenance needs of the stadium and golf course. Since both of these areas need to be covered by the net income of the Rose Bowl and Golf Course, it is clear that virtually every dollar of positive cashflow from the golf course is required to keep the RBOC afloat.

Relating to the Rose Bowl, key assumptions factored into this model include:

1. Average rent revenue per UCLA game for the 2004 season year is projected to be \$140,000. This is slightly higher than the \$135,000 average rent revenue per game for the 2003 season. Future per game rent is projected to grow at a rate of 2% every other year.
2. Parking rates will be increased to \$10 from the current \$5 beginning with the 2004 season. It is anticipated that there will be parking rate increases every five years.
3. Concession revenues and television revenues will grow at a 3% per annum rate, while suite net revenues will increase by 3% per year.
4. Rent paid by the Tournament of Roses will increase by 3% every fifth year.
5. Parking rates increase to \$25 in years where there is a national championship game and is set at \$20 during the other years.
6. The national championship game continues every four years.
7. All Rose Bowl game related revenues increase at a 3% per annum rate (i.e., concessions, suites and catering).

8. The Flea Market operator will continue to be a tenant through fiscal year 2023.
9. Rent from this event will grow at a 1% per annum rate.
10. Concessions revenues from this event will grow at a 3% per annum rate.
11. Expenses relating to this event will grow at a 3% per annum rate.
12. Special events, including soccer games, concerts, and motocross type events, will generate \$400,000 per year in net income of \$400,000 through 2023. Of course, if a new stadium is constructed in the greater Los Angeles area, the \$400,000 assumption will definitely need to be revised.
13. Advertising revenue is projected to be \$500,000 in fiscal year 2005 and is projected to grow at 3% per year.
14. Advertising revenue is allocated between UCLA (65%) and the Tournament of Roses (35%).
15. In fiscal year 2007, the current debt is refinanced and extended to fiscal year 2023. At that time, it is projected that \$10 million in new money will be generated for necessary improvements to the Rose Bowl. These improvements are spelled out in the proposed agreement between UCLA and the City. Please refer to (Attachment D) for a comparison between the current debt service and the anticipated new debt service.
16. Annual debt service is targeted at a level \$2.5 million annually.
17. Interest on the bonds is 3.5%. As a side, each one percentage point increase or decrease in interest rates will cost/save the RBOC approximately \$250,000 in the early years.

Relating to the Golf Course, key assumptions factored into this model include:

1. Green fees are projected to increase beginning in fiscal year 2005 and an additional \$108,000 in revenues has been added.
2. Beginning in fiscal year 2006, the contract with American Golf calls for the RBOC's share of revenues to increase to 40% from the current 35%.
3. Future revenue growth is at 2% per annum.
4. No "real" capital dollars for the golf course have been included in the pro-forma. When a new contract is negotiated, investment in new greens, etc. is assumed to be part of the terms.
5. Capital improvements restricted revenue will increase from \$1.00 per round to 4% of green fee revenues beginning fiscal year 2005.
6. In order to provide some capital funding for the golf course, 12% of the RBOC's golf course, pro shop, restaurant revenues will be restricted for capital improvements to the golf course through fiscal year 2010. This equates to approximately \$250,000 to \$325,000 per year.
7. The minimum rent for the restaurant will increase to \$400,000 in fiscal year 2005. The estimated annual growth each year thereafter is 3%.
8. The Pro Shop minimum rent is projected to decrease to \$100,000 from the current \$120,000, beginning in fiscal year 2006, after that it is projected to grow by 3% per annum thereafter.

9. The RBOC will continue to retain 95% of the 10% Green Fees for capital maintenance of the golf course or Rose Bowl once the current bonds being supported by the 10% Green Fees have been retired through fiscal year 2023.

Finally, with respect to general operating expenses:

1. RBOC expenses have been escalated at an annual rate of 3%.
2. The RBOC spends \$550,000 per year on capital repairs to the Rose Bowl facility.

With these core assumptions at the heart of the pro-forma you can see that staff will need to continue to look for ways to control costs and/or raise additional revenues. Because there are the assumed capital set-aside dollars within the Golf Course Fund, this is one area that will be closely monitored and may need to be made available from time-to-time to ensure that the RBOC can meet its other obligations without placing a financial burden on the City.

FISCAL IMPACT

It is projected that the contract with UCLA will generate approximately \$1.5 million in annual net income for the RBOC over the next six years and then grow slightly thereafter. This represents an approximately \$200,000 - \$300,000 increase (depending upon teams performance) over recent previous years.

Respectfully Submitted:



Patrick T. Green
RBOC President

Prepared by:



Darryl Dunn
General Manager

ATTACHMENT A

CURRENT TERMS		3 YEAR AVERAGE	PROPOSED	VARIANCE
RENT	8% OF TICKET SALES (NOT INCL. COMPS., STUDENT, FACULTY AND SUITE TICKETS)	763,000	SAME	NONE
ADMISSION TAX	WAIVED		SAME	NONE
TELEVISION	8% OF PROCEEDS FOR HOME GAMES	153,000	SAME	NONE
CONCESSIONS	GENERAL: 50% OF RBOC'S NET TAKE FROM CENTERPLATE PRESSBOX. EACH PARTY HAS RIGHT TO SUBCONTRACT IN RESPECTIVE PARTY'S ALLOCATED AREAS.	190,000	SAME	NONE
NOVELTIES	UCLA / RBOC SHARE EQUALLY IN GROSS SALES NOTE: AS UCLA AN AFFILIATE, PAYS UCLA 15%, UCLA THEN PAYS RBOC 7.5%	19,000	SAME	NONE
PARKING	100% REVENUE AND EXPENSES, RBOC RESPONSIBILITY CAR \$5.00 LIMOUSINE \$10.00 TRUCK, RV, OVERSIZED VEHICLE \$10.00 DOES NOT INCL. PRE-PAID PARKING PROGRAM OF 4,110 PARKING SPACES, UCLA RESPONSIBLE FOR COST, PRINTING AND ISSUANCE OF 4,110 PASSES.		INCREASE IMMEDIATELY TO \$10.00/CAR. WILL DO MARKET STUDY EACH 5 YEARS THEREAFTER.	180,000
SUITES	RBOC RETAINS 100% OF RENTAL REVENUE UCLA RETAINS TICKET REVENUE FOR EACH SEAT AND GUEST PASS	503,000	SAME	NONE
ADVERTISING	PERMANENT SIGNAGE: RBOC RETAINS 100% TEMPORARY SIGNAGE: 60% / 40% SPLIT, WITH PARTY PROCURING SIGNAGE RECEIVING HIGHER %	284,000	SAME	NONE
EXPENSES	UCLA TO PAY 100% INSIDE THE FENCE UCLA TO PAY 100% OF PRESS BOX SPACE ALLOCATED TO ITS USE UCLA TO PAY 100% OF POLICE, PARAMEDICS, FIREFIGHTERS, RELATED EQUIPMENT AND PRIVATE SECURITY RBOC TO FURNISH A REASONABLE AMOUNT OF ABOVE STAFF UCLA AND RBOC TO SHARE EQUALLY IN COSTS OF CLEAN-UP AND RUBBISH REMOVAL BOTH INSIDE AND OUTSIDE OF FENCE	600,000	SAME	NONE
SHUTTLE BUS	ALL REVENUE, IF ANY SHALL BE DELIVERED TO THE RBOC AND NETTED AGAINST CORRESPONDING EXPENSES. UCLA SHALL REIMBURSE THE RBOC THE FIRST \$4,000 OF ANY DEFECIT UCLA AND RBOC TO SHARE EQUALLY IN ANY DEFECIT > \$4,000	57,000	SPLIT SHUTTLE EXPENSES - 50/50	100,000
UTILITIES	RBOC PAYS FOR WATER, GAS AND ELECTRICITY UCLA PAYS FOR TELEPHONES		SAME	NONE
PAYMENTS DUE	RENT MARCH 1st FOLLOWING SEASON TELEVISION MARCH 1st FOLLOWING SEASON OR 10 DAYS AFTER RECEIPT IF UCLA RECEIVES AFTER MARCH 1st NOVELTIES MARCH 1st FOLLOWING SEASON CONCESSIONS MARCH 1st FOLLOWING SEASON EXPENSES WITHIN 30 DAYS OF RECEIPT OF INVOICE(S) SUITE TICKETS NOT DETERMINED, PAID IN FEB / MARCH		JAN 15* JAN 15 JAN 15 JAN 15 SAME JAN 15	
TOTAL		1,188,000		159,000 13.4%

* UCLA TO PAY RBOC SEASON TICKET REVENUE 10 DAYS FOLLOWING 1st GAME.

SUMMARY OF ROSE BOWL OPERATING COMPANY PROJECTIONS

	Actuals FY 2001	Actuals FY 2002	Actuals FY 2003	Budget FY 2004	Projected FY 2005	Projected FY 2006
REVENUES						
Flea Market	\$1,048,037	\$1,177,377	\$1,208,138	\$1,152,296	\$1,203,622	\$1,219,909
Investment Income	187,897	140,450	94,390	85,000	80,000	80,000
Misc. Income	175,510	740,086	917,902	154,060	82,800	85,698
Golf Course	3,326,865	2,886,048	2,707,628	2,810,457	3,066,214	3,393,692
Soccer	1,620,431	2,010,686	1,248,224	0	0	0
UCLA	2,715,111	2,254,340	2,676,326	2,512,764	3,238,733	3,292,695
Tournament of Roses	1,021,096	1,142,554	1,095,784	1,109,202	1,154,990	1,210,749
Special Events (Over 20,000)	220,319	1,044,647	903,594	380,000	400,000	400,000
Filmings	27,338	34,299	226,783	215,000	251,500	253,045
R. V. / Car Sales	75,599	0	58,744	43,308	48,557	48,814
Minor Events	311,225	329,107	228,879	217,416	221,283	225,267
Total	10,729,428	11,759,594	11,366,393	8,679,503	9,747,699	10,209,868
EXPENSES						
Administrative Costs - Stadium	3,003,732	3,220,368	3,383,892	2,893,569	3,490,625	3,595,344
Debt Service	2,178,600	1,971,846	2,118,121	2,166,063	2,219,394	2,517,541
Stadium Capital Mtce	0	0	0	0	550,000	550,000
Flea Market	198,533	205,189	216,002	202,293	208,362	214,613
Golf Course	889,651	1,089,090	841,737	1,146,819	1,272,382	1,330,133
Soccer	925,729	1,356,513	879,777	25,000	0	0
UCLA	1,259,584	1,005,309	1,413,414	1,589,331	1,690,150	1,740,854
Tournament of Roses	179,342	360,385	269,634	294,655	305,000	314,150
Special Events (Over 20,000)						
Soccer, Concerts, Motocross	109,161	706,584	632,868	see above	see above	see above
Filmings	0	0	41,699	42,951	44,239	45,566
R. V. / Car Sales	(446)	0	11,542	11,893	12,250	12,617
Minor Events	166,609	585,944	182,295	187,779	193,412	199,215
Total	8,910,495	10,501,229	9,990,980	8,560,352	9,985,813	10,520,032
NET CASHFLOW	1,818,933	1,258,365	1,375,413	119,150	(238,114)	(310,164)

SUMMARY OF ROSE BOWL OPERATING COMPANY PROJECTIONS

	Projected FY 2007	Projected FY 2008	Projected FY 2009	Projected FY 2010	Projected FY 2011	Projected FY 2012
REVENUES						
Flea Market	\$1,236,510	\$1,253,433	\$1,270,687	\$1,288,279	\$1,306,218	\$1,324,512
Investment Income	80,000	80,000	80,000	80,000	80,000	80,000
Misc. Income	88,697	91,802	95,015	98,340	101,782	105,345
Golf Course	3,434,185	3,489,025	3,544,899	3,601,826	3,659,829	3,718,928
Soccer	0	0	0	0	0	0
UCLA	3,095,753	3,422,324	3,498,425	3,409,522	3,789,195	3,853,629
Tournament of Roses	1,206,252	1,232,996	1,264,704	1,323,502	1,322,134	1,352,097
Special Events (Over 20,000)	400,000	400,000	400,000	400,000	400,000	400,000
Filmings	254,636	256,275	257,964	264,703	266,494	268,339
R. V. / Car Sales	49,078	49,351	49,631	49,920	50,218	50,524
Minor Events	229,370	233,596	237,949	242,432	247,050	251,807
NFL	0	0	0	0	0	0
Total	10,074,482	10,508,802	10,699,274	10,758,526	11,222,920	11,405,180
EXPENSES						
Administrative Costs - Stadium	3,703,204	3,814,300	3,928,729	4,046,591	4,167,989	4,293,028
Debt Service	2,500,078	2,500,078	2,500,078	2,500,078	2,500,078	2,500,078
Stadium Capital Mice	550,000	550,000	550,000	550,000	550,000	550,000
Flea Market	221,051	227,683	234,513	241,548	248,795	256,259
Golf Course	1,353,902	1,379,864	1,406,432	1,103,258	1,124,820	832,399
Soccer	0	0	0	0	0	0
UCLA	1,713,512	1,846,872	1,902,278	1,872,401	2,018,127	2,078,671
Tournament of Roses	323,575	333,282	343,280	353,579	364,186	375,112
Special Events (Over 20,000)	see above	see above	see above	see above	see above	see above
Soccer, Concerts, Motocross	46,933	48,341	49,791	51,285	52,824	54,408
Filmings	12,996	13,386	13,787	14,201	14,627	15,066
R. V. / Car Sales	205,191	211,347	217,687	224,218	230,944	237,873
Minor Events	0	0	0	0	0	0
NFL	10,630,442	10,925,152	11,146,577	10,957,159	11,272,389	11,192,893
Total	(555,960)	(416,349)	(447,303)	(198,633)	(49,469)	212,287
NET CASHFLOW						

SUMMARY OF ROSE BOWL OPERATING COMPANY PROJECTIONS

<u>REVENUES</u>	Projected FY 2013	Projected FY 2014	Projected FY 2015	Projected FY 2016	Projected FY 2017	Projected FY 2018
Flea Market	\$1,343,170	\$1,362,201	\$1,381,615	\$1,401,421	\$1,421,629	\$1,442,249
Investment Income	80,000	80,000	80,000	80,000	80,000	80,000
Misc. Income	109,032	112,848	116,798	120,885	125,116	129,496
Golf Course	3,779,146	3,840,505	3,903,028	3,966,738	4,031,659	4,097,816
Soccer	0	0	0	0	0	0
UCLA	3,629,614	4,006,181	4,244,774	3,978,117	4,410,539	4,487,476
Tournament of Roses	1,382,924	1,449,453	1,451,594	1,485,169	1,519,715	1,585,750
Special Events (Over 20,000)	400,000	400,000	400,000	400,000	400,000	400,000
Filmings	270,239	272,196	279,212	281,288	283,427	285,629
R. V. / Car Sales	50,840	51,165	51,500	51,845	52,201	52,567
Minor Events	256,706	261,752	266,950	272,303	277,817	283,497
NFL	0	0	0	0	0	0
Total	11,301,671	11,836,301	12,175,470	12,037,767	12,602,103	12,844,479

<u>EXPENSES</u>	Projected FY 2013	Projected FY 2014	Projected FY 2015	Projected FY 2016	Projected FY 2017	Projected FY 2018
Administrative Costs - Stadium	4,421,819	4,554,474	4,691,108	4,831,841	4,976,796	5,126,100
Debt Service	2,500,078	2,500,078	2,500,078	2,500,078	2,500,078	2,500,078
Stadium Capital Mtce	550,000	550,000	550,000	550,000	550,000	550,000
Flea Market	263,946	271,865	280,021	288,421	297,074	305,986
Golf Course	851,893	871,918	892,486	913,620	935,328	957,632
Soccer	0	0	0	0	0	0
UCLA	2,046,023	2,205,262	2,271,420	2,235,745	2,409,749	2,482,042
Tournament of Roses	386,365	397,956	409,894	422,191	434,857	447,903
Special Events (Over 20,000)	see above	see above	see above	see above	see above	see above
Soccer, Concerts, Motocross	56,041	57,722	59,454	61,237	63,074	64,967
Filmings	15,517	15,983	16,462	16,956	17,465	17,989
R. V. / Car Sales	245,009	252,359	259,930	267,728	275,760	284,033
Minor Events	0	0	0	0	0	0
NFL	11,336,692	11,677,617	11,930,855	12,087,818	12,460,182	12,736,729
Total	(35,022)	158,685	244,615	(50,050)	141,920	107,750

NET CASHFLOW

SUMMARY OF ROSE BOWL OPERATING COMPANY PROJECTIONS

	Projected FY 2019	Projected FY 2020	Projected FY 2021	Projected FY 2022	Projected FY 2023
REVENUES					
Flea Market	\$1,463,291	\$1,484,767	\$1,506,687	\$1,529,063	\$1,551,905
Investment Income	80,000	80,000	80,000	80,000	80,000
Misc. Income	134,028	138,719	143,574	148,599	153,800
Golf Course	4,165,234	4,233,937	4,303,952	4,375,305	4,448,024
Soccer	0	0	0	0	0
UCLA	4,237,010	4,667,263	4,770,632	4,501,871	4,966,100
Tournament of Roses	1,596,279	1,633,907	1,672,624	1,742,953	1,753,453
Special Events (Over 20,000)	400,000	400,000	400,000	400,000	400,000
Filmings	287,898	295,235	297,642	300,122	302,675
R. V. / Car Sales	52,944	53,332	53,732	54,144	54,568
Minor Events	289,347	295,372	301,578	307,970	314,555
NFL	0	0	0	0	0
Total	12,706,030	13,282,532	13,530,421	13,440,028	14,025,080
EXPENSES					
Administrative Costs - Stadium	5,279,883	5,438,280	5,601,428	5,769,471	5,942,555
Debt Service	2,500,078	2,500,078	2,500,078	2,500,078	2,500,078
Stadium Capital Mtce	550,000	550,000	550,000	550,000	550,000
Flea Market	315,166	324,621	334,360	344,380	354,722
Golf Course	980,546	1,004,090	1,028,282	1,053,140	1,078,684
Soccer	0	0	0	0	0
UCLA	2,443,059	2,633,198	2,712,194	2,669,596	2,877,367
Tournament of Roses	461,340	475,180	489,435	504,119	519,242
Special Events (Over 20,000)	see above	see above	see above	see above	see above
Soccer, Concerts, Motocross	66,916	68,923	70,991	73,120	75,314
Filmings	18,529	19,085	19,657	20,247	20,854
R. V. / Car Sales	292,554	301,330	310,370	319,681	329,272
Minor Events	0	0	0	0	0
NFL	12,908,070	13,314,785	13,616,795	13,803,842	14,248,087
Total	(202,040)	(32,253)	(86,373)	(363,814)	(223,007)
NET CASHFLOW					

**SUMMARY OF ROSE BOWL OPERATING COMPANY PROJECTIONS
(STATEMENT OF NET CASHFLOW)**

ATTACHMENT C

	Actuals FY 2001	Actuals FY 2002	Actuals FY 2003	Budget FY 2004	Projected FY 2005	Projected FY 2006	Projected FY 2007	Projected FY 2008
NET INCOME (EXPENSES)								
Flea Market	\$849,504	\$972,188	\$992,136	\$950,003	\$995,260	\$1,005,296	\$1,015,459	\$1,025,751
Investment Income	187,897	140,450	94,390	85,000	80,000	80,000	80,000	80,000
Debt Service	(2,178,600)	(1,971,846)	(2,118,121)	(2,166,063)	(2,219,394)	(2,517,541)	(2,500,078)	(2,500,078)
Misc. Income	175,510	740,086	917,902	154,060	82,800	85,698	88,697	91,802
Golf Course	2,437,215	1,796,958	1,865,892	1,663,638	1,793,832	2,063,559	2,080,283	2,109,162
Soccer	694,701	654,173	368,447	(25,000)	0	0	0	0
UCLA	1,455,528	1,249,030	1,262,912	923,433	1,548,583	1,551,840	1,382,241	1,575,452
Tournament of Roses	841,754	782,169	826,150	814,547	849,990	896,599	882,678	899,714
Special Events (Over 20,000)	111,158	338,064	270,727	380,000	400,000	400,000	400,000	400,000
Filmings	27,338	34,299	185,084	172,049	207,261	207,479	207,703	207,934
R. V. / Car Sales	76,045	0	47,202	31,415	36,308	36,197	36,083	35,965
Minor Events	144,617	(256,838)	46,584	29,637	27,871	26,052	24,179	22,249
Stadium Capital Maintenance	0	0	0	0	(550,000)	(550,000)	(550,000)	(550,000)
Administrative Expenses	(3,003,732)	(3,220,368)	(3,383,892)	(2,893,569)	(3,490,625)	(3,595,344)	(3,703,204)	(3,814,300)
Total	1,818,933	1,258,365	1,375,413	119,150	(238,114)	(310,164)	(555,960)	(416,349)

	Projected FY 2009	Projected FY 2010	Projected FY 2011	Projected FY 2012	Projected FY 2013	Projected FY 2014	Projected FY 2015	Projected FY 2016
NET INCOME (EXPENSES)								
Flea Market	\$1,036,174	\$1,046,731	\$1,057,423	\$1,068,253	\$1,079,223	\$1,090,336	\$1,101,594	\$1,112,999
Investment Income	80,000	80,000	80,000	80,000	80,000	80,000	80,000	80,000
Debt Service	(2,500,078)	(2,500,078)	(2,500,078)	(2,500,078)	(2,500,078)	(2,500,078)	(2,500,078)	(2,500,078)
Misc. Income	95,015	98,340	101,782	105,345	109,032	112,848	116,798	120,885
Golf Course	2,138,467	2,498,568	2,535,009	2,886,530	2,927,253	2,968,587	3,010,540	3,053,118
Soccer	0	0	0	0	0	0	0	0
UCLA	1,596,147	1,537,121	1,771,068	1,774,958	1,583,591	1,800,919	1,973,354	1,742,372
Tournament of Roses	921,424	969,924	957,948	976,985	996,560	1,051,497	1,041,700	1,062,978
Special Events (Over 20,000)	400,000	400,000	400,000	400,000	400,000	400,000	400,000	400,000
Filmings	208,172	213,417	213,670	213,930	214,198	214,474	219,758	220,051
R. V. / Car Sales	35,844	35,720	35,591	35,459	35,323	35,182	35,038	34,889
Minor Events	20,261	18,214	16,106	13,934	11,697	9,393	7,020	4,575
Stadium Capital Maintenance	(550,000)	(550,000)	(550,000)	(550,000)	(550,000)	(550,000)	(550,000)	(550,000)
Administrative Expenses	(3,928,729)	(4,046,591)	(4,167,989)	(4,293,028)	(4,421,819)	(4,554,474)	(4,691,108)	(4,831,841)
NFL	0	0	0	0	0	0	0	0
Total	(447,303)	(198,633)	(49,469)	212,287	(35,022)	158,685	244,615	(50,050)

**SUMMARY OF ROSE BOWL OPERATING COMPANY PROJECTIONS
(STATEMENT OF NET CASHFLOW)**

	Projected FY 2017	Projected FY 2018	Projected FY 2019	Projected FY 2020	Projected FY 2021	Projected FY 2022	Projected FY 2023
NET INCOME (EXPENSES)							
Flea Market	\$1,124,555	\$1,136,262	\$1,148,125	\$1,160,146	\$1,172,327	\$1,184,672	\$1,197,183
Investment Income	80,000	80,000	80,000	80,000	80,000	80,000	80,000
Debt Service	(2,500,078)	(2,500,078)	(2,500,078)	(2,500,078)	(2,500,078)	(2,500,078)	(2,500,078)
Misc. Income	125,116	129,496	134,028	138,719	143,574	148,599	153,800
Golf Course	3,096,331	3,140,185	3,184,687	3,229,847	3,275,670	3,322,165	3,369,340
Soccer	0	0	0	0	0	0	0
UCLA	2,000,790	2,005,434	1,793,951	2,034,065	2,058,438	1,832,275	2,088,733
Tournament of Roses	1,084,858	1,137,847	1,134,939	1,158,727	1,183,189	1,238,835	1,234,210
Special Events (Over 20,000)	400,000	400,000	400,000	400,000	400,000	400,000	400,000
Filmings	220,352	220,663	220,983	226,312	226,652	227,001	227,361
R. V. / Car Sales	34,736	34,578	34,415	34,248	34,075	33,897	33,714
Minor Events	2,057	(536)	(3,207)	(5,958)	(8,792)	(11,711)	(14,717)
Stadium Capital Maintenance	(550,000)	(550,000)	(550,000)	(550,000)	(550,000)	(550,000)	(550,000)
Administrative Expenses	(4,976,796)	(5,126,100)	(5,279,883)	(5,438,280)	(5,601,428)	(5,769,471)	(5,942,555)
NFL	0	0	0	0	0	0	0
Total	141,920	107,750	(202,040)	(32,253)	(86,373)	(363,814)	(223,007)

**DEBT SERVICE COMPARISON
BETWEEN CURRENT 1991 & 1996 DEBT SERVICE
AND PROPOSED RESTRUCTURED DEBT SERVICE**

<u>Fiscal Year</u>	<u>Current Annual Debt Service</u>	<u>Proposed Annual Debt Service*</u>
2004	1,922,625.00	1,922,625.00
2005	2,391,000.04	2,391,000.04
2006	2,433,249.98	2,433,249.98
2007	2,472,000.00	2,500,028.00
2008	2,507,249.98	2,500,028.00
2009	2,637,249.96	2,500,028.00
2010	2,662,000.00	2,500,028.00
2011	2,683,250.00	2,500,028.00
2012	2,799,250.00	2,500,028.00
2013	1,532,750.02	2,500,028.00
2014	1,585,500.02	2,500,028.00
2015	1,634,750.04	2,500,028.00
2016	1,582,250.04	2,500,028.00
2017	1,628,000.02	2,500,028.00
2018		2,500,028.00
2019		2,500,028.00
2020		2,500,028.00
2021		2,500,028.00
2022		2,500,028.00
2023		2,500,028.00

* Assumes approximately \$13.3 million in new gross bond proceeds and nearly \$10 million in net proceeds.