



**To: Mayor Bill Bogaard and Members of the City Council**

**From: Darryl Dunn, General Manager**

**Subject: Agenda item related to Rose Bowl Summer Fair**

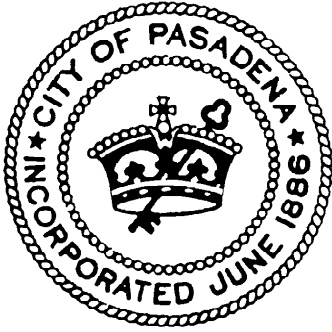
**Date: February 24, 2005**

**The attached agenda report is scheduled to be reviewed by the RBOC Board of Directors on February 26, 2005.**

**In order to get this material to you in a timely manner it was necessary to provide you this report in advance of the RBOC making a decision on this item. In the event RBOC action differs from the attached report, I will make you aware of those differences at the Council meeting on February 28<sup>th</sup>.**

**Please call me with any questions. I may be reached at (626) 577-3116.**

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# Agenda Report

February 26, 2005

TO: Rose Bowl Operating Company (RBOC)

FROM: Darryl Dunn, General Manager

SUBJECT: License Agreement with Fair Promotions for the presentation of "The Rose Bowl Summer Fair" for an 11 day period each summer for a term of five years

## **RECOMMENDATION**

It is recommended that the RBOC approve and recommend to the City Council for authorization to:

1. Enter into a license agreement with Fair Promotions, Inc. for the presentation of the Rose Bowl Summer Fair for an 11-day period in July 2005 and for an 11-day period in each summer thereafter through 2009 for a total of five fairs. Dates for 2005 will be July 13-24.
2. Suspend the noise ordinance (related specifically to hours only, not volume of noise) until 11:00 p.m. on July 15, 16, 22, 23 (Friday and Saturday evenings), and also suspension of the noise ordinance on July 17 and 24 (to permit amplified noise on Sunday's).

## **BACKGROUND**

The RBOC continues to seek ways to generate sufficient revenues to meet the operating and capital needs of the Rose Bowl Stadium. While efforts such as the recruitment of an NFL franchise continue, it is uncertain as to whether or not that effort will be successful. In the meantime, it is critical that other revenue producing events be secured for the stadium.

An opportunity that has arisen relates to the hosting of a summer fair at the Rose Bowl, and in particularly parking lot F and on a portion of the concourse of the stadium and in front of Gate A at the south end of the stadium. A similar opportunity was presented the RBOC in 2003, but after several community meetings, the fair promoter decided not to pursue the event at the Rose Bowl at that time.

During the past few months, conversations have resumed between Fair Promotions, Inc. and the RBOC staff. Fair Promotions has proposed to alter the layout of the fair, so its location could be shifted farther away from the neighborhood on the west side of the Arroyo and would also be reduced in size. Previously, it was intended to have many rides located in parking lot K, which is the closest parking lot to the Linda Vista side of the Arroyo. The location of all of these attractions has now been shifted to parking lot F and the concourse of the stadium (see attached map).

The event is still designed to be a family event that will include rides and games, food, vendor exhibits (provided by R.G. Canning) and entertainment. The vendor exhibits will be of similar type and kind that are currently displayed at the monthly Rose Bowl Flea Market. The free entertainment will also be designed for families and consist of such things as magic shows, puppet theatres, extreme sports exhibitions and different educational displays.

It is expected that attendance will be approximately 5,000 per day on weekdays and 10,000 to 15,000 per day on weekend days. Total attendance for the 11-day duration of each fair is expected to be in the range of 85,000. The hours of operation will be noon to 10:00 p.m. on Sunday through Thursday and noon to 11:00 p.m. on Fridays and Saturdays until 11:00 p.m.

Parking areas utilized on a daily basis will be parking lots K, D and B. Parking lot I will be available for all city recreational needs. On weekends, Area H may be required for parking for fair patrons. Due to the relatively small projection for attendance, traffic congestion is not expected to be a problem.

The fair will not be a major or displacement event under the Arroyo Seco Ordinance. While an event of this nature would normally be within the authority of the RBOC to approve, it is being brought to the City Council because of the need for the noise ordinance suspension. It is anticipated that this event will not adversely affect such recreational activity as golf, running, bicycling or walking around the Rose Bowl. In the past the RBOC has hosted events in the stadium that have attracted 20,000 to 30,000 people without unduly interfering with a wide range of recreation activities occurring throughout the Central Arroyo. It should also be noted that initially alcohol will not be served for this event.

There will be a secured area designated for trailers to house vendors, mechanics and security for the event who will be on site 24 hours per day. Areas being contemplated are within the Rose Bowl Stadium fence and paved parking lot M, and the use is projected at approximately 30 - 40 small trailers. A permit must be issued by the City of Pasadena before the activity can occur because pursuant to the Arroyo Seco Ordinance, Section 3.32.060, "Overnight camping is prohibited without a permit from the city."

The fair will have to provide a staging plan that will need to be approved by the Rose Bowl General Manager, in addition to the Pasadena Fire Department and Pasadena Police Department.

## **KEY PROVISIONS OF THE AGREEMENT**

### **Financial**

The RBOC will receive revenues from three sources: 1) rent, 2) parking, and 3) concessions.

The rent for each fair will have three components. The first component is a base rent of \$100,000. The second component is 100% of the gate revenues (after sales taxes) from paid admissions up to a total of \$100,000. The third component will be additional payments in the following amounts:

- 25 cents for each paid admission from 100,000 to 150,000
- 50 cents for each paid admission from 150,000 to 200,000
- 75 cents for each paid admission in excess of 200,000

The RBOC will operate the parking during the fair. The parking revenue will consist of \$5.00 per car parking charge on weekends (Friday evenings, Saturday and Sunday). Parking on weekdays will be free.

The RBOC will receive 50% of net food and beverage revenue from within the Rose Bowl fence (Fair Promotions Inc. will retain all food and beverage revenue from the parking lot areas).

Fair Promotions will be responsible for all expenses related to the event except for traffic and parking control. The RBOC will be responsible for expenses related to parking and traffic control.

The RBOC will not receive any revenue from the additional rent on attendance unless actual attendance significantly exceeds projections (attendance projection is 85,000 and bonus rent begins at 100,000 attendees). The parking revenues are expected to essentially be offset by the RBOC's parking and traffic control expenses. The RBOC share of net concession revenue is estimated to be in the range of \$7,500.

It is anticipated that the total net revenue to the RBOC from each fair will be somewhat in excess of \$200,000, consisting primarily from the first and second components of the rent.

### **Term**

Staff initially discussed with Fair Promotions the possibility of a shorter-term contract. However, due to the significant initial start-up costs and the newness of the event, they are not expecting to break even financially until the third year of the event.

Fair Promotions has agreed to a five-year term. Dates for each year will be mutually agreed upon annually. After the initial five year term if Fair Promotions would like to

extend the agreement, but the RBOC does not want to extend the agreement, there will be a period of two years that the RBOC will be precluded from having a fair or carnival in excess of three days.

### **Cancellation**

There will be provisions in the agreement related to cancellation of the event in future years, including the following:

If the NFL enters into an agreement with Pasadena to have a NFL team play its games in the Rose Bowl, the RBOC may terminate the agreement, without any cost to the RBOC.

If the RBOC wishes to cancel the event after the first year, the RBOC will refund Fair Promotions amounts paid to the RBOC for rent, up to a maximum of \$200,000.

If the RBOC wishes to cancel the event after the second year, the RBOC will refund to Fair Promotions 50% of the amounts paid to the RBOC for rent for the second year, up to a maximum of \$100,000.

### **OTHER REQUIREMENTS**

#### **Noise Ordinance Waiver Request**

To hold the event, it will be necessary to suspend the noise ordinance (related specifically to hours only, not volume of noise) until 11:00 p.m on July 15, 16, 22, 23 (Friday and Saturday evenings), and also suspension of the noise ordinance on July 17 and 24 (to permit amplified noise on Sunday's).

#### **Environmental Analysis**

Staff contacted both the City of Pasadena's Planning Department and the City Attorney's office to ensure that the proper environmental review is conducted for this prospective event.

It has been determined that a Class 4 categorical exemption is appropriate for this event. That categorical exemption is for minor alterations to land, including minor temporary uses with negligible permanent effect on the environment. Subsection (e) of CEQA Guidelines Section 15304 specifically lists carnivals as falling within this exemption.

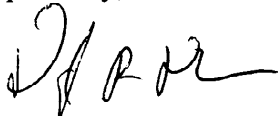
## **Community Outreach**

Staff has been in contact with representatives of both the East Arroyo Residents Association and the Linda Vista-Annandale Home Owners Association related to this prospective event. Staff attended the Linda Vista Annandale Home Owners Association Board Meeting on February 17, 2005 to discuss the event. In addition, a community meeting to discuss the event was held at the Rose Bowl Press Box on February 19, 2005.

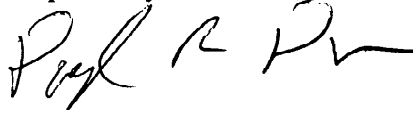
## **FISCAL IMPACT**

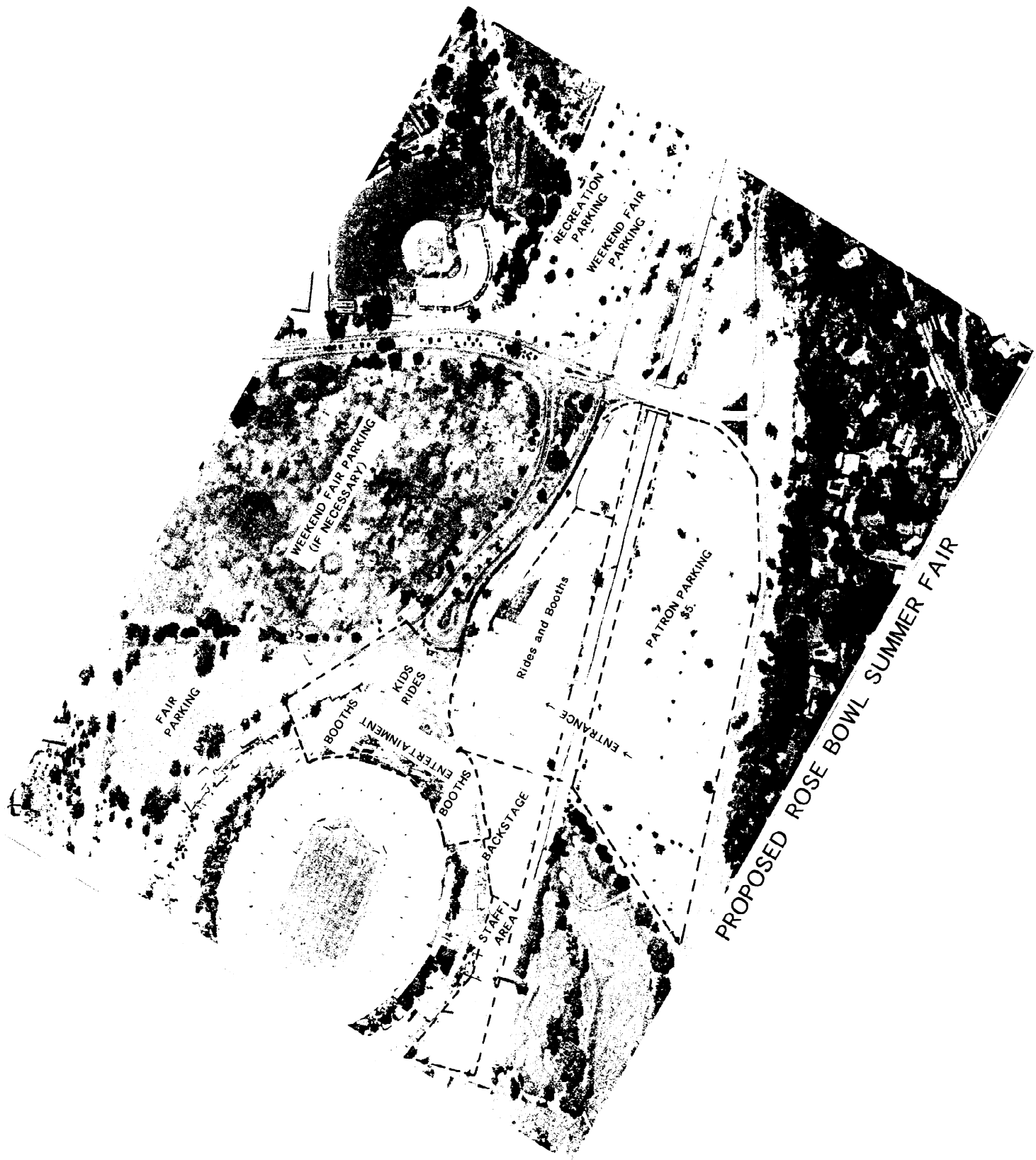
It is anticipated that the RBOC will generate a minimum of \$200,000 per year for a total of \$1 million for the five years of this agreement.

Prepared by,

  
Darryl Dunn  
General Manager

Respectfully submitted,

  
for Edward S. Garlock  
President



PROPOSED ROSE BOWL SUMMER FAIR

**ROSE BOWL OPERATING COMPANY**

\* FAIR PROMOTIONS \*

			TOTAL
<b>ATTENDANCE</b>			<u>85,000</u>
<b><u>RENT</u></b>			
GUARANTEED MINIMUM			\$100,000
1st 14,000 ATTENDEES AT \$8.00 LESS SALES TAX			<u>100,000</u>
			<b>\$200,000</b>
<b><u>ADMISSION TAX</u></b>	\$1.21		\$0
<b><u>CONCESSION REVENUE (INSIDE FENCE)</u></b>	GROSS \$0.50		7,523
	NET \$0.09		
<b><u>PARKING REVENUE</u></b>			35,679
			<u>243,201</u>
<b>TOTAL REVENUE (RBOC)</b>			<b>243,201</b>
<b><u>NON-REIMBURSABLE COSTS</u></b>			(36,789)
			<u><u>\$ 206,412</u></u>
<b>NET INCOME - FACILITY</b>			