

INITIATIVE MEASURE TO BE SUBMITTED DIRECTLY TO THE VOTERS OF THE CITY OF PASADENA
 The City Attorney has prepared the following title and summary of the chief purpose and points of the proposed measure:

“PROPOSAL FOR THE NATIONAL FOOTBALL LEAGUE RENOVATION OF THE ROSE BOWL STADIUM FOR PROFESSIONAL FOOTBALL USE”

The purpose of the Initiative is to approve a plan from the City of Pasadena to the National Football League (“NFL”) for renovation of the Rose Bowl Stadium (“Stadium”) for professional football games (“Proposal”). The Initiative includes: a statement of purpose and intent, findings, a Rose Bowl Renovation Development Agreement (“Development Agreement”), amendments to the Arroyo Seco Public Lands Ordinance (“Arroyo Seco Ordinance”), a Stadium design review process and provisions for implementation of the Proposal and Initiative. The NFL would still need to accept the Proposal, approve various agreements, and take actions consistent with the Initiative before the Proposal could be implemented.

The Initiative approves the Development Agreement which has, among other sections: A project description which specifies a Stadium renovation, demolition of specified structures, new construction of other features and landscaping and improvements (“Renovation”). The Renovation would occur under Design Concept Plans and an Environmental Mitigation and Monitoring Report, documents referenced in the Initiative. Total seating capacity of the Stadium would be decreased from 92,000 to a maximum of 75,000 for special events. The maximum number of major events in the Stadium would be increased from 12 per year to 25 per year, with no change in the number of flea market or minor events. There would be a maximum 55 year lease with NFL, an initial term of 25 years and six extension terms of 5 years. NFL would bear the cost of the Renovation. NFL would be responsible for all Stadium operation and maintenance costs. Existing contract rights of the University of California (“UCLA”) and Tournament of Roses Association (“TOR”) would be honored. NFL would have naming rights to specified Stadium areas, but not to the Stadium itself. There would be a revenue split, with NFL retaining revenue from its events and all luxury suite revenue, and the City retaining other Stadium event revenue. NFL would pay annual rent of not less than \$500,000, with a CPI increase. NFL would be granted a parking license according to size of events with 18,000 parking spaces maximum. A Management Agreement would be approved for NFL to assume day to day Stadium management under established standards including local hiring requirements. NFL would be permitted to use the Stadium for up to 25 major events, including 8 UCLA events and 2 TOR events. City would retain authority over parking surcharges, taxes, City Stadium use, public safety staffing for events and revenue from personal seat licenses. NFL would agree to pay game day expenses, to support community activity, to hire local residents and to use best efforts to bring Super Bowl games to the Stadium. NFL would receive certain rights for advertising signage at the Rose Bowl. The Arroyo Seco Ordinance would be amended to increase the maximum number of major events per year from 12 to 25 and to allow NFL Stadium Renovation to occur.

The Initiative establishes a process and standards for Design Review for the Renovation.

The published Notice of Intent to circulate provides as follows:

NOTICE OF INTENT TO CIRCULATE PETITION

Notice is hereby given by the persons whose names appear hereon of their intention to circulate the petition within the City of Pasadena for the purpose of enacting the Rose Bowl Stadium Renovation Initiative. A Statement of the Reasons of the proposed action as contemplated in the petition is as follows:

The 80 year old Rose Bowl Stadium is at a crossroads. It has not been renovated to include amenities necessary to attract a tenant that will assure its long term financial and competitive viability. The Stadium loses \$2 million annually and its annual debt service is more than \$1 million. The City does not have the tens of millions of dollars to make capital improvements required by contractual obligations to UCLA and the Tournament of Roses. The City has an opportunity to have a \$500 million renovation/modernization and \$3.5 million in ongoing maintenance funded privately by the National Football League in conjunction with a lease of the Stadium to the NFL that will require only 13 additional displacement event days. We must take advantage of this opportunity of a lifetime. Otherwise, the Stadium will deteriorate into an uncertain future. The Stadium has had a glorious history filled with Olympic events, Rose Bowl Games, World Cup Soccer Championships, five Super Bowls and the Bowl Championship series National Title Game. We must assure a viable future for our Stadium.

If voters approve this measure, the City and the NFL will implement all of the mitigation measures identified in the Environmental Impact Report certified by the City Council on May 9, 2005 and implement a design that assures that the renovation of the Stadium is implemented in a manner which preserves character defining features of this historic resource. The Project is consistent with the Land Use Element and Mobility Elements of the City's Comprehensive General Plan. We appreciate the value of the Rose Bowl Stadium as an historic resource and we want to assure its long term viability as a venue for world class athletic events. The way to accomplish that is to authorize the NFL to lease the Stadium and the immediately adjacent areas for holding professional football games. We propose to do so in an environmentally responsible manner using private funds. We believe this is the only option we have for preserving the Rose Bowl for the future enjoyment of all of the residents of the City of Pasadena. While passage of this measure does not guarantee that the NFL will ultimately award a professional football franchise to the City of Pasadena, if it passes, the City - the strongest candidate - is still in contention. This measure specifies the terms the City will present to the NFL for its consideration of Pasadena. The City Council's recent inaction has effectively taken us out of contention, and we need to reverse that.

The purpose of this Initiative is to have the voters of the City of Pasadena adopt ordinances approving the Rose Bowl Renovation Development Agreement, the Rose Bowl Stadium Renovation Project Design Review Process, and related code amendments to Chapter 3.32 of the P.M.C. (Rose Bowl Area) at a special election to be held as quickly as is allowed by law. It is in the best interests of the citizens of the entire City for this proposal to go forward.

 Chris Holden, City Council member
 589 Jackson St.
 Pasadena, CA 91104

 Joyce Streater, City Council member
 521 Belmore Way
 Pasadena, CA 91103

 Paul Little, City Council member
 1311 Mar Vista
 Pasadena, CA 91104

The text of the measure is as follows:

TITLE: Rose Bowl Stadium Renovation Initiative

The people of the City of Pasadena ordain as follows:

Section 1. Purpose and Intent

We, the people of the City of Pasadena believe that, in order to upgrade the Rose Bowl Stadium (“the Stadium”) and to assure its financial viability and extend its long term use, the National Football League proposal to renovate the Stadium for use by the NFL or a member team (collectively the “NFL”) for professional football games (“the Project”) should be implemented. We further believe that the certified Final Environmental Impact Report (“the EIR”) for the Project (dated April 28, 2005, State Clearinghouse Number 2004101073) thoroughly analyzed the environmental impacts of the Project and the Mitigation Monitoring Report Program identified in the EIR and as the mitigation measures were supplemented by the Staff Report dated June 6, 2005 provides for appropriate mitigation measures which should be implemented in carrying out the Project.

We, the people of the City of Pasadena recognize and appreciate the value to the City of the Rose Bowl Stadium as an historic resource of the City and believe that the Rose Bowl Stadium design presented

to the City Council by City staff on June 6, 2005 (“the Design”) provides for appropriate protection of the character defining features of the Rose Bowl Stadium. We believe that in implementing the Design, the City will have undertaken appropriate measures to preserve, to the extent technologically and economically feasible, the historic character of the Rose Bowl Stadium.

We, the people of the City of Pasadena believe that the economic, social and other benefits of the Project as mitigated far outweigh the significant and unavoidable impacts identified in the EIR and in the record before the City Council. We have balanced the benefits of the Project against its unavoidable impacts and hereby indicate our willingness for the Project to proceed. It is in the interest of the health, safety and welfare of all of the residents of the City of Pasadena for the Project to proceed. Therefore, we provide herein for a change in City policy to allow the Project to proceed and provide the ways and means to accomplish that policy change, with modification of existing municipal code provisions and adoption of new ordinances.

We, the people of the City of Pasadena believe that the voters of the City should be asked to make this decision on behalf of the entire City, and therefore, we request that a special election be called by the City of Pasadena at which this measure may be voted upon by the people of the City of Pasadena.

Section 2. Findings.

We, the People of the City of Pasadena make the following findings with respect to the Project.

1. The Stadium was first constructed more than 80 years ago with a seating capacity of 57,000 patrons. Over time, the Stadium has been renovated to enclose the south end of the Stadium, to almost double seating capacity, to add press boxes and luxury suites among other changes. However, the Stadium has not been renovated to include amenities currently being offered at state-of-the-art football stadiums. Renovation to include these items is essential if the Stadium is to retain its viability.

2. The situation facing the Stadium has been experienced throughout the country at other stadiums. The stadium at Ohio State University, built in 1922, underwent a \$194 million renovation in 1999. The stadium at the University of Texas, which was built in 1924, underwent a \$95 million renovation in 1999. The stadium at the University of Wisconsin, built in 1917, underwent a \$99 million renovation in 2004, and the stadium at the University of Michigan, built in 1928, recently announced plans for a \$200 million renovation.

3. The City has contractual obligations with the current tenants of the Stadium, the Tournament of Roses and UCLA, to make capital improvements to the Stadium which will cost tens of millions of dollars

to implement. The City has not been able to identify a new source of funds to accomplish these capital improvements. In addition, other improvements would be required over time in order to maintain the viability of the Stadium.

4. The Rose Bowl loses \$2 million annually. It is subsidized by the revenue from Brookside Golf Course.

The bonded indebtedness on the Stadium used to finance previous improvements is substantial, with debt service of \$18 million over a 16 year period.

5. The City has been presented with the opportunity to have renovation, modernization and ongoing maintenance funded by the NFL in conjunction with a lease of the Stadium to the NFL.

6. It would be fiscally imprudent for the City not to take advantage of the potential opportunity presented by the NFL. If the City does not take advantage of this opportunity, the Stadium will continue to deteriorate into an uncertain future, or the City will have to assume a significant financial responsibility to upgrade the Stadium which may divert revenues away from other important City programs and services. The Stadium has a glorious history having been an Olympic venue twice, the home of the Galaxy, a professional soccer team, host to the World Cup Soccer Championships and the site of five Super Bowls, Rose Bowl games for its entire history, and one Bowl Championship Series National Title game. We cannot let the Stadium deteriorate to the point where the only activities held there are swap meets and concerts. To do so would be a violation of our duties as stewards of the City's assets.

7. The EIR prepared for the Project was certified by the City Council on May 9, 2005 after extensive public review and comment. It contains a thorough analysis of the environmental effects of proceeding with the Project. It recommends mitigation measures to reduce some impacts to levels of insignificance. Other impacts will be mitigated to the extent feasible, but there will be residual impacts even with the implementation of these mitigation measures. (Aesthetics, short term air quality during construction, cultural resources, land use, noise, recreation, transportation and traffic). All mitigation measures identified in the Mitigation Monitoring Report Program certified along with the FIR on May 9, 2005 will be implemented pursuant to this measure, along with additional recreational benefits identified in the June 6, 2005 City Manager Recommendation presented to the City Council.

8. According to the Finance Department of the City, there are significant positive fiscal benefits which accrue to the City by implementing the Project. They are:

A. Approval of the Project will allow the City to avoid significant costs in connection with the maintenance and operation of the Stadium, thus freeing up City funds for other important public purposes.

B. Approval of the Project will mean that the City will no longer be obligated to expend approximately \$12 million for Stadium improvements required under the current lease agreement with UCLA and will save an estimated \$18 million in debt service costs over a 16 year period.

C. Approval of the Project will mean that the City will avoid spending approximately \$550,000 per year for ongoing capital maintenance improvement to the Stadium.

D. Approval of the Project will ultimately result in a management agreement with the NFL for the Stadium. The management agreement will allow the City to avoid approximately \$3,000,000 in Stadium operational costs per year. Although these operational costs are offset in part by revenues that currently flow to the City and would flow to the NFL as Stadium manager, it is estimated the City will save approximately \$1.8 million over a 16 year period as a result of this management agreement.

E. Approval of the Project will result in the preservation of the Stadium for use as an athletic venue and site of concerts and other events. The Project will increase the distance between rows of seats, thus providing for a more comfortable experience for patrons of all of these events.

F. The Project will improve accessibility to the Stadium for disabled patrons.

G. The Project will improve egress from the Stadium in the event of an emergency, by reducing the maximum number of patrons within the Stadium (seating capacity reduced from 92,000 to 65,000, with the ability to add up to 10,000 additional seats for special events for a total of 75,000 seats), and increasing the number of egress routes from the seating areas.

H. The renovation and modernization of the Stadium will be financed with private

funds and funds from sale of personal seat licenses and naming rights. The Development Agreement approved herein provides that the NFL and the proceeds from personal seat licenses and naming rights will pay for the improvements to modernize the Stadium. Improvements planned by the NFL are expected to result in an investment of approximately \$500-\$600 million in this public facility.

I. According to a report from the Anderson School of Management at UCLA, the Project is expected to generate substantial revenue to the City of Pasadena and Pasadena businesses due to the economic stimulus provided by NFL games at the Stadium. The study also details the significant revenue which flows to the entire Los Angeles County region from having NFL games played, especially in the event of a Super Bowl being played at the Stadium.

J. Given the possible investment by the NFL in the Stadium and based on the fact that the City has been the site of five Super Bowls in the past, it is likely Super Bowls will be attracted to play at the Stadium during the term of the NFL lease.

9. The "Principal Terms for Lease with the National Football League for Use of the Rose Bowl Stadium" presented to the City Council on May 9, 2005 and June 6, 2005 provided the general framework for the Development Agreement we approve herein. It states:

"a. The NFL would enter into a 25 year lease of the Rose Bowl with up to six extensions terms of five years each. The NFL would rehabilitate the Rose Bowl according to a City Council design, ("the Design Mitigation") which is intended to maintain the building's designation as a National Historic Landmark. The rehabilitation would be paid for by the NFL and the Rose Bowl would be home Stadium for an NFL team.

b. The City would continue to own the Rose Bowl and the Rose Bowl Operating Company ("the RBOC") would continue its oversight role related to the tenants using the Rose Bowl. The RBOC will enter into a Management Agreement with the NFL for the day-to-day operations, management, maintenance and repair of the Rose Bowl based upon agreed upon standards;

c. If the NFL Deal is consummated and implemented, the NFL will invest an estimated \$500- to \$600 million in Stadium improvements. The RBOC will no longer be obligated to expend an estimated \$12 million towards Stadium improvements required under the City/UCLA 20 year agreement and will save nearly \$18.7 million in debt service costs over a 16 year period. In addition, RBOC will not have to expend nearly \$550,000 per year for ongoing capital maintenance improvement to the Stadium, thus saving an accumulative approximate \$8.8 million over a 16 year period. Thirdly, under a proposed management agreement with the NFL for the Rose Bowl Stadium, the RBOC will be able to reduce approximately \$3 million in Stadium operational costs per year. After assigning its interest in UCLA and Tournament of Roses revenues, the RBOC will save approximately \$1.8 million over a 16 year period;

d. There would be no more than 25 events annually at the Stadium with attendance of greater than 20,000 people. Up to eight of these events would be for the use of UCLA, up to two for the Tournament of Roses, and the remaining events for use by the NFL. There would be no more than 20 events annually at the Stadium with attendance of between 2,000 people and 20,000 people.

e. The City has the right to impose a parking surcharge on parking in the Arroyo on event days. The proceeds from the surcharge will be utilized to finance improvements related to the areas surrounding the Stadium within the Arroyo.

f. The NFL would pay rent for use of the Rose Bowl Stadium.

g. The NFL would pay for all operations, maintenance, capital, repairs and improvement for the Rose Bowl during the lease term, subject to agreed upon standards;

h. The NFL would protect the Tournament of Roses and UCLA from adverse financial impacts caused by alteration to the Stadium;

i. The NFL would bring Super Bowl games to the Rose Bowl during the term of the lease;

j. The NFL would provide public benefits to Pasadena, including participation in local non-profits and Youth programs, and local employment during construction and for

Stadium operations.

k. The NFL may name the Rose Bowl field, gates and plazas (i.e. XYZ Field at the Rose Bowl). They may not name the Stadium without prior City approval;

l. The City/RBOC would control all of the areas outside of the Stadium secured perimeter, but the NFL would have priority use of 18,000 parking spaces for their major events; use of 5,000 spaces for their medium events, and use of 500 spaces for small events and miscellaneous use."

10. The Rose Bowl Stadium Renovation Project is consistent with the City of Pasadena's General Plan in that it furthers many of its policies and objectives. The following are notable Land Use Element policies that the proposed project supports:

Policy 6.3 - Adaptive Reuse: Encourage and promote the adaptive reuse of Pasadena's historic resources.

Policy 10.3 Business Expansion and Growth: Support the continuation or expansion of existing businesses in harmony with their surroundings and provide new spaces for growth and changing business requirements.

Policy 11.1 - Diversity: Support employment opportunities appropriate to the diversity of the City's varied population.

Policy 11.7 - Increase Jobs: Increase the number of job opportunities for the underemployed and unemployed Pasadena residents.

Policy 12.1 - Retail: Encourage retail and sales tax producing businesses to remain or expand in, or come to, Pasadena and promote healthy retail areas.

Policy 23.1 - Expansion: Recognize and support the expansion opportunities of existing regionally significant cultural, scientific, corporate, entertainment and educational institutions;

Policy 23.2 - Land Use opportunities: Provide land use opportunities to retain and to develop regionally significant cultural, scientific, corporate, entertainment and educational uses;

Policy 23.5 - Land Use Implications: Recognize land use implications of the City's regional marketing strategies and support these strategies through land use decisions;

Additionally, the Project furthers the principles of the Mobility Element by reducing the number of trips into the Arroyo for the largest events by reducing the Stadium's capacity. It reduces the number of parking spaces within the Arroyo by physically limiting the number of cars that will park in the Arroyo and by utilizing the off-site parking at Parsons, or other off site locations. Lastly, it encourages the use of transit (i.e. light rail, shuttle, bus).

Also, the Project Rose Bowl Renovation Development Agreement approved herein is consistent with the provisions of California Government Code Section 65864 et seq. regarding development agreements generally.

11. The Rose Bowl Renovation Project design as presented to the City Council by City staff on June 6, 2005 and on file with the City Clerk ("the Design") must be adopted for the Project to assure that the renovation of the Rose Bowl Stadium is implemented in a manner which preserves character defining features of the Rose Bowl Stadium. The Design mitigates impacts to the historic resource while meeting the program requirements of the NFL. We believe that by implementing the Design, the character defining features of this historic resource will be retained, and the long term viability of the Rose Bowl Stadium will be enhanced.

The Design consists of two components.

A. "The Design Concept Plans", entitled Rose Bowl Renovation - Recommended Project [06/06/2005 7.B. (1) Submitted by staff], dated May 5, 2005, consisting of 20 pages, including plans entitled NFL Proposed Project (10 pages) attached hereto and incorporated herein by this reference.

B. "The Design Mitigation" dated May 9, 2005 consisting of 14 pages, attached hereto and incorporated herein by this reference.

The Design consists of the Design Concept Plans as modified by the Design Mitigation.

12. The uses of City owned land which are authorized in this measure constitute park and recreation uses within the meaning of Pasadena City Charter Section 1601.

13. The recent inaction by the City Council has taken the City of Pasadena out of contention to be awarded an NFL franchise. We, the people of the City of Pasadena, find that this situation is unacceptable. While we cannot guarantee that the NFL will ultimately award an NFL franchise to the City of Pasadena, approval of the deal points which is accomplished by approving the Development Agreement contained herein will place the City of Pasadena back in contention for the award of an

NFL franchise, and we believe that the City of Pasadena is the strongest candidate for such an award.

Section 3. Rose Bowl Renovation Development Agreement

Pursuant to California Government Code Section 65864 et seq., a Development Agreement entitled Rose Bowl Renovation Development Agreement, ("the Agreement"), by and between the City of Pasadena, the Rose Bowl Operating Company ("RBOC") as agent for the City, and the NFL (or an assignee member club) and its successors, assigns and affiliates (collectively "NFL") is hereby approved. The Agreement shall constitute a lease between the NFL and the City/RBOC for the renovation and use of the Rose Bowl Stadium by the NFL in accordance with the terms set forth herein.

The essential terms of the Agreement are as follows:

1. Project description.

Renovations of the existing Rose Bowl Stadium will be made to extend the building's long term use and financial viability by upgrading the Rose Bowl Stadium and placing the NFL as a long term tenant with the ability to finance the renovation. Major components of the Project include demolition of ancillary structures around the perimeter of the Stadium, removal and replacement of the stone terraces, demolition of existing suite and press box structure along the western rim of the Stadium, new construction of approximately 816,000 square feet including club lounges and three levels of new suites on both the east and west sides of the stadium, construction of a larger score board and the possible addition of a Hall of Fame museum at the south end of the Stadium. In addition, the Project would include additional demolition, excavation, and renovation activities, as well as parking, circulation and landscaping improvements. The Project boundary includes generally the area inside the existing fence line, with some extension outside the fence line. (See "Site Plan Renovation Perimeter") attached hereto and incorporated herein by this reference.

The Project would impact the seating capacity and the number of displacement events held at the Rose Bowl Stadium. A displacement event is one with attendance in excess of 20,000. The Rose Bowl Stadium currently has 92,000 seats and attracts an average of 52,000 people for major events. The Project would significantly reduce the total seating capacity of the Stadium to 65,000 with the ability to add up to 10,000 additional seats for special events for a total maximum of 75,000 seats. Special events would include, but not be limited to, the UCLA versus USC football game, the Super Bowl, the collegiate Rose Bowl Game, and the Bowl Championship Series game. Upon completion of the Project, seating in the Rose Bowl Stadium would include general seating, club seating and luxury suite seating. Different levels of amenities would be provided for each type of seating.

The Project shall be constructed consistent with the Design Concept Plans entitled "Rose Bowl Renovation - Recommended Project", dated May 5, 2005, consisting of 20 pages, including plans entitled "NFL Proposed Project (10 pages), as modified by the Design Mitigation dated May 9, 2005, (14 pages) attached hereto and incorporated herein by this reference.

The Project shall also be constructed in compliance with the Environmental Mitigation Monitoring and Report Program for the Rose Bowl Renovation Project, (25 pages) attached hereto and incorporated herein by this reference.

The Rose Bowl Stadium currently holds approximately 12 displacement events per year primarily on weekends. The Project would increase the number of displacement events to 25 displacement events per year. Eight events per year would be for UCLA football games and up to two events per year for Tournament of Roses and Bowl Championship Series collegiate games. Fifteen events per year are reserved for the NFL. The events in the Rose Bowl Stadium may include professional and collegiate football games and other sporting events, concerts and other lawful uses; however, the total number of displacement events would not exceed 25. If the City wishes to approve an additional displacement event, it must comply with P.M.C. Section 3.32.270.

In addition to displacement events, the monthly swap meet and flea market could continue to be held, in areas adjacent to the Rose Bowl Stadium as would soccer and other recreational games held on Lot H outside the Rose Bowl Stadium. There would be no change to the number of minor events that could be held in the Rose Bowl.

2. Lease area. The City and the NFL hereby agree that the NFL may lease the Stadium and related parking areas surrounding the Stadium, as shown on the Exhibit entitled Existing Parking Lots in the Rose Bowl Area, dated 2004 attached hereto and incorporated herein by this reference.

3. Use. The parties hereto agree that the NFL, may construct the Project described in the Project Description for the preservation, rehabilitation and use of the Rose Bowl Stadium.

4. Parties. The parties are the City of

Pasadena, RBOC, and the NFL, its successors, assigns and affiliates.

5. Term. NFL shall have the right to use the Rose Bowl Stadium and related parking areas for a term of up to 55 years, based on an initial 25 year lease period, plus up to six extension terms of five years each, exercisable by the NFL. The number of events is limited as set forth in Paragraph 16 herein.

6. Cost of Constructing the Project. NFL shall bear all costs for renovation of the Rose Bowl Stadium related to accommodating NFL events, except for those costs paid for by revenues generated by permanent seat licenses and naming rights. Revenues generated from the sale of permanent seat licenses and naming rights shall be used for the renovation of the Rose Bowl Stadium. Plans for renovation of the Rose Bowl Stadium shall substantially comply with the Design.

7. Operation and maintenance of the Stadium. NFL shall be responsible for all costs related to the operation and management of the Rose Bowl Stadium, including without limitation all maintenance and repair of the Rose Bowl Stadium, and any capital improvements to the Rose Bowl Stadium, other than those costs paid for from revenues generated from personal seat licenses and naming rights.

8. No contract impairment. The University of California, Los Angeles ("UCLA") and the Tournament of Roses shall have the right to continue to play in the Rose Bowl Stadium subject to the terms of their existing agreements (as of June 1, 2005). The NFL may elect to enter into separate agreements with the Tournament of Roses and UCLA on such terms as are mutually satisfactory to the NFL and UCLA and the NFL and the Tournament of Roses, respectively. In addition, the City and the RBOC may be a party to such agreements with the consent of the NFL, UCLA and Tournament of Roses. Such agreements with UCLA and Tournament of Roses may include provisions to financially protect UCLA and Tournament of Roses from financial impacts resulting from the renovation of the Rose Bowl Stadium.

Nothing in this Development Agreement shall be construed to impair the rights that UCLA and the Tournament of Roses have in their existing agreements with the City. The City and the RBOC shall enforce all material provisions of the UCLA agreement and the Tournament of Roses agreement in accordance with the terms of such agreements. The City and the RBOC shall indemnify NFL from all loss, expense, costs or liability related to the use of the Rose Bowl Stadium by UCLA and the Tournament of Roses, excluding ordinary wear and tear on the Rose Bowl Stadium and any loss, costs, expense or liability arising out of NFL's gross negligence or willful misconduct.

Nothing in this Development Agreement shall be construed to impair the rights that any person or entity has in an existing agreement for use of the Rose Bowl Area with the City as of June 1, 2005.

9. Naming Rights: The name of the Stadium shall not be changed from "Rose Bowl Stadium". NFL shall have the exclusive right, as agent for the City, to sell naming rights to the Stadium field, the entrance gates and the plaza areas, provided that such names shall not be distilled spirits, gambling, tobacco products, sexually oriented products or services, or firearms. Any revenues received by the City, or by the NFL as agent for the City, from such naming rights shall be used in the renovation of the Rose Bowl Stadium and for operation and maintenance of the Rose Bowl Stadium.

10. Revenue: To the extent permitted by law and any agreements with the City of Pasadena existing as of June 1, 2005, the NFL shall retain all revenues from all NFL events including without limitation, broadcast and media revenues, ticket sales, luxury suite sale, concession and catering revenues, merchandise revenues, sponsorship revenues, licensing revenues, and advertising revenues (temporary and permanent). NFL shall have the right to market or sell all luxury suites in the Rose Bowl Stadium and to receive all revenues from the marketing or sale of luxury suites.

City/RBOC shall retain all ticket revenues, program sales revenue, broadcast and other media revenues from City/RBOC events in the Rose Bowl Stadium.

11. Rent: In consideration of the substantial capital commitment made by the NFL to the renovation of the Rose Bowl Stadium, and for the operation and maintenance of the Rose Bowl Stadium, the NFL shall pay rent to the City/RBOC in the amount of not less than \$500,000 annually increased annually by the consumer price index.

12. Parking License Agreement: City shall grant to the NFL a license for parking in certain adjacent areas as shown on the map entitled Existing Parking Lots in the Rose Bowl Area dated 2004 attached hereto and incorporated herein by this reference. The parking license shall describe the parking area to be provided for major events (events with more than 20,000 in attendance), a parking area to be provided for medium events (events with between 2,000 and 20,000 in attendance); and a parking area to be provided for small events (events with less than 2,000 in attendance). The parking license shall set aside parking for NFL events of at least 1 space for

every 3 projected attendees (e.g. 6,000 spaces for 18,000 attendance) and for displacements events such amount shall in no case be less than, and no more than, 18,000.

13. Renovation License: City grants to NFL an exclusive license during the period of renovation of the Rose Bowl Stadium by the NFL to those certain adjacent areas set forth in Paragraph 2 herein under the control of the City/RBOC for construction staging and storage, as agreed to by the City Manager and the NFL in the Management Agreement described in Paragraph 15 herein.

14. Non-exclusive utility and access easements: City grants to NFL a non-exclusive easement for any necessary non-exclusive utility and access easements for the Rose Bowl Stadium and adjacent areas, as agreed to by the NFL and the City Manager, provided however, City shall have the right to relocate the easement and utilities at the City's cost so long as the relocation of the utilities and easements does not affect the use of the Rose Bowl Stadium and adjacent areas as reasonably determined by the NFL.

15. Management Agreement: To implement this Development Agreement, City/RBOC shall enter into a Management Agreement with the NFL for the day to day operations and management of the Rose Bowl Stadium and operation and management of parking areas during use by the NFL, UCLA or the Tournament of Roses. The Management Agreement shall be effective upon commencement of the renovation of the Rose Bowl Stadium. The Management Agreement will establish standards for the overall facility maintenance and operations including operation and management standards during use of the Rose Bowl Stadium by UCLA and Tournament of Roses. NFL shall operate and maintain the Rose Bowl Stadium in a manner comparable to other NFL stadiums. The Management Agreement shall provide objective criteria for the maintenance of the Rose Bowl Stadium. The Management Agreement shall include commercially reasonable provisions for remedies in the event NFL fails to operate and maintain the Rose Bowl Stadium and manage and operate the adjacent parking areas in accordance with the standards established in the Management Agreement. The Management Agreement also shall provide minimum operating standards for the Rose Bowl Stadium to be maintained during the renovation of the Rose Bowl Stadium. RBOC shall maintain oversight of the implementation of the Management Agreement.

The Management Agreement shall also describe in detail the NFL's participation in local non-profits and youth programs as required in this Development Agreement.

The Management Agreement shall also contain a commitment by the NFL to the extent permitted by law to hire local residents in the construction phase and in the long term operation and maintenance of the Stadium.

16. Number of Events: NFL shall be permitted to use the Rose Bowl Stadium for 25 displacement events as defined in P.M.C. Section 3.32.270 in any calendar year, less the number of displacement events held by UCLA (not to exceed 8 events annually) and the Tournament of Roses including the Bowl Championship Series (not to exceed 2 events annually). In addition, NFL shall be permitted to have other events in the Rose Bowl Stadium provided that such events are not displacement events. Permitted use by the NFL may include without limitation football games and other lawful uses of the Stadium.

17. Parking surcharge, taxes and other impositions:

The NFL understands and acknowledges that the City of Pasadena has full authority over the legislation that it enacts, including parking surcharges, ticket/admissions taxes, fees, and assessments. The City/RBOC agree that any parking surcharge, ticket/admissions tax, assessment or fee on NFL activities shall be at the same rate as other activities which occur in the Rose Bowl Area. Any such surcharge, ticket/admissions tax, fee or assessment shall apply equally to all activities which occur in the Rose Bowl Area, and no special levy shall be made which applies solely to NFL activities. Any increase in the rate of any surcharge, ticket/admissions tax, fee or assessment shall also apply equally to all activities which occur in the Rose Bowl Area.

18. City Use of Stadium: City/RBOC shall continue to have the right to use the Rose Bowl Stadium provided that such use does not interfere with use by NFL, UCLA and Tournament of Roses. In the case of conflict, NFL shall have priority over use of the Stadium by the City/RBOC. City/RBOC use of the Rose Bowl Stadium for displacement events shall comply with P.M.C. Section 3.32.270. In addition, City/RBOC may use the Rose Bowl Stadium for up to 5 events annually of between 2,000 and 20,000 attendance. City/RBOC shall coordinate with NFL use by the City/RBOC of the Rose Bowl Stadium for events of less than 2,000 attendance. City/RBOC shall be responsible for all costs and expenses associated with City/RBOC use of the Rose Bowl Stadium.

19. Game Day Expenses: City shall coordinate with NFL to provide game day police and

traffic control for NFL events. The NFL understands and acknowledges that the determination of final staffing levels for police and traffic control shall be made by the City Manager. Prior to the commencement of each lease year, NFL and City/RBOC shall meet and confer to establish staffing and budget levels for police and traffic control. The cost of police and traffic control for NFL events shall be an NFL game day operating expense and shall be paid by the NFL. City/RBOC agree that NFL shall not be charged for police and traffic control at rates in excess of those charged by the City/RBOC for Tournament of Roses and UCLA events. Service coverage for police and traffic control for NFL events which are not a national security event as determined by the Department of Homeland Security shall be comparable to that provided for Tournament of Roses and UCLA events.

20. Signage: City/RBOC grants to NFL the exclusive right to all permanent fixed signage in the interior and on the exterior of the renovated Rose Bowl Stadium. City/RBOC shall not grant to any other tenant or party any right to place any permanent signage in the interior or on the exterior of the renovated Rose Bowl Stadium. NFL shall have the right to retain all revenues from permanent advertising in interior and on the exterior of the renovated Rose Bowl Stadium, except as otherwise agreed to by the NFL and UCLA and Tournament of Roses, respectively. City/RBOC and NFL shall agree on objective criteria for temporary signs. Temporary signs may be permitted subject to such criteria.

Nothing herein shall be construed to impair the rights any person may have pursuant to an agreement with the City which existed as of June 1, 2005.

21. Revenue from Personal seat licenses and naming rights: City/RBOC has always possessed and will continue to possess, the sole and exclusive right to sell, license or otherwise transfer personal seat licenses and similar instruments and rights with respect to any and all seats located in the Rose Bowl Stadium, and naming rights with respect to the Rose Bowl Stadium. Proceeds from the sale of permanent seat licenses and naming rights shall be collected solely by City/RBOC or its agent and shall be used solely to defray the costs with respect to the renovation of the Rose Bowl Stadium, and operation and maintenance of the Rose Bowl Stadium. City/RBOC hereby appoints NFL as its agent, and NFL shall act as City/RBOC agent, in marketing and selling permanent seat licenses and naming rights. Permanent seat licenses shall not apply to UCLA events, Tournament of Roses events or City/RBOC events, without the express consent of UCLA, Tournament of Roses and/or City RBOC respectively;

22. Community Participation. The NFL shall participate in and financially support local non-profits and youth programs in the construction phase as well as during the entire term of the agreement. Such participation and support shall be described in detail in the Management Agreement.

23. Local employment. To the extent permitted by law, the NFL shall hire local residents in the construction phase as well as during the entire term of the agreement. Such local hiring component shall be described in detail in the Management Agreement.

24. Usual and customary terms. The Development Agreement may contain other terms, including usual and customary terms, as agreed to by the City Manager and the NFL.

25. Super Bowls. The NFL shall use its best efforts to bring the Super Bowl to the Stadium on a regular basis.

26. Amendment. The Development Agreement may be amended only by mutual agreement of the parties, and only if such amendment is consistent with the terms of the Rose Bowl Stadium Renovation Initiative. An amendment is consistent with said initiative if, and only if, it provides benefits to the City which are equal to or greater than those contained herein. Any amendment to this Development Agreement must be adopted by ordinance.

27. Construction. Nothing herein shall be construed to alter in any way the roles and responsibilities of the City Manager and the City Council as set forth in the Charter of the City of Pasadena. Nothing herein shall be construed to give the NFL veto power over the City Council of the City of Pasadena's ability to enact legislation of any kind.

Section 4. Chapter 3.32 of the Pasadena Municipal Code is hereby amended as follows:

1. Add Section 3.32.255 "Rose Bowl Area Permitted Uses" to read:

Notwithstanding any other limitations or permitted uses in the Rose Bowl Stadium areas as set forth in this Title, the National Football League, or a member team (collectively "NFL"), shall be permitted to use the Rose Bowl Stadium for twenty five (25) displacement events as defined in Section 3.32.270 of this Chapter, annually, including without limitation NFL games, less the number of displacement football events held by the University of California Los Angeles (not to exceed 8 events annually), the Tournament of Roses including the Bowl Championship Series (not to exceed 2 events annually) but in no event shall the total number

of such displacements events exceed 25 displacement events annually, unless the City Council approves such displacement events and make the findings required by P.M.C. Section 3.32.270. NFL sponsored events shall comply with those mitigation measures in the Mitigation Monitoring and Report Program applicable to NFL events as identified in the Rose Bowl Stadium Renovation Project Final Environmental Impact Report dated April 28, 2005 (State Clearinghouse No. 2004101073), certified by the City Council on May 9, 2005. The City and Rose Bowl Operating Company shall comply with those mitigation measures applicable to the City.

2. Amend subsection A.3 of Section 3.32.260 "Rose Bowl area - Administration" to change the number of displacement events to read:

That displacement of recreational programs and activities within Brookside Park and the Brookside Golf Course has not occurred more than 25 times annually.

3. Amend Subsection F of Section 3.32.260 as follows:

3.32.260. Other than events for the National Football League, or a member team, Rose Bowl Area Administration.

Except as otherwise provided by this Section, all proposed contracts involving the use of the Rose Bowl Stadium which anticipate an attendance of over 20,000 people shall be approved by the Rose Bowl Operating Company in conformance with this Chapter. In addition, all proposed contracts involving the use of the Rose Bowl Stadium as the home stadium of any professional sports team other than the National Football League, or a member team, or for a duration of more than 5 years must be approved by the City Council and, to the extent permitted by law, the National Football League with the recommendation of the Rose Bowl Operating Company. The National Football League, or a member team, shall be permitted to use the Rose Bowl Stadium for National Football League, or member team, sponsored events as provided by Section 3.32.255, subject to compliance with the requirements of the Rose Bowl Renovation Development Agreement between the City and the National Football League, adopted by the Ordinance adopting the Rose Bowl Renovation Initiative. Other than events for the National Football League, or a member team, the Rose Bowl Operating Company may refer an event proposal to the parks and recreation commission or its designee for review, recommendation and comments prior to final approval.

Amend Section 3.32.270 Rose Bowl Area - Number of Permitted Events - to read as follows:

A. No displacement of recreational programs and accessibility to Arroyo Seco facilities shall be allowed more than 25 times in any calendar year without permission of the City Council, who must find that each additional permitted event meets all of the following requirements:

1. The additional event represent a unique opportunity that will enhance the stature of the Rose Bowl Stadium.
2. The revenue generating potential from the additional event justifies its consideration.
3. The event does not create undue conflicts with other Arroyo Seco activities taking place at the same time.
4. The event does not impose undue adverse impacts on surrounding residential areas.

B. To minimize the adverse impact on surrounding residential areas, scheduling of events at the Rose Bowl Stadium shall emphasize minimum number of events which yield the maximum amount of new revenues to the City.

5. Amend Section 3.32.360 "Rose Bowl area - alteration of Facility" to read as follows:

Except as provided herein, no user shall erect, build, install, alter or change any structure or facility in the Rose Bowl Stadium without the written approval of the City Manager. Notwithstanding any other provision of this Chapter, the National Football League, or a member team, shall be permitted to renovate the Rose Bowl Stadium in substantial conformity with the Rose Bowl Renovation Concept Design Plans, dated May 5, 2005, as modified by the Design Mitigation presented to the City Council on June 6, 2005 by City Staff, on file with the City Clerk as of June 1, 2005.

(Attached hereto)

Section 5. Rose Bowl Stadium Renovation Project Design Review.

Notwithstanding anything to the contrary contained in the Pasadena Municipal Code, design review for the Rose Bowl Stadium Renovation Project shall be conducted as follows:

1. The City Manager shall conduct staff level consolidated concept/final design review. The City Manager may consult with the Design Commission when conducting this design review. Design review pursuant to this section shall focus on whether the design is consistent with the Concept Design Plans dated May 5, 2005 as modified by the Design Mitigation dated May 9, 2005 attached hereto and incorporated herein by this reference.

2. Only the City Council by majority vote may call for review the design review decision made by the City Manager pursuant to the previous paragraph.

Section 6. Implementing actions. The City has full authority to undertake such actions as are consistent with and necessary to carry out the provisions of this measure.

Notwithstanding anything to the contrary herein, in the event that the NFL should fail to execute the Rose Bowl Renovation Development Agreement as set forth in Section 3 herein, on or before January 1, 2007, those provisions of the Pasadena Municipal Code amended in Section 4, and the provisions of Section 5 herein may be amended or repealed as the City Council of the City of Pasadena may choose.

Section 7. Severability. If any part of this measure, the Rose Bowl Stadium Renovation Development Agreement it adopts, or any of its Exhibits or Attachments (all collectively referred to as "the measure"), or its application to any situation, is held invalid by a court of competent jurisdiction, then that part is severed, and the remaining part(s) of the measure or the application of the measure in other situations, shall continue in full force and effect.

We, the people of the City of Pasadena, declare that we would have adopted the measure and each valid part of it irrespective of the fact that any other part, or application to any situation be held invalid.

Section 8. Conflicting measures. In the event that there is a measure on the same ballot with this measure which deals with the same subject matter, and such other measure is inconsistent with the terms of this measure, the measure which receives the most votes shall prevail.

(Footnotes)

¹Luxury suites to be constructed as part of the Project.

²Changes are indicated by italics. Non-italicized language indicates the language of the provision as it currently exists.

Design Concept Plans

RECOMMENDED PROJECT

EXISTING SCOREBOARD
TEMPORARY SEATING BEYOND
TEMPORARY CONCOURSE
CIRCULATION CONCOURSE

STADIUM OPERATIONS

FOOD SERVICE

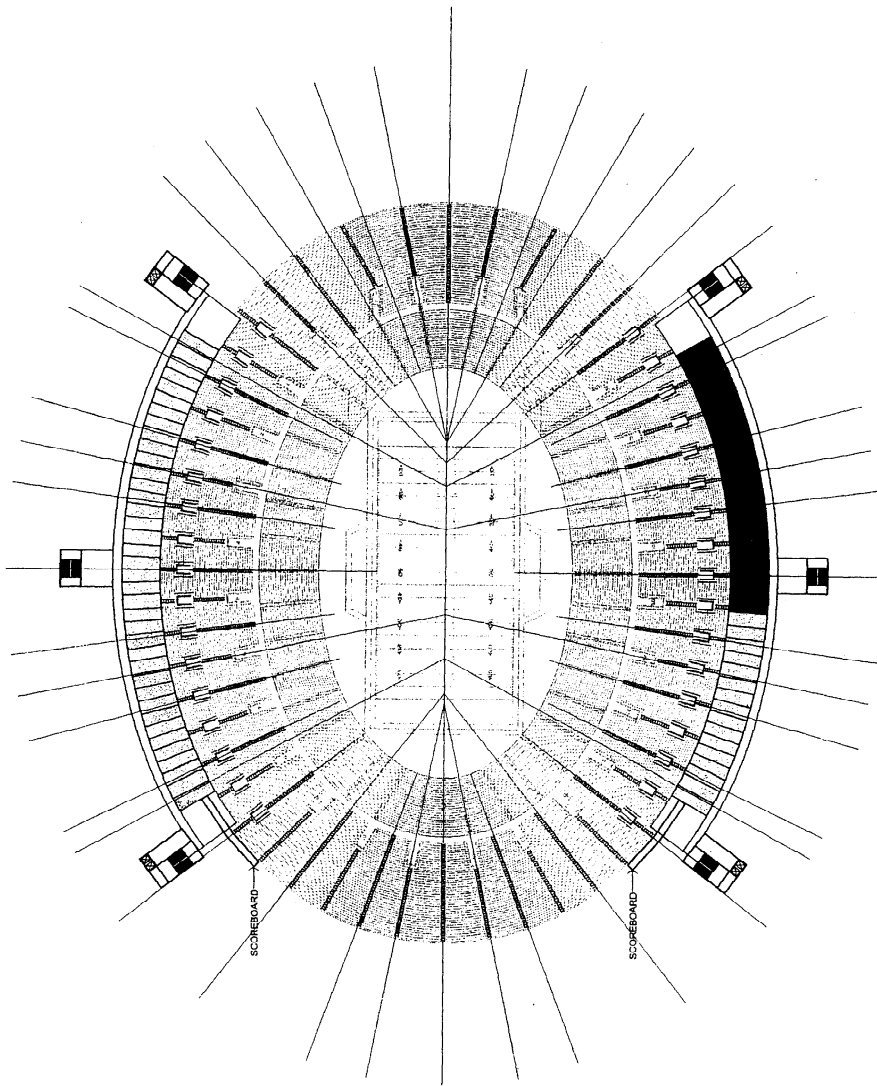
STADIUM OPERATIONS

North Endzone Temporary Seating Section

Rose Bowl Renovation
05 MAY 2005
HOK
SPORTS + RECREATION

9





Suite/Press Level 3
54 Suites

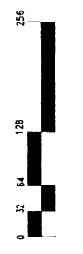
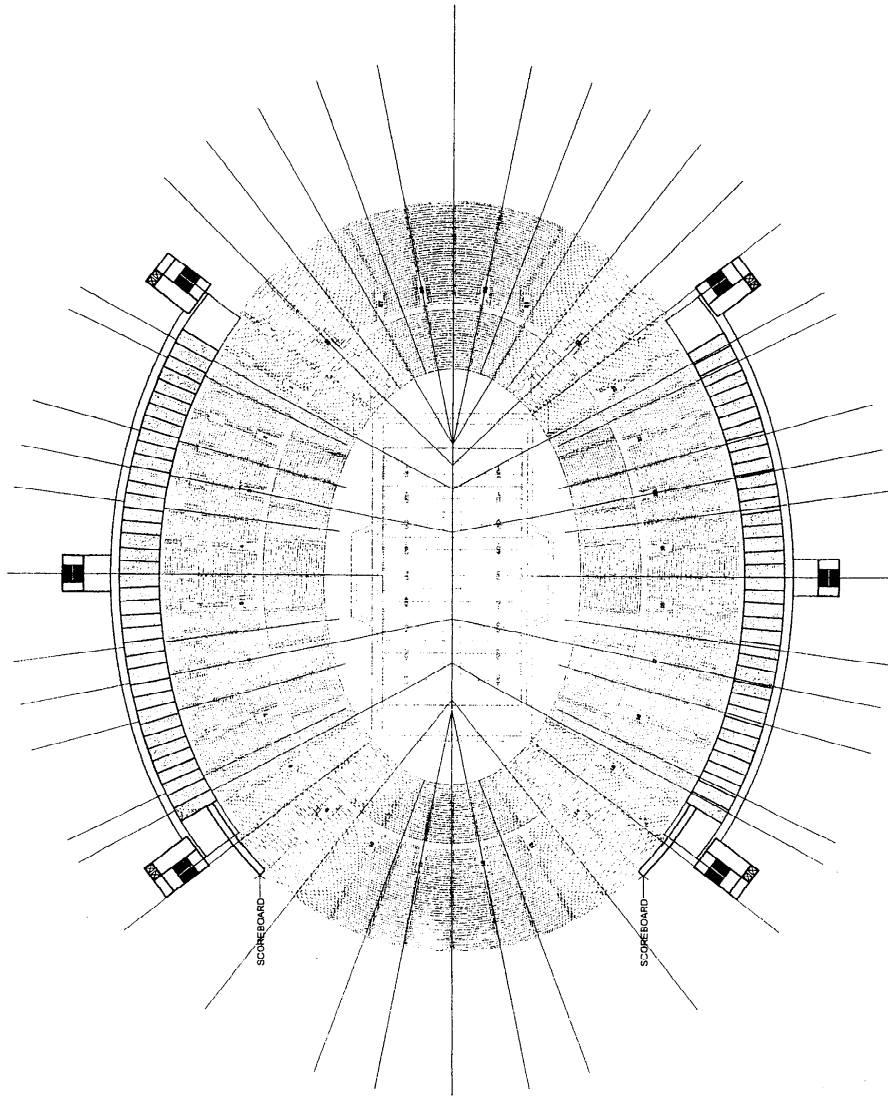
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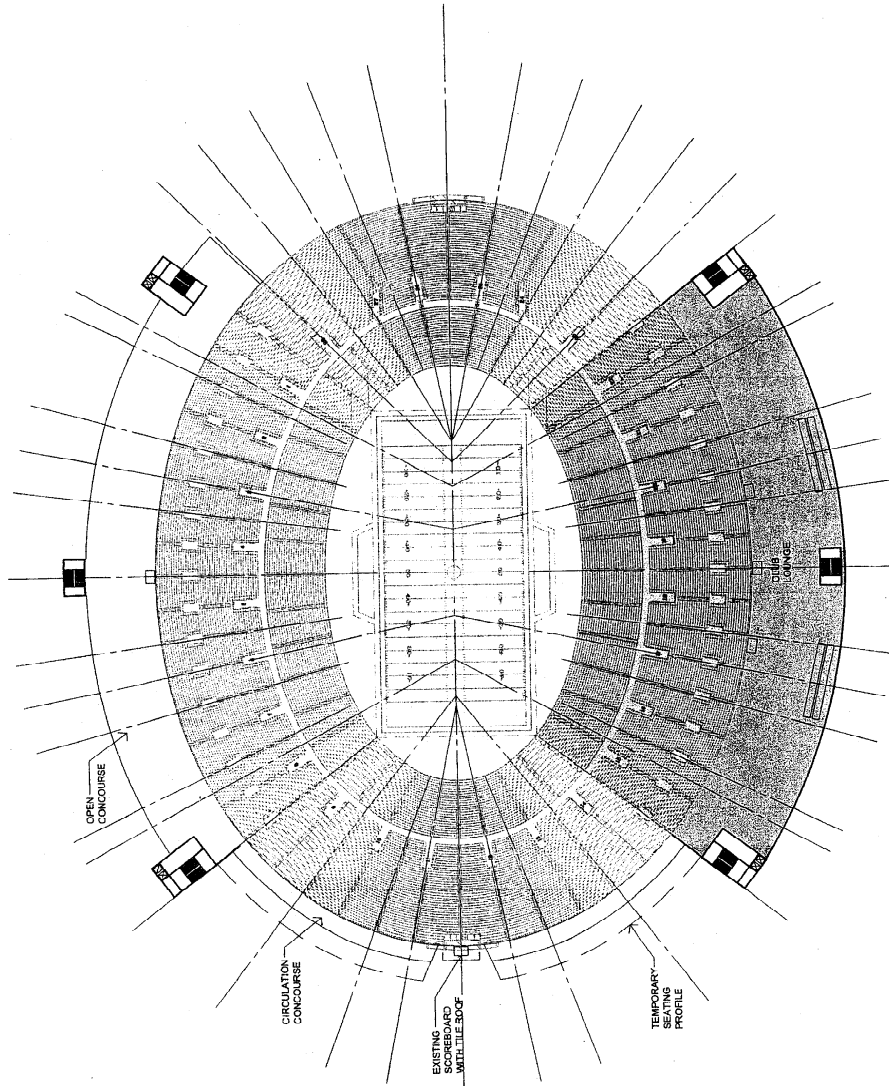
Rose Bowl Renovation

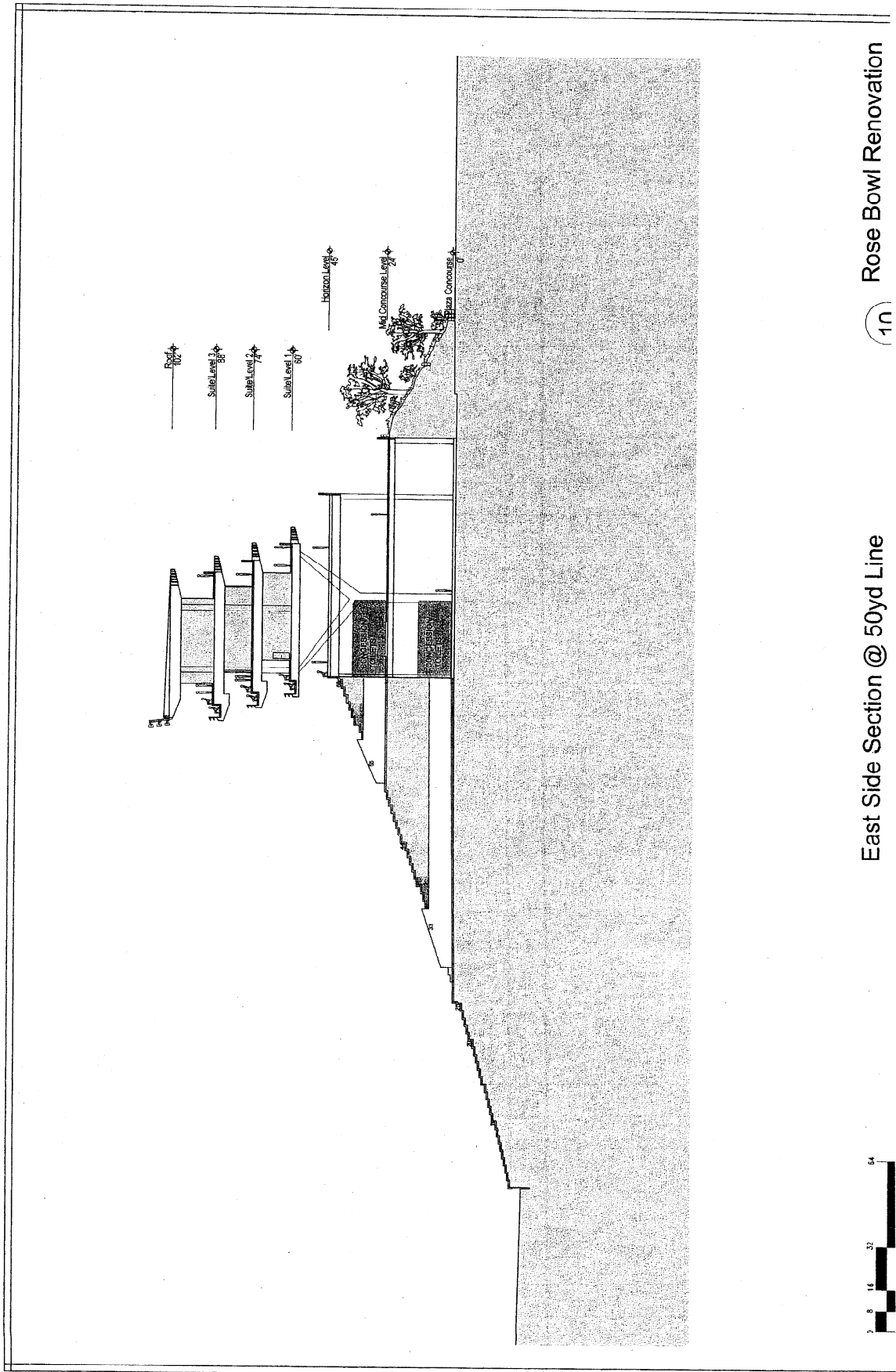


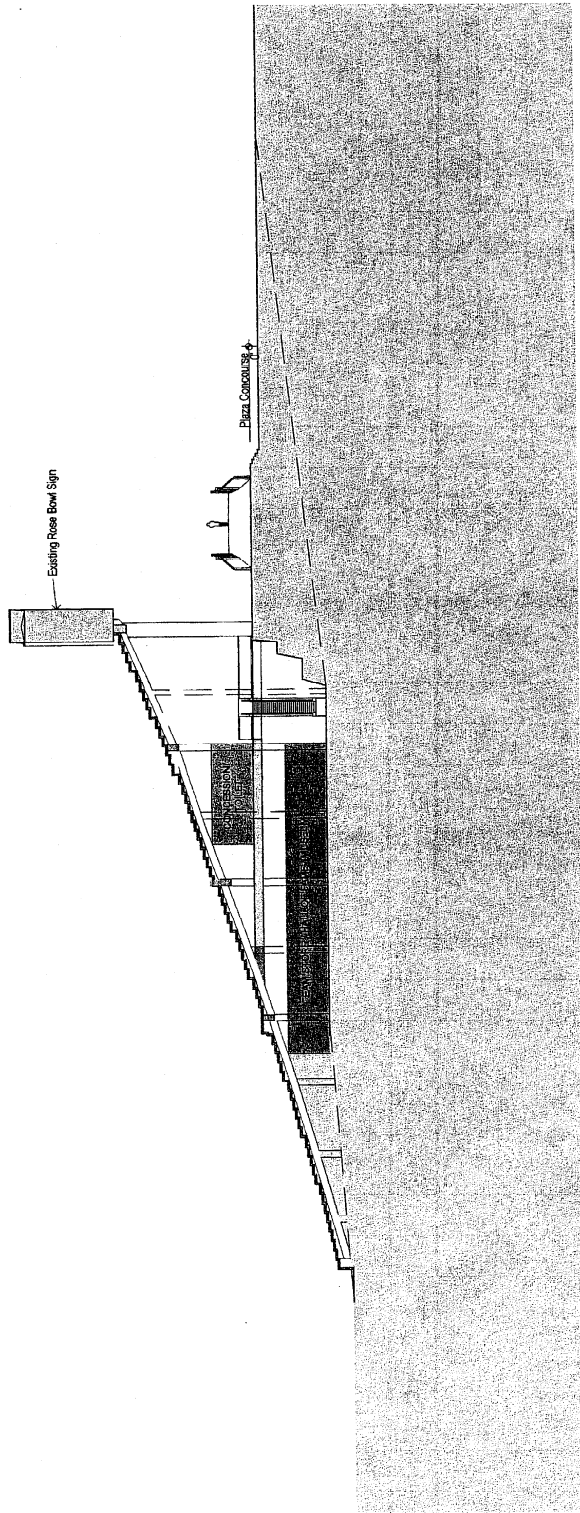
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ARCHITECTS









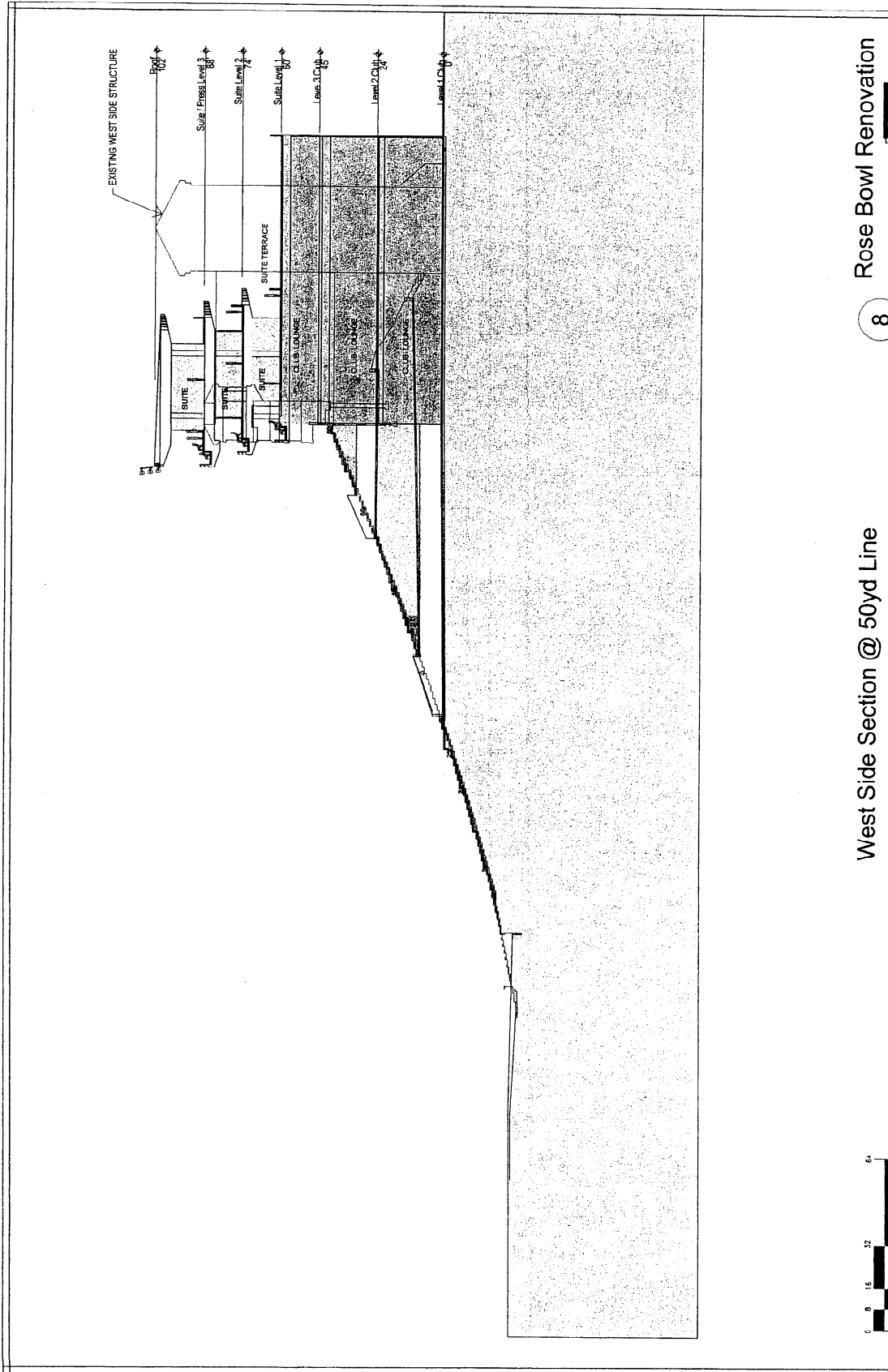
South Endzone Section

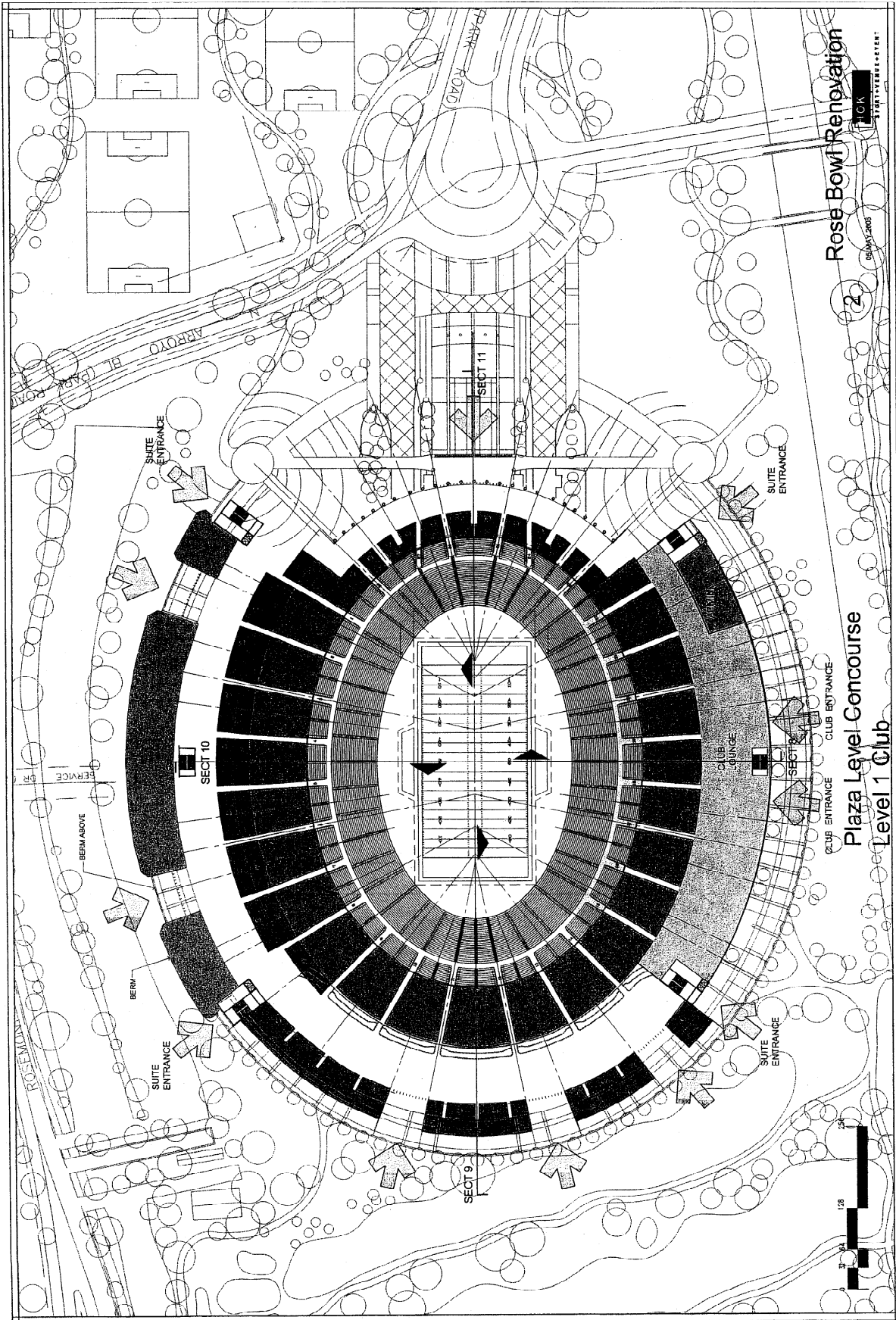


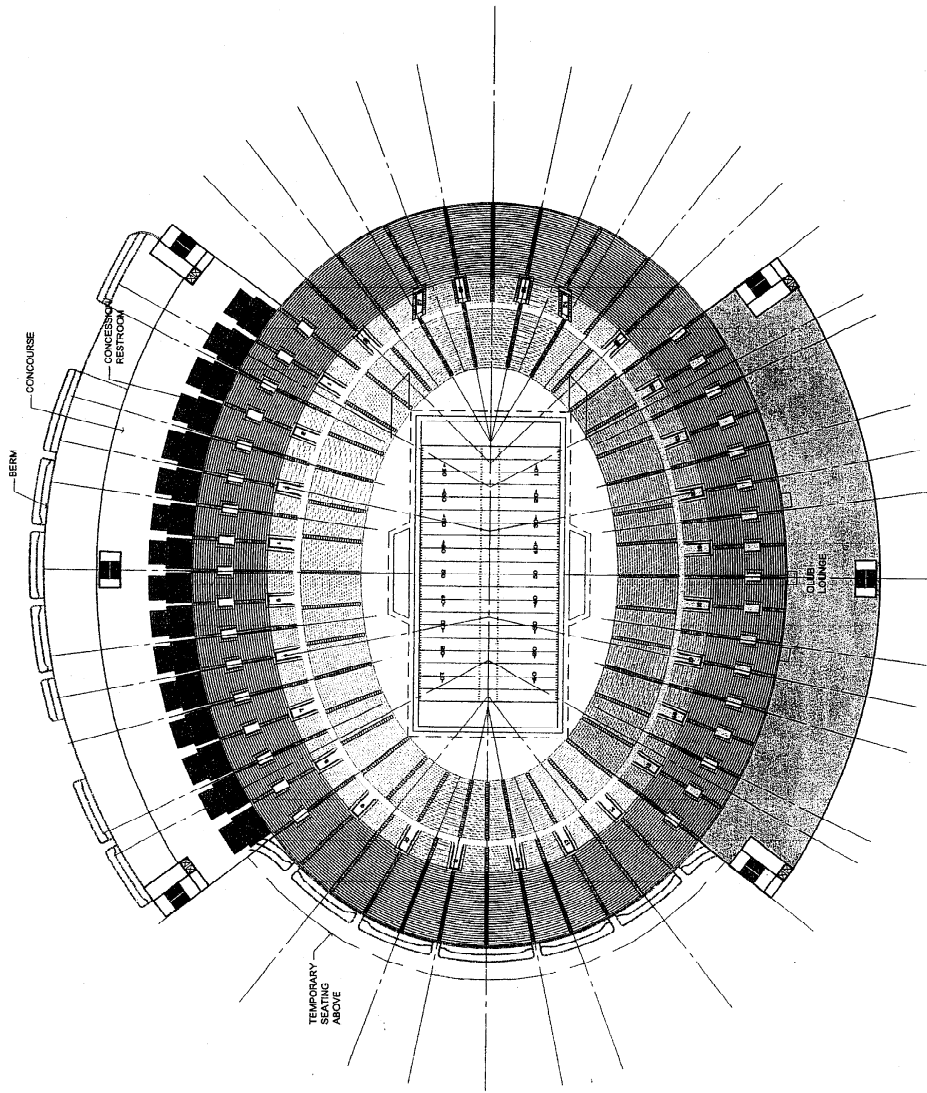
Rose Bowl Renovation
 05 MAY 2005



ARCHITECTURE FOR FEBRUARY 2008



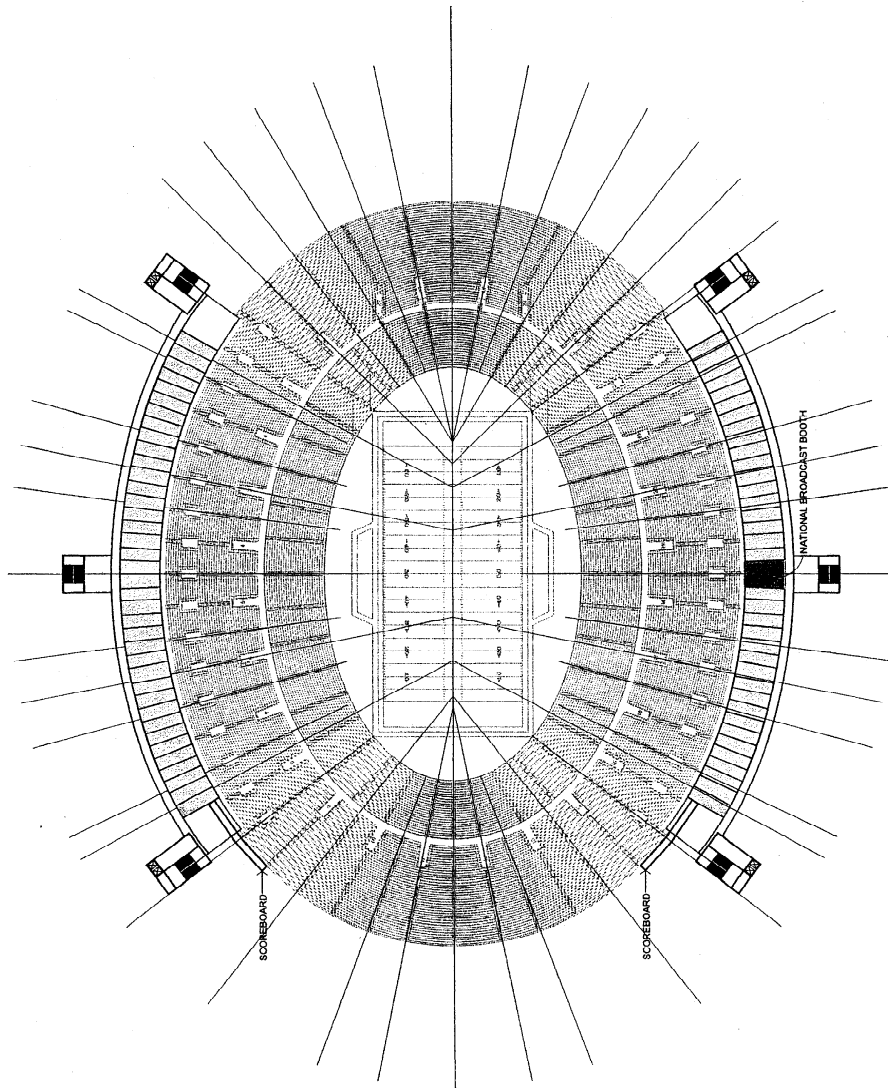




Mid Concourse

4

Rose Bowl Renovation
BY HOK



Suite Level 1
74 Suites

5

NFL PROPOSED PROJECT

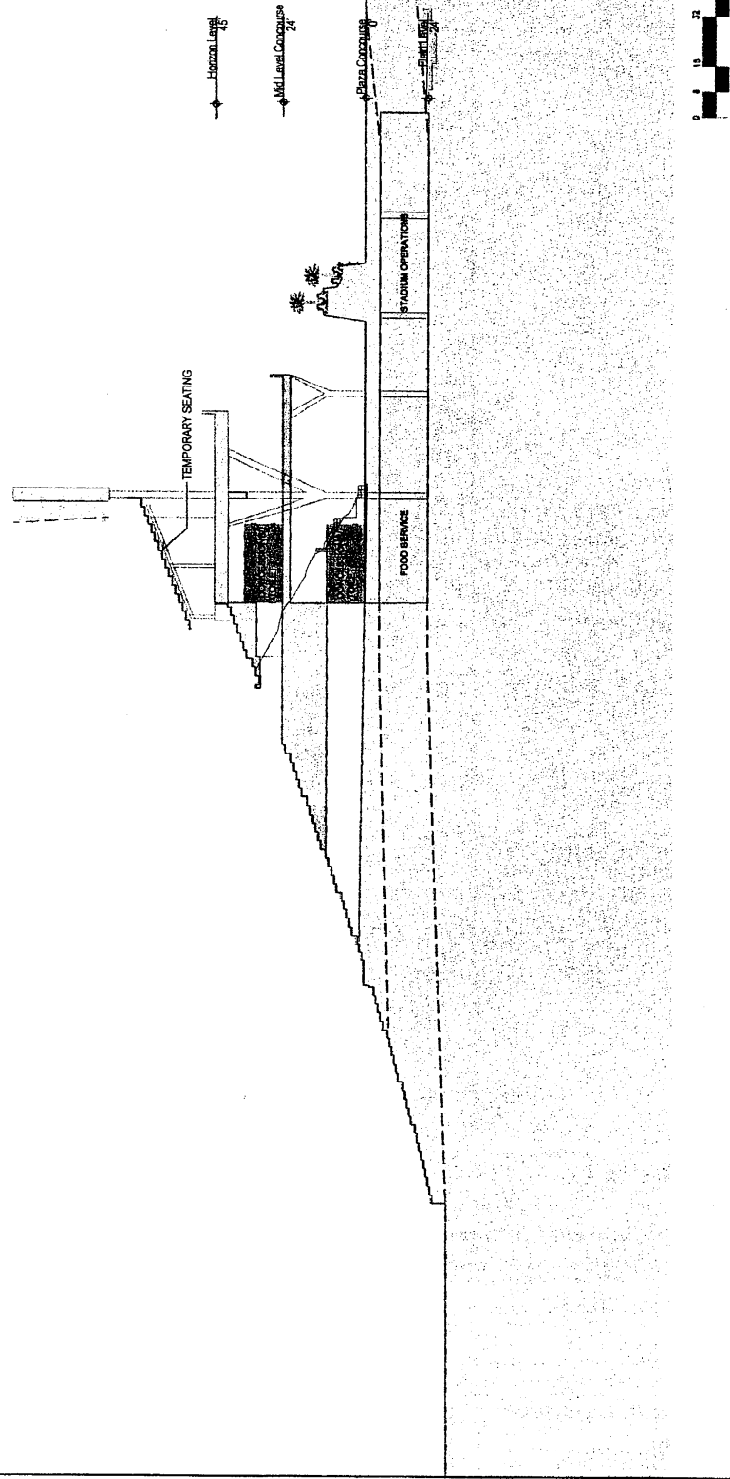
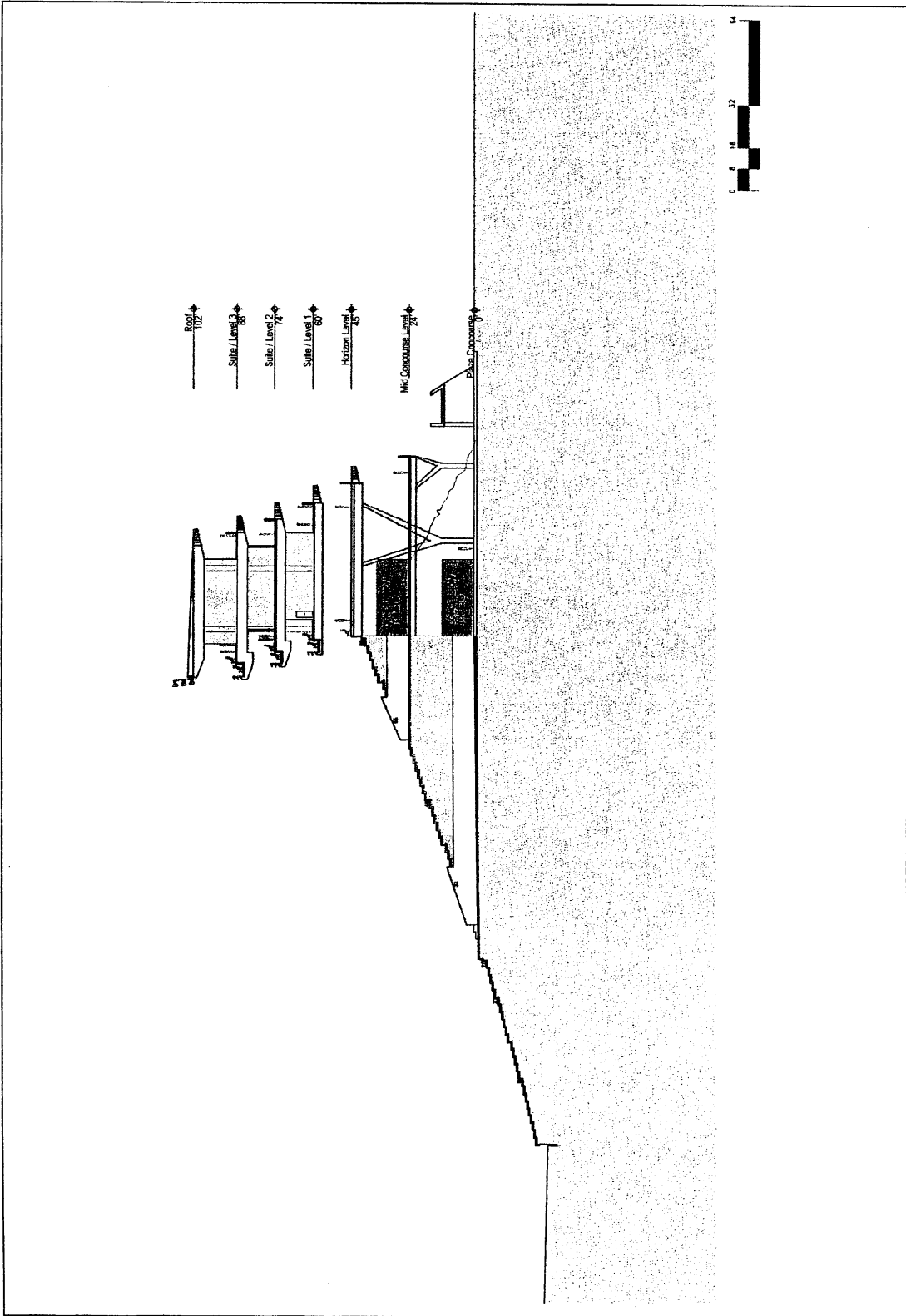


FIGURE 2-14
Cross Section of Stadium Bleachers and Temporary Seating



108338-00

FIGURE 2-15
Cut-Through Section of Stadium East Side Section at 50 Yard Line

Source: HOK, 2004

City of Pasadena

EIP ASSOCIATES

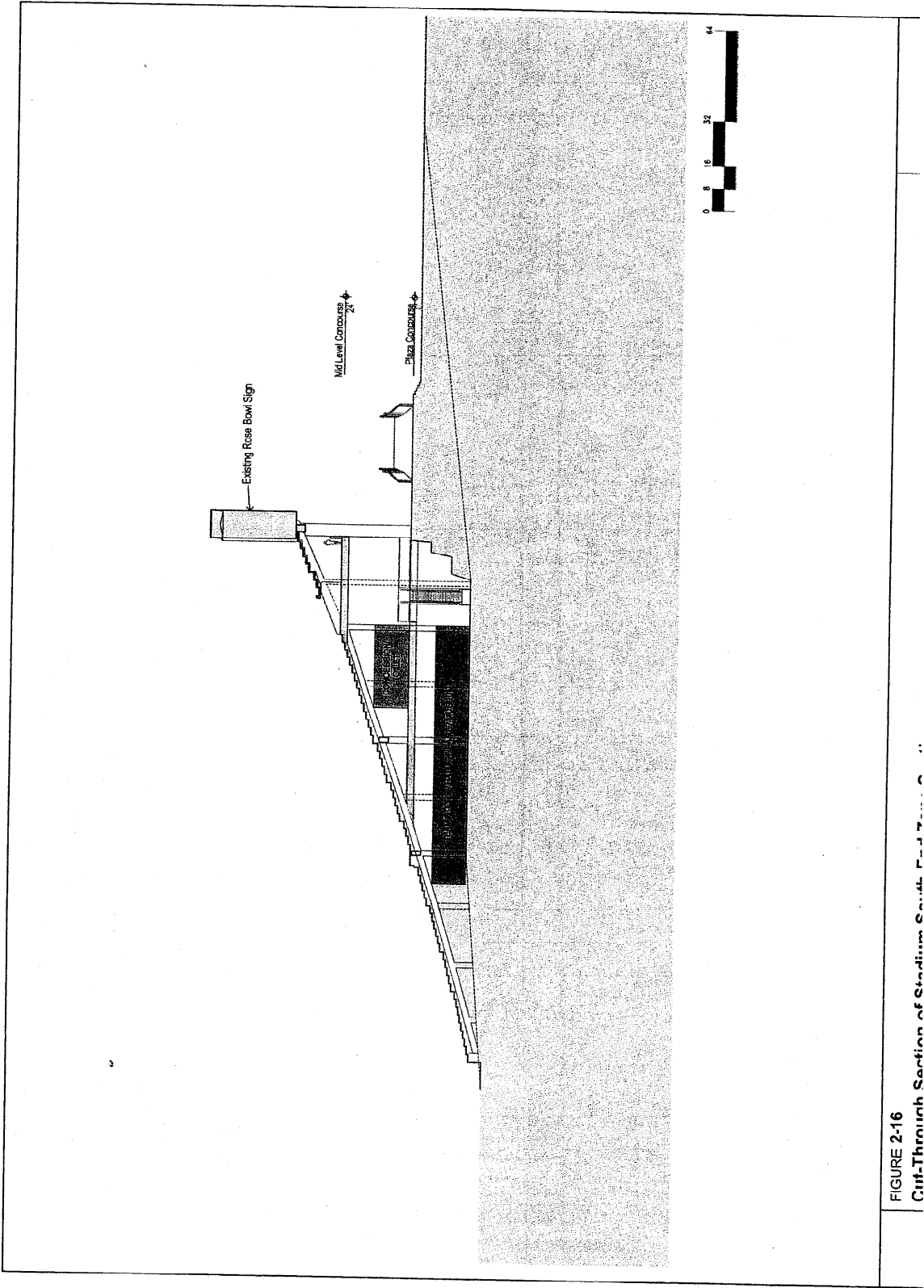


FIGURE 2-16
 Cont-Through Section of Stadium Bowl, Full Theater

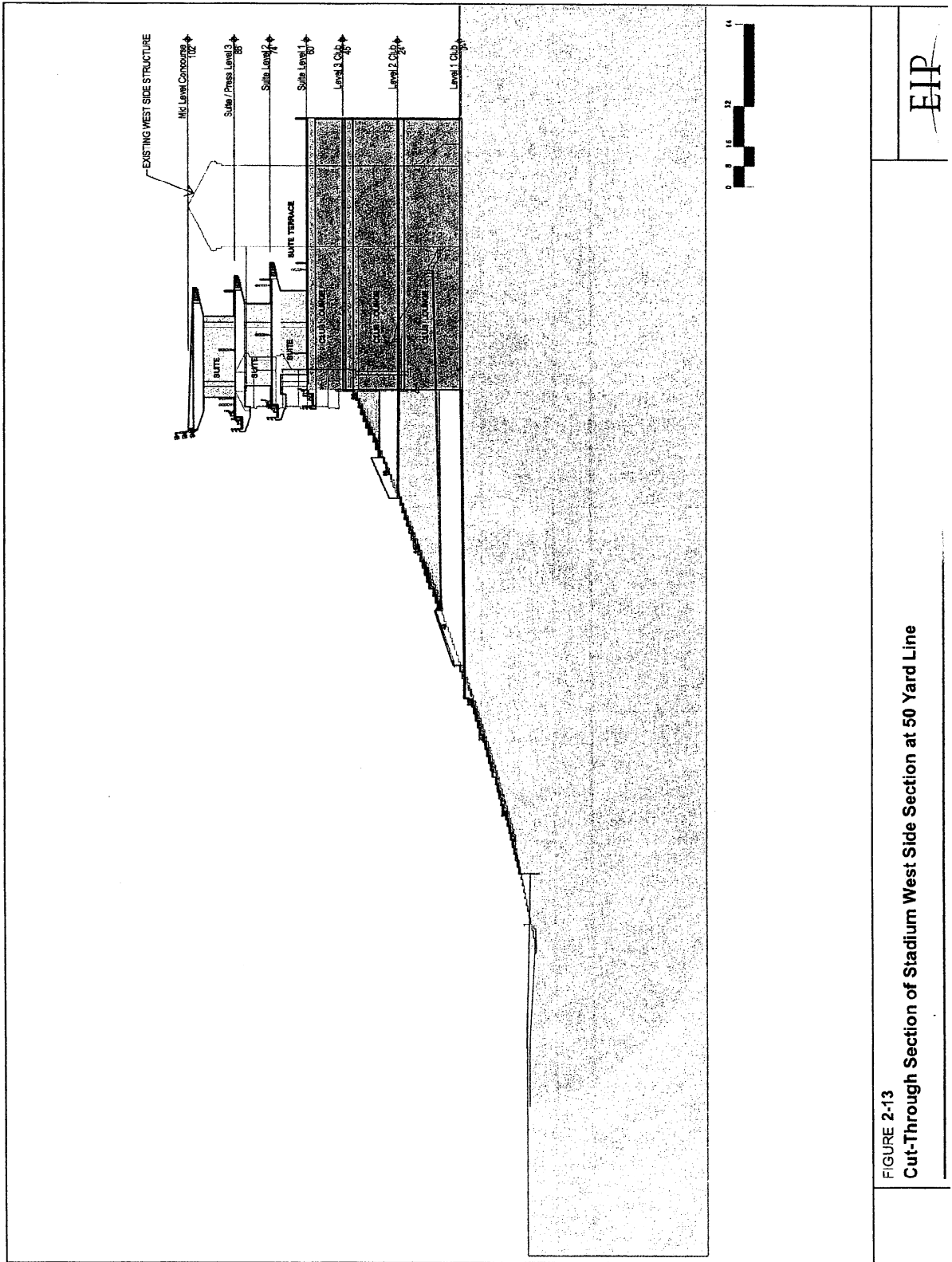


FIGURE 2-13
Cut-Through Section of Stadium West Side Section at 50 Yard Line

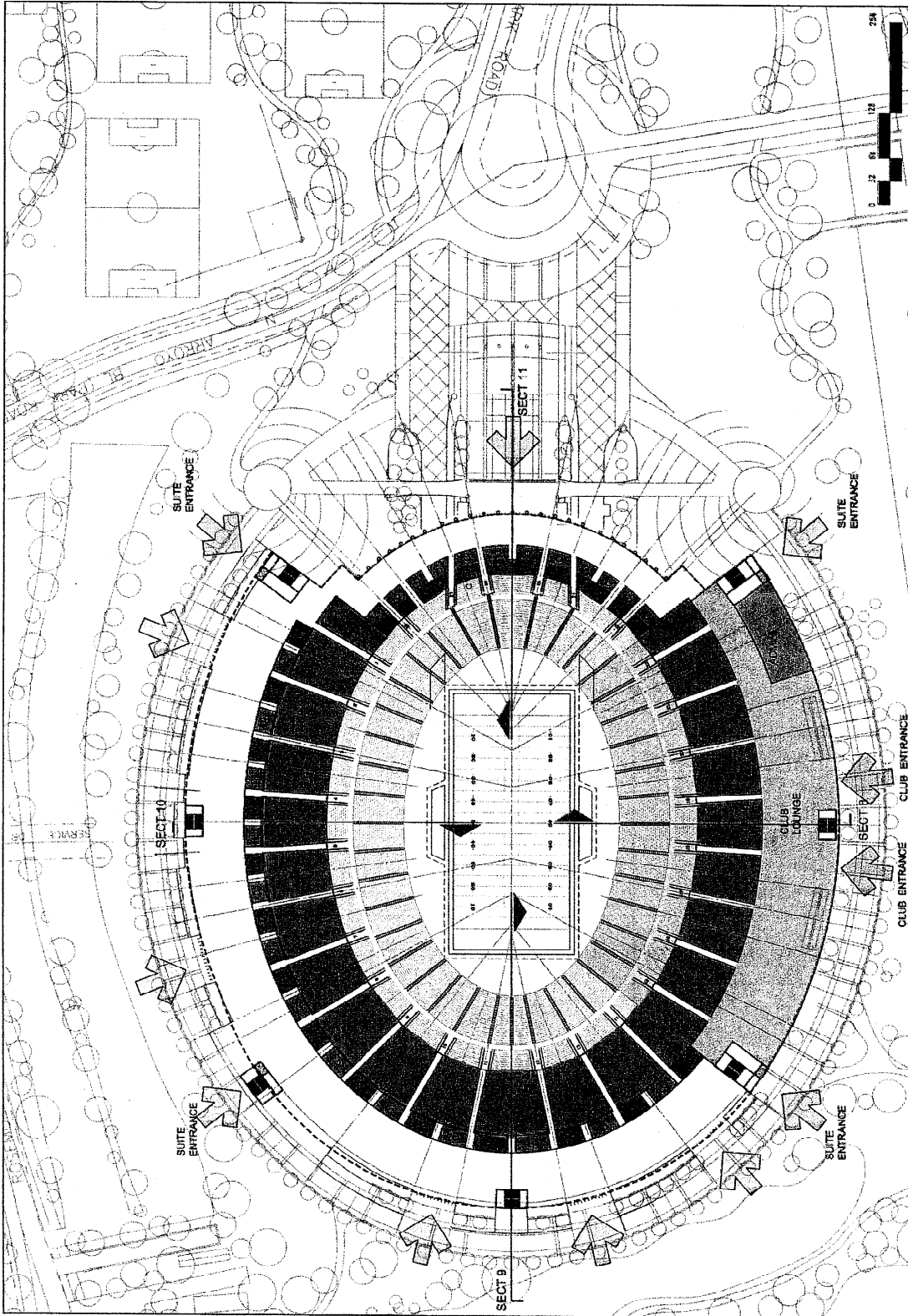


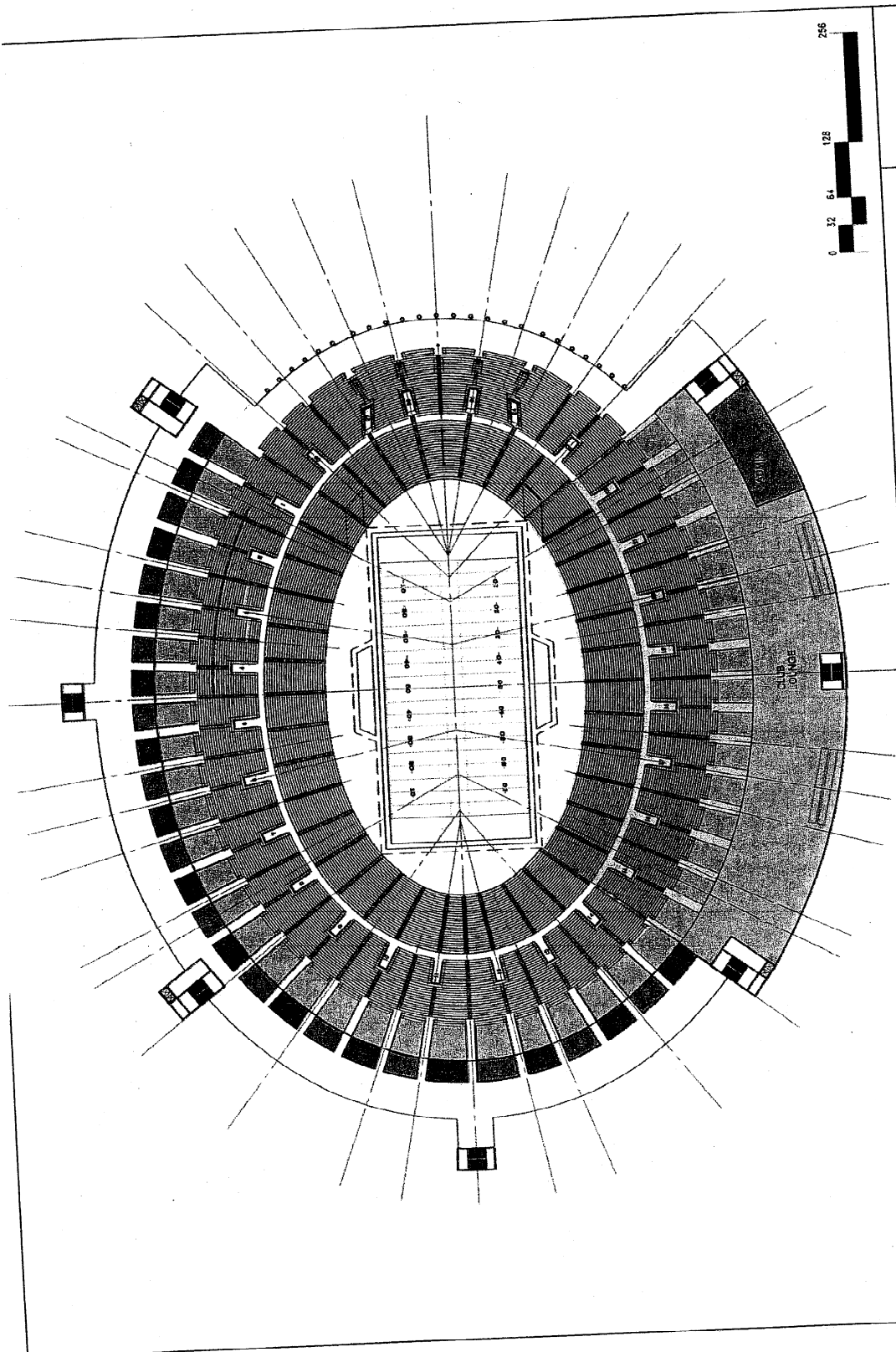
FIGURE 2-7
 Cut-Through Section of Stadium Plaza Concourse Level

Source: HOK, 2004

City of Pasadena



108338-00



EHP
ASSOCIATES

City of Pasadena

FIGURE 2-8
Cut-Through Section of Stadium Mid-Concourse Level

Source: HOK, 2004



10838-00

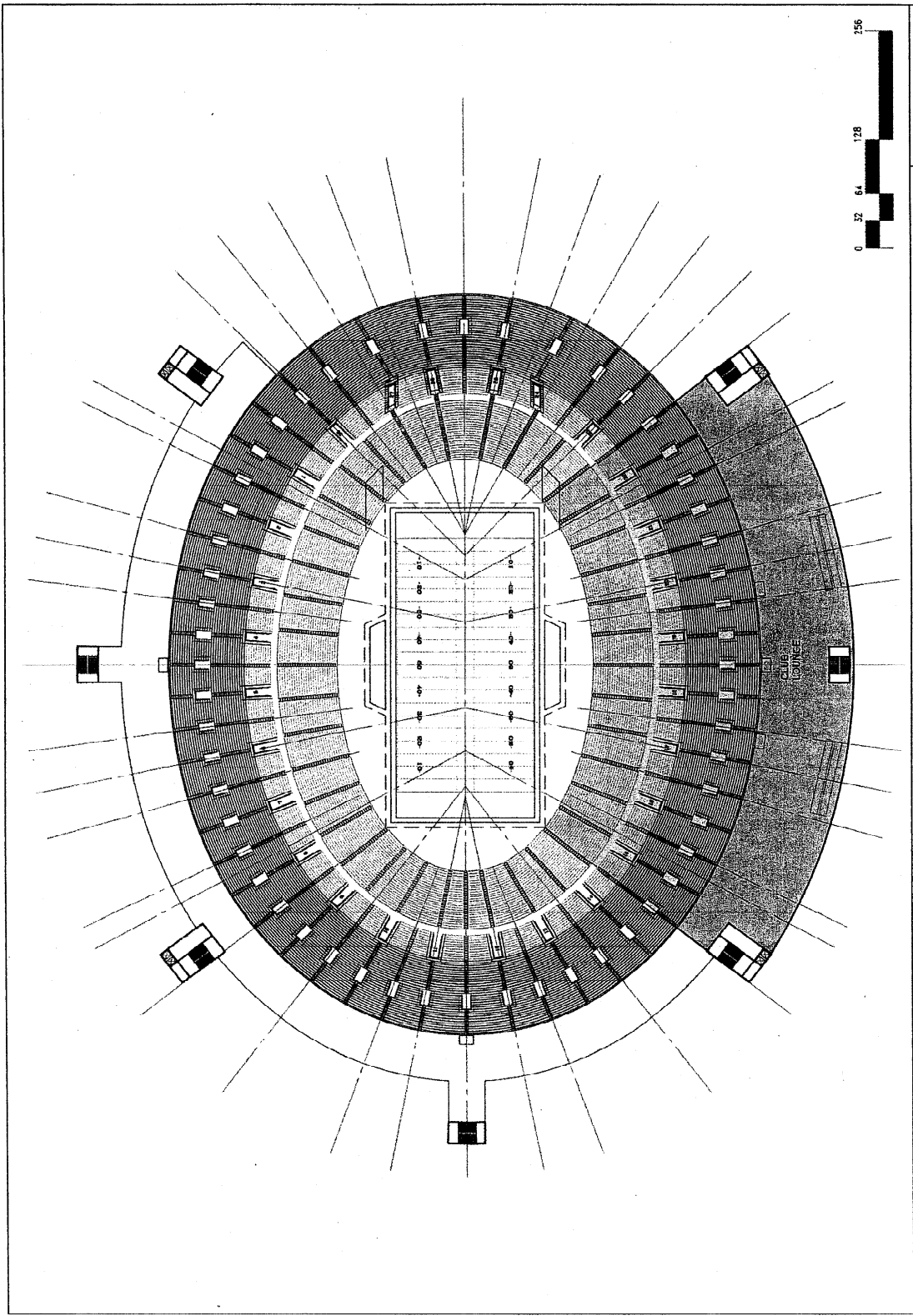


FIGURE 2-9
Cut-Through Section of Stadium Horizon Level



EHP