



Agenda Report

May 8, 2006

TO: City Council

FROM: Rose Bowl Operating Company

SUBJECT: Request for funding and approval of a work plan for the Rose Bowl Strategic Plan.

RECOMMENDATION:

It is recommended that the City Council approve the following:

1. The outline, described below, of a work plan for the Rose Bowl Strategic Plan of the Rose Bowl Stadium (assumes no new major tenant), and
2. The allocation of up to \$250,000 in City of Pasadena funds for development of the "Rose Bowl Strategic Plan".

BACKGROUND:

On June 6, 2005, there were not sufficient votes within the City Council to proceed with negotiations with the National Football League for the renovation of the Rose Bowl Stadium. The City Council approved, in concept, the allocation of up to \$150,000 in City of Pasadena funds to develop the Rose Bowl Strategic Plan that (1) would not contemplate the involvement of the NFL as a long term tenant of the stadium and (2) would identify means of achieving the RBOC's overriding goal of assuring the future financial stability of the Rose Bowl. During the discussion, the RBOC was identified as the lead agency for this project and was instructed to return to the City Council to provide an outline on how the Rose Bowl Strategic Plan would be developed.

On October 6, 2005, the RBOC requested postponement until April/May, 2006 for the development of this outline, due in part to the pending initiative, which was gathering signatures at that time.

The RBOC proposes to manage a multi-track process to develop a plan for the future of the Rose Bowl that will seek to ensure its financial stability and its continuing status as a preeminent college football stadium.

At a minimum, there are two issues that must be reviewed thoroughly. First, we will evaluate public safety enhancements that will analyze both potential improvements to evacuation of the Rose Bowl, as well as security features for the stadium. Second, the Plan will review in detail the factors necessary to enable the stadium to be competitive with other major college football stadiums throughout the country as well as other sports and entertainment venues in Southern California. Cost estimates and prospective funding sources will be an important part of the planning process.

SETTING THE STAGE

The Rose Bowl is an 83 year-old stadium with maintenance requirements that can be expected to increase each year. It operates at an annual net loss and is subsidized by revenue from Brookside Golf Course operations. The Rose Bowl has a special and historic relationship with the Tournament of Roses such that the two entities are synonymous to many in the country and around the world. The Tournament hosts the Rose Bowl game each year, which produces the largest single contribution of revenue to Rose Bowl operations, maintenance, and improvements. At the same time, the long-term relationship with UCLA is critical to the future of the stadium. The Tournament's lease with the City expires in 2019, while UCLA's lease with the RBOC expires in 2023. Without question, it is essential that the stadium is both maintained at a high level, and has features so each of our primary tenants will renew those two lease arrangements. In addition, it is vital that the Rose Bowl Stadium host the new BCS National Championship Game. There is no guarantee of that in future years, and the condition of the stadium will be an important element if the Rose Bowl is to continue to be the dominant facility for bowl games in the United States.

In these deliberations about the future of the Rose Bowl, we will ask all concerned to think outside the box, to set aside any preconceived notions of what they might like the result to be, and to take this opportunity to bring an imaginative and critical, but impartial eye to what may or may not be possible. However, we also recognize we will not be acting on a clean slate with nothing to limit our imaginations. We must take into account the physical limitations of the stadium, the historic aspects of the stadium, as well as how to pay for potential improvements identified in the Plan. The main goal of this effort is to devise a plan to insure that the Rose Bowl remains a premier football venue in the United States.

ROSE BOWL STRATEGIC PLAN OUTLINE

The three main elements of the Rose Bowl Strategic Plan Process are:

- Architecture
- Financial Analysis
- Community Outreach

The architectural portion of the Rose Bowl Strategic Plan will address the following:

Architecture

- Input from a variety of stakeholders (tenants, public safety officials, community) to develop a program for the facility.
- Development of improvement options.
- Evaluation of public safety enhancement.
- Review of current concourse and examination of opportunities to improve the circulation of the facility and the appearance of the concourse.
- Recognition of status as a National Historic Landmark and recommendations that will not jeopardize that status.
- Develop site improvements to enhance pre game and post event activities.
- Incorporating premium seating, suites and/or club areas for additional revenue.
- Incorporate new press facilities into a premium seating addition.
- Incorporate new video board technology into the stadium.
- Incorporate a museum recognizing the rich sports history of the stadium.
- Conceptual level cost estimates for options desired.

To date, there has been some initial work done by HOK Architecture, which was retained by the RBOC on a preliminary basis. This work was primarily designed to provide programmatic input by the tenants and members of the community.

Areas of concern that UCLA and the Tournament of Roses raised in their meetings with the architects included the following:

1. Public Safety
 - a. Improve access into and from the stadium, possibly modifying tunnels or adding additional access.
 - b. Redesign concourse area to achieve better crowd flow and improve service related to food service stands and bathroom facilities.
2. Improved "Functional Space"
 - a. Explore upgrading/replacing outdated Press Box to create up-to-date working press area and to provide updated suites and club seat type amenities to generate additional revenue.
 - b. Assess need for additional functional space for meetings, storage, game operations, offices and the like.
3. Parking and traffic flow/control issues.
4. Stadium lighting and sound systems, scoreboard/message board systems, and stadium advertising systems.
5. Field improvement, overall stadium look and long-term maintenance issues.

Financial

A financing plan will be developed that will evaluate the potential market demand for premium seating (luxury suites, club seats, club areas, etc.) and other opportunities that may be available to fund future capital improvement needs.

In addition, a financial analysis of the proposed renovation will be prepared that will also identify potential funding strategies such as:

- Potential private/public partnership with a third party related to premium seating
- Ticket surcharge.
- Parking surcharge.
- Contributions from the City of Pasadena, Tournament of Roses and UCLA.
- Enhanced sponsorship opportunities, including field naming rights.
- Philanthropic opportunities.

Community Outreach

A city-wide community outreach effort began at a meeting on April 5, 2006 at which community members provided their initial input to the architects. It is the RBOC's intent to invite all neighborhood associations and organizations that have expressed an interest in the Rose Bowl previously. In addition, we will request an opportunity to present the Rose Bowl Strategic Plan at each of the city council member's council district meetings.

We intend to elicit views and suggestions from the community at large on event mix, potential operational concerns and revenue enhancement opportunities in order to help fund the improvements, that emerge through discussions with officials from the Tournament of Roses and UCLA.

At the community meeting held on April 5th, the following organizations were represented:

- Orange Heights Neighborhood Association
- East Eaton Washington Neighborhood Association
- Concerned Neighbors of Mayfield School
- West Pasadena Residents Association
- Greenwood/Allen Neighborhood Association
- Flowers of Marengo Organization
- Arroyo Terrace Association
- Seco Neighborhood Association
- Pasadena Chamber of Commerce
- Linda Vista/Annandale Homeowners Association
- East Arroyo Residents Association

- Arroyo Seco Foundation
- Pasadena Heritage
- Kidspace Children’s Museum
- Rose Bowl Aquatic Center
- Friends of the Foothills
- Historic Highlands Neighborhood Association
- Montana Central Banner Block
- Villa Marengo Homeowners Association
- Bungalow Heaven Neighborhood Association
- W. D. Edison
- Pasadena Neighborhood Coalition
- Windsor/Arroyo Neighborhood Association

FISCAL IMPACT:

The following budget has been developed for the planning process.

<u>FINANCING BUDGET FOR ROSE BOWL STRATEGIC PLAN PROCESS</u>		
1. Architect		\$181,500
2. Finance	Historical analysis, market surveys, market demand and financial/ funding potential	\$ 75,000
3. Community Outreach	Printing, mailings, coordinate community outreach	\$ 35,000
4. Historic Preservation	Historic Preservation Consultant	\$ 25,000
5. Virtual Tour	Video presentation of Master Plan	\$ 25,000
6. Landscape Design	Conceptual design incorporated into Stadium design	\$ 20,000
7. Structural Engineering	Existing evaluation, design, consultation and conceptual design	\$ 50,000
8. Code Consultant	Code analysis of the existing conditions, Recommendations for future	\$ 20,000
9. Ancillary Consultants	(e.g. cost estimators, accessibility and marketing)	\$ 65,000
<u>Grand total</u>		<u>\$496,500</u>

The Tournament of Roses and UCLA have agreed to provide up to \$125,000 each for the funding of the planning effort. In addition, as indicated above, the City of Pasadena is being requested to provide up to \$250,000 for the funding of this effort, for a total budget of up to \$500,000 for the planning effort.

Respectfully submitted,

A handwritten signature in black ink, appearing to read 'E. S. Garlock', with a long horizontal flourish extending to the right.

for Edward S. Garlock
RBOC President



PASADENA TOURNAMENT of ROSES

April 12, 2006

Mr. Darryl Dunn
General Manager, Rose Bowl Stadium
1001 Rose Bowl Drive
Pasadena, CA 91103

Dear Darryl,

This will confirm our previous verbal confirmation that the Tournament of Roses, with the support of our Rose Bowl partners, stands ready to contribute 25% of the cost of the Stadium Revitalization Study, up to a maximum of \$125,000.

Please provide us sufficient expense detail to justify our outlays.

We look forward to working with you on this very important project.

Sincerely,


John M. Dorger
Chief Executive Officer

cc: Bill Johnstone
Libby Wright
Kevin Ash
Jeff Allen
Amy Wischnia
Scott Jenkins



DEPARTMENT OF INTERCOLLEGIATE ATHLETICS

April 25, 2006

Darryl Dunn
Rose Bowl Operating Committee
1001 Rose Bowl Drive
Pasadena, California 91103

Dear Darryl:

This is to confirm that as agreed upon at the meeting on April 18, 2006, UCLA Athletics will commit up to a maximum of \$125,000 toward completing the study on "Plan B". This commitment is based upon the budget attached to the April 18 agenda (dated April 19) which shows a grand total maximum of just under \$500,000. These expenses will include costs for the architect, financing, community outreach, historic preservation, virtual tour, project manager, landscape design, structural engineering, code and ancillary consultants.

If you should need any information from me, please let me know.

Sincerely,

A handwritten signature in black ink, appearing to read "Dan Guerrero", written in a cursive style.

Daniel G. Guerrero
Director of Athletics

cc: Peter Blackman, Administrative Vice Chancellor's Office
William Cormier, Administrative Vice Chancellor's Office
Ross Bjork, Athletics
Mike Dowling, Athletics
David Secor, Athletics
Ken Weiner, Athletics