



# Agenda Report

April 9, 2018

TO: City Council

FROM: Rose Bowl Operating Company (RBOC)

SUBJECT: License Agreement with AEG/Los Angeles Galaxy for Two International Soccer Matches to be Held Wednesday, July 25<sup>TH</sup> and Saturday, July 28, 2018

## **RECOMMENDATION:**

It is recommended that the City Council approve:

1. Find that the license agreements proposed herein are categorically exempt under California Environmental Quality Act (CEQA) Guidelines Section 15323 (Normal Operations of Facilities for Public Gatherings);
2. Make the required finding, pursuant to Pasadena Municipal Code Section 3.32.270, to authorize the presentation of the proposed soccer matches to be held at the Rose Bowl as displacement events;
3. Acknowledge that the RBOC Board has authorized the General Manager of the RBOC to finalize negotiations and enter into license agreements with AEG for the presentation of international soccer matches on July 25, 2018 and July 28, 2018.

## **BACKGROUND:**

The Rose Bowl has had a tremendous history of hosting international soccer at our venue, including the finals of both the men's and women's World Cups as well as the Finals of the Olympics in 1984, and COPA America in June of 2016. Our historic landmark has also hosted national teams of United States, Brazil, and Mexico. In addition, the stadium hosted the Los Angeles Galaxy (owned by AEG) as a tenant from 1996-2002. In recent years, the Rose Bowl has hosted European Club teams, specifically Barcelona, Real Madrid, Chelsea, Inter Milan, and Manchester United.

The RBOC Board has approved the framework for the hosting of these events, which would be the 17<sup>th</sup> and 18<sup>th</sup> approved displacement events of 2018, and has authorized the General Manager, to finalize negotiations in substantially the same manner (subject to Council's approval of the findings below), recognizing that the revenue streams for the RBOC will be:

- License Fee
- Admission Tax
- Concessions
- Parking
- Premium Seating
- Per ticket fee to the RBOC

Based on the deal points it is anticipated that in excess of \$300,000 will be retained by the RBOC net per match.

#### DISPLACEMENT EVENTS

The Arroyo Public Lands Ordinance (Pasadena Municipal Code Section 3.32.270) establishes guidelines and policies related to the administration of the Arroyo Seco, including the Rose Bowl. The ordinance states that the City seeks to achieve a balance between the use of the Rose Bowl and impact of such use on surrounding residential areas. To achieve that balance, Section 3.32.370 of the ordinance limits the number of displacement events to no more than 15 in any calendar year except with the permission of the City Council. In order to exceed 15 displacement events, the City Council and the RBOC must make certain findings.

These soccer matches would be the 17<sup>th</sup> and 18<sup>th</sup> displacement events in 2018. The first 16 displacement events are: Rose Bowl Game, a Mexico vs. Whales soccer match on Memorial Day, two May Taylor Swift concerts, two days of Arroyo Seco Weekend, one night of Ed Sheeran in August, two Beyoncé and Jay Z concerts on September 22<sup>nd</sup> and 23<sup>rd</sup>, and seven UCLA Games (it should be noted that is up from the usual 6 games the past few seasons). Please note that in this meeting Council is also being asked to approve Americafest as displacement event number 19.

Below are the findings and the rationale for making such findings for the potential soccer match that would represent displacement event number seventeen and eighteen. The RBOC Board has made these findings and recommends that the City Council do the same, however it is the City Council that has final approval of the findings given that these events are above the 15 authorized by the Arroyo Public Lands Ordinance.

1. "The additional events represent a unique opportunity that will enhance the stature of the Rose Bowl." The matches would be similar in terms of past international soccer matches held at the stadium. Events of this caliber would attract soccer fans from all over Southern California and the country and result in significant publicity for the Rose Bowl and Pasadena leading up to the event.
2. "The revenue generating potential from the additional events justifies their consideration." It is estimated that the events will directly generate approximately \$300,000 each (\$600,000 total) for the RBOC. In addition, the City of Pasadena would receive the economic impact as a result of the portion of sales tax and bed tax that will revert to the City and to businesses in the City.
3. "It is anticipated that these events will not create undue conflicts with Arroyo Seco activities taking place at the same time." Staff will also work closely with the Parks and Natural Resources Division of the City of Pasadena, as well as the Pasadena Police Department to best control the displacement of other activities in the Arroyo Seco.
4. "The events do not impose undue adverse impacts on the surrounding residential area." Planning and preparation will be implemented to minimize impact of the events to the surrounding neighborhoods. The Police Department and staff have been successful recently in hosting displacement events with minimal disruption.

**ENVIRONMENTAL:**

State CEQA Guidelines Section 15323 exempts from CEQA review of "normal operations of facilities for public gatherings for which the facilities were designed, where there is a past history of the facility being used for the same or similar kind of purpose." Stadiums are specifically enumerated as one of the types of activities covered by this exemption. The Rose Bowl Stadium has hosted numerous soccer games over its history. There is no indication that these soccer games will be any different in terms of environmental effects than any other soccer game hosted in the Bowl in the past. The Stadium is the quintessential facility for public gathering, and the RBOC and its staff are well versed in managing the impacts of its use for displacement events such that they are minimized to the maximum extent feasible.

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**FISCAL IMPACT:**

It is anticipated that the RBOC will generate in excess of \$300,000 from each event (\$600,000 total).

Respectfully submitted,

A handwritten signature in black ink, appearing to read 'Darryl Dunn', with a stylized flourish at the end.

Darryl Dunn  
General Manager