

Item No. 14

Tournament of Roses
Master License Agreement

Amendment No. 5





The Rose Parade

- Due to ongoing restrictions and uncertainties related to COVID-19, the Tournament of Roses has canceled the Rose Parade set to occur on January 1, 2021.
- The cancellation of the Rose Parade and the circumstances of the pandemic have legal and financial implications that require an amendment to certain provisions of the Master License Agreement between the Tournament and City.
- The COVID-19 pandemic meets the criteria for a Force Majeure event, specifically related to the conduct of the Rose Parade



Amendment to MLA Article 10- Fees, Expenses & Payments- Rose Parade

- The financial framework of the MLA requires a “Base Fee” (rent from city properties), “Expense Fee” (fees related to the staging of the New Years’ events) and other payments (community support & association gifts).
- Due to the cancellation of the Rose Parade, the Tournament will not need access to Rosemont Pavilion year-round (which was approved under Amendment 4 of the MLA). The Tournament has given notice that they wish to revert back to a six month occupancy of the facility, thereby reducing the rent collected for this facility under the “Base Fee.”
- With both parties agreeing to a Force Majeure, and without the staging of a Rose Parade, the “Expense Fee” for the parade will be zeroed out.



Amendment to MLA Article 10- Fees, Expenses & Payments

Other payments and credits considered part of the current negotiation, and required as part of the MLA include:

- > A “Community Support Gift” (\$28k paid annually on April 30);
- > A Tournament of Roses Association Gift (\$100k paid annually on September 1);
- > A \$25,000 expense credit and tickets conferred by the RBOC to the Tournament related to stadium improvements (as negotiated through Amendment 2 of the MLA).



The Rose Bowl Game

- The Rose Bowl Game is expected to occur, albeit as a fan-less event.
- The RBOC will use commercially reasonable efforts to prepare the stadium for the Game.





Amendment to MLA Article 10- Fees, Expenses & Payments- Rose Bowl Game

As the stadium is prepped so that it is game-ready under the unique conditions presented by the pandemic, the Tournament will pay game day expenses plus 1/3 of COVID related costs.

- This cost sharing structure will be honored regardless of whether or not the Rose Bowl Game is canceled.
- The TOR will continue to pay the stadium its portion of the Base Fee.
- The Association Gift (\$100,000) will be gifted to the City/Stadium, if and only if, the Game occurs.



Schedule & Date Changes Related to the Rose Bowl Game

- The MLA establishes an “Exclusive Use Period” schedule. Due to flexibility needed for the UCLA Football schedule, the Exclusive Use Period will need to be adjusted.
- The MLA also establishes dates for the submission and review of the game staging plan. Due to evolving conditions related to COVID-19, the staging plan will take on a different form and submitted at a date later than what is mandated in the MLA.



Fiscal Impact

- Should the City forego the “Community Support Gift” of \$28k as required under the MLA, the account balance for eligible projects under this fund will remain at \$96k.
- The annual base fee will be reduced by \$71,780 as a result of the change in occupancy of Rosemont Pavilion. The revised base fee for FY21 will be \$543,663.



Calculation of Fees, Expenses & Payments for Tournament/FY 2020/2021

- For Tournament Years 2020/2021 (FY21), the Fees, Expenses & Payments will adjust as follows:

	FY20	FY21	FY21 (No Game)
Annual Base Fee	\$615,443	\$543,663	\$543,663
Expense Fee**	\$1,035,380	--	--
Community Support Gift	\$28,000	--	--
Association Gift (Capital Contribution Paid to RBOC)	\$100,000	100,000	--
TOTAL	\$1,778,823	\$643,663	\$543,663



Staff Recommendation

- Authorize the City Manager to finalize negotiations for an amendment to the Amended and Restated Master License Agreement with the Pasadena Tournament of Roses Association.
 - > Agree to Force Majeure
 - > Negotiate Revised Fee, Expense & Payment Structure for Tournament Year 2020/2021 (FY21)
 - > Amend certain dates related to the Exclusive Use Period and Staging Plan submittal and review.