

Agenda Report

February 11, 2002

To: City Council
Through Economic Development and Technology Committee

From: Darryl Dunn, General Manager

Subject: License Agreement with Anschutz Entertainment Group (AEG) for the presentation of a soccer match featuring the national teams of Mexico
Saturday, May 18, or Sunday, May 19, 2002.

Recommendation

It is the recommendation of the RBOC that the City Council approve:

1. The authorization of a license agreement with Anschutz Entertainment Group for the presentation of an international soccer match featuring the Mexican national team with an option for a second date in 2002.
2. Make the required finding, pursuant to Arroyo Seco Ordinance Section 3.32.270, to authorize the presentation of a large soccer match to be held at the Rose Bowl as a displacement event(s).

Background

RBOC staff were contacted by Anschutz Entertainment Group (AEG) regarding an event featuring the Mexican national men's soccer team on May 18 or 19, 2002. In addition, AEG would like to have an option to have the Mexican national team play a second match during 2002 at the stadium.

Mexico is currently ranked # 7 in the world and has a very large fan base throughout Southern California. Also, this match will serve as a World Cup send-off for Mexico, as they will depart a few days later to the World Cup to be held in Japan and South Korea in June 2002.

The referenced event is estimated to draw a crowd 70,000 patrons. The average ticket price will be approximately \$25.00 per ticket.

The following are the tentative deal points between AEG and the RBOC:

1. The proposal includes a flat rental fee of \$100,000 payable to the RBOC.
2. For attendance over 20,000 AEG will pay the RBOC a premium of \$.75 per attendee.
3. The RBOC will retain 50% of its share of concession revenue, estimated to be a net amount of \$30,000 based on gross per capita of \$2.42 and a net per capita of \$0.86.
4. The RBOC will retain 50% of its share of paid parking revenue, estimated to be a net amount of \$68,000.
5. AEG will be given the opportunity to "buy out" Volume Services America novelty rights for this event. The RBOC will retain 50% of Volume Services America's "buy-out" fee, estimated to be at \$5,000 (amount still being finalized).
6. Income generated from the sale of suites will be shared evenly between the RBOC and AEG.

The 2-year Mitigated Declaration was recently approved by the City on 8/14/2000, and provided for an environmental review that increased the number of major events to 25 per year.

Displacement Events

The Arroyo Public Lands Ordinance 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 12 in any calendar year except with the permission of the City Council (this total may increase to 15 displacement events with 3 additional events designated for the Los Angeles Galaxy, subject to City Council approval).

During the calendar year 2002, the following are expected to be displacement events:

- The Tournament of Roses / BCS National Championship Game
- UCLA football - 6 games
- July 4th activity
- Los Angeles Galaxy soccer – 3 matches (subject to approval of the contract by City Council)
- Gold Cup (Men's) Soccer Tournament – 6 dates, although 4 dates were in excess of 20,000 attendees
- Wango Tango Concert – 1 day

Hence, the event(s) involving the Mexican national team will be the 17th and possibly the 18th displacement events of 2002.

In order to be acceptable, the City Council and the RBOC must find that each additional permitted event meets all of the following requirements.

1. "The additional event represents a unique opportunity that will enhance the stature of the Rose Bowl." The national team of Mexico is considered to be a lucrative soccer event and is an opportunity for the Rose Bowl and the City of Pasadena to send a message to international, exhibition soccer promoters that the RBOC is a competitive and viable venue. This event will provide the Rose Bowl and Pasadena with extensive publicity throughout Southern California leading up to and during the game.
2. "The revenue generating potential from the additional event justifies its consideration." It is estimated that this event will generate an estimated \$100,000 for the RBOC. Adding to this economic impact is the portion of sales tax that will revert back from the State of California to the City of Pasadena and the employment opportunities that will be created as a result of this tournament.
3. "It is anticipated that this event will not create undue conflicts with Arroyo Seco activities taking place at the same time." Staff will work closely with the Parks and Natural Resources Division of the City of Pasadena's Public Works Department, as well as the Pasadena Police Department to best control the displacement of other activities in the Arroyo Seco.
4. "The event does not impose undue adverse impacts on the surrounding residential area." Planning and preparation will be attempted to minimize impact of this event to the surrounding neighborhoods. The Police Department will take the lead in preparing a traffic plan that will include measures to prevent traffic from congesting neighborhood streets. Neighborhood notification will be provided at least thirty (30) days prior to the event.

Environmental Impact

As mentioned above, the 2-year Mitigated Declaration was recently approved by the City on 8/14/2000, and provided for an environmental review that increased the number of major events to 25 per year.

The study found possible environmental impacts in the areas of Water Quality, Air Quality, Transportation and Circulation and Noise. Water Quality would be impacted if an event requiring grading takes place, such as a World Supercross Series (motorcycles). The Initial Study and Mitigated Declaration contain mitigation measures for water and air quality, transportation and circulation and noise.

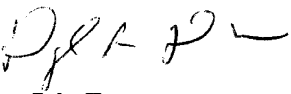
Suspending Section 9.36.220 (amplification sound regulations) and 9.36.230 (general noise sources of the Noise Restrictions Ordinance of the Pasadena Municipal Code (PMC) is categorically exempt from the California Environmental Quality Act (CEQA)

under CEQA Guidelines Section 15323 Normal Operations of Facilities for Public Gatherings.

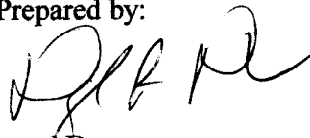
Fiscal Impact

Please see attached schedule. Based on an attendance level of 70,000, it is estimated that the RBOC will net approximately \$105,000.

Respectfully submitted by:


Porfirio Frausto
President

Prepared by:


Darryl Dunn
General Manager