



OFFICE OF THE CITY MANAGER

November 18, 2002

TO: City Council

FROM: City Manager

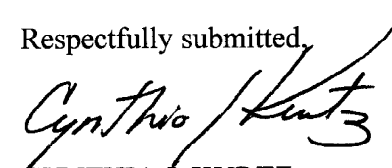
SUBJECT: Tournament of Roses Contract Amendment – Additional Recommendation to Reopen Post Parade Discussion for Future Years

In addition to the recommendations included in the attached report, it is recommended that the City Council:

- Authorize the City Manager to reopen negotiations with the Pasadena Tournament of Roses Association following this year's events to discuss post parade for future years.

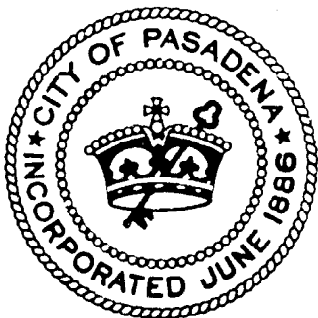
Staff believes that additional discussion regarding future post parade operations may be beneficial and would like the opportunity for further discussion of schedules, parking, tickets and overall management. Additional discussion with the Tournament of Roses will be limited to these post parade issues only, as staff believes all other issues have been satisfactorily resolved at this time.

Respectfully submitted,


CYNTHIA J. KURTZ
City Manager

11/18/02

5.A.1.



Agenda Report

TO: City Council
THROUGH: Economic Development & Technology Committee
FROM: City Manager
SUBJECT: Tournament of Roses Contract Amendment

November 18, 2002

RECOMMENDATION

It is recommended that the City Council authorize the City Manager to enter into an amendment of the Master License Agreement with the Pasadena Tournament of Roses Association according to the proposed modifications described both in this agenda report and in the attached redlined contract document.

BACKGROUND

The City of Pasadena and the Pasadena Tournament of Roses Association (TOR) entered into a Master License Agreement (MLA) effective July 1, 1994. The MLA runs through June 30, 2019. Since implementing the current MLA, numerous issues have arisen that have required clarification from both parties. Because of this, City staff, Rose Bowl staff and representatives from the TOR have met to develop clarifying language.

Those sections that specifically relate to the use of the Rose Bowl and its surrounding areas have been addressed by the Rose Bowl Operating Company (RBOC) General Manager and have been submitted to the RBOC for approval. They are being presented for City Council approval under separate cover. Issues relating to the use of other City facilities as well as parade and post-parade activities are discussed below.

As a tool to assist in the negotiation process, the parties have developed a redlined contract which proposes some rough contract language within context. The redlined contract is presented to City Council in order to provide that same context; however, the attorneys for both parties will need to fine tune the language in the course of some further discussions. Staff is requesting concept approval so that specific contract language can be developed which is consistent within those approved concepts. Further City Council approval would not be required unless there is a material change in the deal points as presented herein.

DISCUSSION

The recommended modifications do not change the relationship between the City and the TOR. Instead, they provide further clarity regarding each party's responsibilities, guarantee the all appropriate costs are covered, strengthen the language and process for dealing with unanticipated expenses and update rent figures consistent with the July 1, 1994 MLA.

Specifically,

1. All references to the Foundation have been removed. The requirements under the original MLA to provide funding to the Foundation have been met.
 2. In the original MLA, the TOR was to share with the City a portion of excess revenues as defined in the MLA. The original language contained some ambiguities and there was no consistency in the City receiving any funds. In some years the City received as much as \$75,000 while in other years the City received no funds. Because of this uncertainty, the City never relied upon these funds to support the annual operating budget. Under the recommended amendment, the TOR will provide the City with an annual "Community Support Gift" in an amount to be mutually agreed upon, but not less than \$28,000 (the average annual received to date). The specific project to be funded will be selected by the TOR from a list of approved capital improvement projects for a park needing funding and incorporated in the City's adopted Capital Improvement Plan.
 3. The revised MLA incorporates reference to Jackie Robinson Stadium being one of the properties used by the TOR. Previously the use of this facility was captured under a separate agreement.
 4. The revised MLA recognizes the possibility that Game Day and Parade Day may be different days.
 5. Emphasis has been added to the MLA regarding the use of the annual Staging Plan. This is the document that not only spells out the events and their respective scope, but also influences the City's costs associated with supporting these activities.
 6. The City currently receives 2,100 tickets to the Grandstand Site for the parade. Language has been added to the MLA to clarify that there is a link between the value of the tickets and the value of the seat tax that is waived by the City on seats specifically distributed by the TOR. Seats that a sold by third party vendors about still subject to the seat tax. In addition, acknowledgement has been incorporated into the MLA regarding possible changes in the Building Code that could affect the number of seats the TOR may construct. If this occurs, the number of tickets awarded to the City would be reduced to 2024.
 7. All rental rates paid by the TOR to the City have been updated to reflect a new market study. Authority has also been granted to the City Manager to credit costs incurred by the TOR for structural improvements the TOR makes to City buildings.
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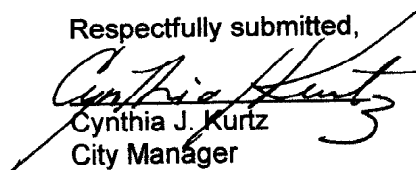
8. Regarding expenses relating to the parade and game, the base fee has been updated to reflect 2002/2003 rates. In addition, the section regarding "Supplemental City Expense" has been rewritten to remove the confusion regarding the City's entitlement to further reimbursements from the TOR and how to deal with the situation where there is disagreement between the parties.
9. Since the City pays the premium on the property insurance policies, the City will now have the authority to increase the deductible above the \$50,000 level in the original MLA. The City will assume the obligation to pay the deductible amount above \$50,000 should the City invoke this provision.
10. The provisions in the original MLA provided the TOR and the City with the right to terminate the use of any City facility upon a two year notice. The revised language permits the TOR or the City to terminate the use of any City facility with a six month notice.
11. Language has been added that specifies the number of days for each event (see attached schedule).

The remaining changes have no material impact on the terms and conditions of the contractual obligations of the City or TOR, but rather provide further clarity.

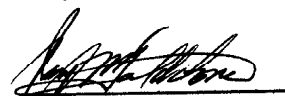
FISCAL IMPACT

The recommended amendments to the Tournament of Roses contract will have no material financial impact on the City. While clarity has been added in numerous areas, the core financial terms included in the original MLA remain in place or have been updated to reflect fiscal year 2003 obligations. Under the terms of the prior agreement, rental rates for City Facilities have been adjusted, resulting in an additional \$199,830 to the City.

Respectfully submitted,


Cynthia J. Kurtz
City Manager

Prepared by:


Jay M. Goldstone
Director of Finance

