



# Agenda Report

**TO:** CITY COUNCIL **DATE:** MAY 8, 2006

**FROM:** CITY MANAGER / CITY ATTORNEY

**SUBJECT:** RESPONSE TO QUESTIONS REGARDING INITIATIVE  
PETITION: "PROPOSAL FOR THE NATIONAL FOOTBALL  
LEAGUE RENOVATION OF THE ROSE BOWL STADIUM FOR  
PROFESSIONAL FOOTBALL USE"

**RECOMMENDATION:**

This report is for information only.

**BACKGROUND:**

On April 10, 2006 the Pasadena City Council was presented with a report stating that the initiative petition titled "Proposal for the National Football League (NFL) Renovation of the Rose Bowl Stadium for Professional Football Use" (the Initiative) had qualified for the ballot. Pursuant to the California Election Code Section 9214, the City Council requested a report on the effect of the proposed initiative, to be presented to the City Council within 30 days.

The attached report includes: a.) responses to the questions specifically asked by City Council; b.) both the previous and updated pro formas for the Rose Bowl with and without the NFL; and c.) a term sheet outlining the negotiating parameters adopted by City Council and the terms proposed by staff and now incorporated into the Initiative. Transmitted separately is an independent review of the updated pro forma from Deloitte Financial Advisory Services as requested by City Council.

Also attached is a memorandum from the City Attorney responding to legal issues as well as a memo prepared by the law firm of Bell, McAndrews and Hiltachk.

**FISCAL IMPACT:**

This is an informational report only.

Respectfully submitted,



CYNTHIA J. KURTZ  
City Manager



5/04/06

*for* MICHELE BEAL BAGNERIS  
City Attorney

**Response to Questions Regarding Initiative Petition:**

***“Proposal for the National Football League Renovation of the Rose Bowl Stadium for Professional Football Use”***

May 8, 2006

On April 10, 2006 the Pasadena City Council was presented with a report stating that the initiative petition titled “Proposal for the National Football League Renovation of the Rose Bowl Stadium for Professional Football Use” (the Initiative) had qualified for the ballot. Pursuant to the California Election Code Section 9214, the City Council ordered a report on the effect of the proposed initiative, to be presented to the City Council within 30 days. Staff was directed to prepare responses to the questions listed below. Much of the data provided below was excerpted from the Environmental Impact Report (EIR) prepared in April, 2005. In addition, a term sheet is attached outlining the negotiating parameters adopted by City Council and the terms proposed by staff and now incorporated into the Initiative.

**I. FINANCIAL INFORMATION**

**Who is responsible for any construction costs over \$500 Million?**

The NFL is responsible for all construction costs regardless of overruns, delays, or any other factors that may increase costs.

**Update the pro forma used in closed session with particular attention to any changes due to NFL revenue sharing agreement and increase in construction prices.**

In June 2005 the City Council was presented a pro forma for the Rose Bowl Operating Company with and without the proposed deal with the National Football League, a copy of which is attached as Exhibit 1. The attached Exhibit 2 is an update to the prior pro forma. The following outlines the differences between the pro forma provided to City Council in June 2005 and that being provided at this time.

The prior pro forma had assumed that were the city to conclude an agreement with the NFL it would not be necessary to issue bonds for the construction of locker rooms and media center and that existing bonds would be serviced until fully amortized. Now that the new bonds have been issued (in the amount of \$14,600,000) the associated debt service must be factored in which affects both the “NFL” and “No NFL” scenarios. This item accounts for the greatest variance between the prior and current pro formas. Specifically, the total net benefit to the city with the NFL is reduced from \$68.74 million as projected in June 2005 to \$43.55 million. All other NFL related revenues (e.g. construction tax, sales tax, TOT, possessory interest tax) remain unaffected. In regard to the recent bonds it should be noted that an agreement with the NFL may affect the tax-exempt

status of the bonds resulting in higher debt service. It should also be noted that in the non-NFL scenario, no other substantial capital improvements to Rose Bowl are provided for through 2023.

In the "No NFL" scenario Administrative Expenses of the RBOC have been reduced based on more recent projections. Council may recall that at the time the new debt service was issued for the Rose Bowl locker room and media center project, Rose Bowl staff indicated that reductions in administrative expenses were identified which were expected to cover the higher than originally projected debt service. The "NFL" scenario had always assumed a very significant reduction (85%) in administrative expenses.

In the "No NFL" scenario stadium capital maintenance has been projected at \$550,000 in fiscal year 2007 and increasing each year thereafter by 3%. The original analysis held the \$550,000 constant. Staff feels it is more appropriate to include an adjustment for inflation.

Golf Course revenues have been adjusted downward based on more current projections. Investment Income, from idle cash pooled with city funds has been adjusted downward from \$80,000 to \$50,000 based on more current projections. Miscellaneous Income has been adjusted upward to reflect income from the rental of one extra cell site and additional parking related revenue. The NFL revenue sharing agreement does not impact the pro forma. Increases in construction cost would increase one-time construction tax revenues as well as on-going possessory interest tax. Based on the revised pro forma, net revenue to the City/RBOC with the NFL, is \$43,550.832 versus \$-2,356,495 without the NFL. Transmitted separately is an independent review of the updated pro forma from Deloitte Financial Advisory Services.

## **II. WHAT ARE THE IMPACTS AND WHO WILL PAY FOR ASSOCIATED IMPROVEMENTS IN THE FOLLOWING AREAS?**

While there are impacts during the additional 13 days that displacement events could occur, the initiative would also reduce the capacity of the Rose Bowl from its current seating capacity of 92,000 to 65,000 for most large events with the potential to increase capacity on special event days to 75,000 seats.

### **Schools**

There is not expected to be an impact on the number of schools or need for school facility improvements as a result of an NFL team coming to Pasadena. Increased demand would be a result of increased population due to employment or other related changes. It is anticipated that employment for the construction and operation of a renovated stadium would be drawn from the existing Pasadena work force.

## **Traffic and Transportation**

The proposed agreement allows for 25 major events at the Rose Bowl each year. This is 13 more than allowed in the Arroyo Seco Ordinance today. The transportation impacts are the result of the 13 additional events. Consequently, significant physical improvement measures or changes to the region's transportation network were not considered necessary and were not recommended.

Neither is there projected to be a substantial increase in the demand for alternative transportation services except temporarily during high-attendance events, and would not interfere with existing or planned transit routes. A specific evaluation of the existing shuttle operation and a review of potential route alternatives determined the existing route is the best route in that additional significant impacts to the surrounding street system would be expected and many of the roadways would not be suitable for shuttle buses due to either width, design, or grade issues.

Traffic impacts were analyzed for weekday evening events and weekend events.

The proposed project is expected to create impacts at 20 of the 26 study intersections if the major event is on a weekday evening arrival and/or departure peak hours; at 18 of the 26 study intersections under the weekend special event A.M. arrival and/or P.M. departure peak hours. While implementation of mitigation measures would reduce impacts at some of the impacted study intersections during both the weekday and weekend special events to a less-than-significant level, most of the impacted study intersections would remain impacted.

Mitigation measures include the following; provide an updated state of the art command center at the Rose Bowl, continued use of shuttles from Old Pasadena, enhanced wayfinding signs, continue the neighborhood traffic management programs, add traffic control officers at key intersections, continue offset/reverse traffic flow using key street segments, implementation of a pre-paid parking system.

Based on visual observations conducted for special events associated with well attended UCLA football games, vehicle queuing is anticipated during the peak arrival and departure peak hours, however, the majority of patrons exit the site within 45 minutes from the conclusion of an event, an acceptable length of time within the industry. In addition, large-scale special events at the Rose Bowl stadium are not anticipated to occur on a daily or weekly basis. Consequently, physical improvement measures such as roadway widenings, roadway restripings, or traffic signal installations are not recommended.

The traffic plan, as required by law, would continue to provide adequate access for emergency vehicles and appropriate evacuation routes within the project area. In addition, the City has prepared an Emergency Plan for the Stadium (1998), which provides specific guidelines in the event of a major emergency at the Stadium during which it is occupied. Furthermore, during construction of the Project, temporary road or land closures that would potentially block emergency

access and/or evacuation routes are not anticipated to occur. Construction traffic is not expected to have a significant impact on traffic congestion.

### **Other Infrastructure**

The NFL is expected to pay for all required infrastructure. Fees associated with the use of sewer, water, etc. will pay for on-going maintenance and usage. With respect to traffic operations, this is a "game day" expense (to be commensurate with UCLA and Tournament of Roses expenses) to be covered by the NFL as tenant at the Rose Bowl. Park improvements are proposed as part of the project (see Parks below) and are proposed to be funded by City and RBOC revenues from the project.

### **Parks**

With more events, the project would reduce the availability of existing recreational facilities in the Central Arroyo on more days. Master scheduling and coordinating of events will help mitigate these impacts. Due to an additional maximum of 13 major events at the Rose Bowl stadium (mostly occurring on weekends and in the Fall), Lot H, Brookside Park, Brookside Golf Course, Brookside Park Ball Diamond, and Rose Bowl Aquatics Center would be unavailable for recreational use by the public for specified hours for up to an additional 13 days per year. These periods of unavailability would be in addition to the existing days of unavailability as a result of UCLA football home games, for a total maximum unavailability during event periods for 25 days per year. The Arroyo Seco Trail will remain open during construction and operation of the renovated stadium.

The initiative included funding for park improvements as outlined in the June 6, 2005 staff report, which were intended to provide for increased recreational opportunities throughout the city. Funding would be obtained from the first five years of revenue to the City and RBOC:

- Installation of artificial turf on an existing sports field (cost estimate: \$1 million)
- Construction of a multi-use field at Sycamore Grove in Hahamongna Park (cost estimate: \$1.25 million)
- Construction of a multi-use field at Hahamongna (cost estimate: \$1.85 million)
- Restoration of trail and rock walls in the lower Arroyo (cost estimate: \$1 million), and
- Investment in maintenance, security and/or other improvements to make school grounds available for use for non-organized recreational use (up to \$420,000 per year for five years).

## **Open Space**

All new stadium construction will be contained within the "fence line" of the existing stadium with the exception of a small portion of the north end of the stadium which may encroach on the golf course.

## **Agricultural Land**

There will be no impact on agricultural land.

## **Developed Areas for Revitalization**

The Rose Bowl is located within the Arroyo Seco, an area that is not a developed area designated for revitalization. On large event days there will be an impact on Old Pasadena, a development area designated for revitalization. The additional events are expected to provide positive economic benefits to the retail and restaurants located in Old Pasadena.

## **Retail & Entertainment**

The Hall of Fame, Team Store, and areas for the media are located at the south end of the stadium and total a maximum of 57,000 gross square feet (approximately the size of the Vons store at Fair Oaks and Orange Grove). The existing media and interview space totals approximately 2800 square feet.

### **III. WHAT ECONOMIC QUESTIONS WILL THE CITY AND THE RBOC FACE IN 25 YEARS?**

If the NFL does not decide to renew the lease after the initial 25 year term, it is anticipated that the RBOC/City will face questions similar to those it faces today, which are how to pay for improvements and on going up keep. However, if the NFL becomes a tenant of the stadium, an investment of \$500 - \$600 million would have been made in stadium upgrades and improvements and these improvements would be maintained during the lease term. If the NFL does not become a tenant, it is not likely this level of investment would occur to the stadium at this time.

#### **Under what conditions may the NFL stay?**

The NFL must adhere to maintenance standards for the overall facility and its operations. These standards are to be developed and agreed upon jointly by the NFL and the RBOC/City as part of a final contract. In order for the NFL to exercise it's options the stadium must be maintained at a level comparable to other NFL stadiums.

**Under what conditions may the City ask the NFL to leave?**

The City, after notifying the NFL that it is in violation of the lease and providing time for the NFL to remedy the violation, may ask the NFL to leave if the maintenance standards or any other lease terms are not being adhered to.

**What condition will the stadium be in if the lease is adhered to?**

If the lease is adhered to, the stadium will be functional and well-maintained, in a condition comparable to other NFL stadiums.

**What may the City do if the lease is not adhered to?**

If at any time the lease terms are not adhered to the City may claim breach of contract and require appropriate action up to and including termination of the lease.

**IV. PARKING AND SHUTTLE REQUIREMENTS OF THE INITIATIVE**

**How much parking is allowed today and how much is allowed in the proposal?**

Currently 24,000 cars can be parked in the Arroyo for major events. The proposed project reduces that number to 18,000.

**What requirements are in the proposal regarding shuttles?**

The proposal caps the parking in the Arroyo at 18,000 cars. Patrons that cannot be accommodated in the Arroyo will have the option of using shuttles from Old Pasadena. The concept of further reduced parking and additional shuttles was evaluated in the EIR as a means of further reducing impacts but was found to create more impacts in areas outside the Arroyo resulting in a more significant level of total environmental impact. Several potential locations were evaluated for additional shuttle sites. In all cases, existing traffic volumes at these sites could not accommodate the increased volume associated with shuttle traffic. In addition to severely restricted intersections, surrounding areas would likely be heavily impacted by overflow traffic and parking. The increase in the number of shuttles running into the Arroyo would also result in additional impacts to the surrounding neighborhoods. The net impact of this concept exceeds the impacts of parking 18,000 cars in the Arroyo.

**V. IMPACTS ON ATTRACTING AND RETAINING BUSINESSES AND EMPLOYMENT**

**How much retail and entertainment would be allowed at the Bowl?**

The Hall of Fame, Team Store, and areas for the media are located at the south end of the stadium and total 57,000 gross square feet. The existing media and interview space totals approximately 2,800 square feet.



## How many jobs would be created?

Based on a study by the UCLA Anderson School of Management, there would be 306 full time jobs during the stadium renovation portion of the proposed project, 97 full time jobs during regular season operations and 54 full time jobs during Super Bowls that come to Pasadena. Regional and county jobs are also listed in tables below.

## What would be the economic impact to Pasadena and the region related to sales and hotel rooms?

Also based on a study by the UCLA Anderson School of Management, the economic impact to Pasadena and the Region related to sales and hotel rooms, include the following expenditure elements: lodging, food and alcohol, retail, entertainment, auto rental, local transportation, gasoline, parking, utilities and household services. A summary of benefits is listed in the tables below.

### Stadium Renovation Benefit

	<u>Pasadena</u>	<u>San Gabriel Valley</u>	<u>Los Angeles County</u>
Output	\$50,314,928	\$164,173,244	\$281,911,821
Employment	306	980	2,193
Household Earnings	23,316,874	69,380,879	110,820,902
Tax	68,707	N/A	1,374,134

### Regular Season Operations

	<u>Pasadena</u>	<u>San Gabriel Valley</u>	<u>Los Angeles County</u>
Output	\$3,309,439	\$8,060,919	\$73,084,791
Employment	97	142	869
Household Earnings	1,233,332	3,131,797	27,204,285
Tax	140,716	N/A	578,908

### Super Bowl

	<u>Pasadena</u>	<u>San Gabriel Valley</u>	<u>Los Angeles County</u>
Output	\$4,318,514	\$35,456,854	\$315,418,016
Employment	54	428	3,689
Household Earnings	1,793,796	14,351,336	125,295,155
Tax	58,704	N/A	1,956,731

### Attachments:

- i. *Prior Pro Forma*
- ii. *Updated Pro Forma*
- iii. *Term Sheet Matrix*

Exhibit 1

\$500,000

COMPARISON OF PROJECTED ECONOMIC BENEFIT OF NFL VERSUS NO NFL

**NET INCOME (EXPENSES)**

	Actuals FY 2001	Actuals FY 2002	Actuals FY 2003	Budget FY 2004	Projected FY 2005	Projected FY 2006	Projected FY 2007	Projected FY 2008
RBOC Net Income (Expense) without NFL						(310,164)	(555,960)	(416,349)
RBOC Net Income (Expense) with NFL						(117,679)	(419,742)	669,568
Net Gain (Loss) From Operations						192,485	136,218	1,085,918
Estimated City Share - Possessory Interest Tax						0	0	843,600
Estimated City Share - Construction Tax (One Time)						0	5,627,640	0
Estimated City Share - Sales Tax from Construction (One Time)						0	1,310,855	873,903
Estimated City Share - Sales Tax & TOT						0	0	191,000
Estimated City Share - Sales Tax & TOT - Super Bowl						0	0	0
Net Benefit (Loss) To City						192,485	7,074,713	2,994,421

**Golf Course Revenue**

						2,063,559	2,080,283	2,109,162
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	Projected FY 2009	Projected FY 2010	Projected FY 2011	Projected FY 2012	Projected FY 2013	Projected FY 2014	Projected FY 2015	Projected FY 2016
RBOC Net Income (Expense) without NFL	(447,303)	(198,633)	(49,469)	212,287	(35,022)	158,685	244,615	(50,050)
RBOC Net Income (Expense) with NFL	373,358	713,065	732,475	972,073	2,283,222	2,275,574	2,271,877	2,370,382
Net Gain (Loss) From Operations	820,660	911,698	781,945	759,786	2,318,244	2,116,889	2,027,263	2,420,432
Estimated City Share - P.I.T.	860,472	877,681	895,235	913,140	931,403	950,031	969,031	988,412
Estimated City Construction Tax (One Time)	0	0	0	0	0	0	0	0
Estimated City Share - Sales Tax from Construction (One Time)	0	0	0	0	0	0	0	0
Estimated City Share - Sales Tax & TOT	192,910	194,839	196,787	198,755	200,743	202,750	204,778	206,826
Estimated City Share - Sales Tax & TOT - Super Bowl	0	0	0	100,000	0	0	0	0
Net Benefit (Loss) To City	1,874,042	1,984,219	1,873,967	1,971,681	3,450,389	3,269,670	3,201,072	3,615,670

**Golf Course Revenue**

						2,968,567	3,010,540	3,053,118
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	Projected FY 2017	Projected FY 2018	Projected FY 2019	Projected FY 2020	Projected FY 2021	Projected FY 2022	Projected FY 2023	Accumulative Cashflow
RBOC Net Income (Expense) without NFL	141,920	107,750	(202,040)	(32,253)	(86,373)	(363,814)	(223,007)	(2,105,182)
RBOC Net Income (Expense) with NFL	2,371,086	4,045,989	4,093,338	4,141,132	4,189,369	4,238,045	4,287,158	39,490,289
Net Gain (Loss) From Operations	2,229,166	3,938,239	4,295,378	4,173,385	4,275,742	4,601,859	4,510,165	41,595,471
Estimated City Share - P.I.T.	1,008,180	1,028,344	1,048,911	1,069,889	1,091,287	1,113,112	1,135,375	15,724,101
Estimated City Construction Tax (One Time)	0	0	0	0	0	0	0	5,627,640
Estimated City Share - Sales Tax from Construction (One Time)	0	0	0	0	0	0	0	2,184,758
Estimated City Share - Sales Tax & TOT	208,894	210,983	213,093	215,224	217,376	219,550	221,745	3,296,252
Estimated City Share - Sales Tax & TOT - Super Bowl	105,101	0	0	0	0	110,462	0	315,563
Net Benefit (Loss) To City	3,551,341	5,177,565	5,557,381	5,458,497	5,584,404	6,044,983	5,867,285	68,743,785

**Golf Course Revenue**

						3,322,165	3,369,340	50,889,299
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**COMPARISON OF PROJECTED ECONOMIC BENEFIT OF NFL VERSUS NO NFL**

**NET INCOME (EXPENSES)**

	Actuals FY 2001	Actuals FY 2002	Actuals FY 2003	Budget FY 2004	Projected FY 2005	Projected FY 2006	Projected FY 2007	Projected FY 2008
RBOC Net Income (Expense) without NFL						(304,775)	(541,091)	(445,997)
RBOC Net Income (Expense) with NFL						(117,679)	360,862	176,393
Net Gain (Loss) From Operations					187,096	187,096	901,953	622,390
Estimated City Share - Possessory Interest Tax					0	0	5,627,640	843,600
Estimated City Share - Construction Tax (One Time)					0	0	1,310,855	873,903
Estimated City Share - Sales Tax from Construction (One Time)					0	0	0	191,000
Estimated City Share - Sales Tax & TOT					0	0	0	0
Estimated City Share - Sales Tax & TOT - Super Bowl					0	0	0	0
Net Benefit (Loss) To City					187,096	187,096	7,840,448	2,530,893
<b>Golf Course Revenue</b>					<b>2,063,559</b>	<b>1,842,538</b>		<b>1,870,410</b>

	Projected FY 2009	Projected FY 2010	Projected FY 2011	Projected FY 2012	Projected FY 2013	Projected FY 2014	Projected FY 2015	Projected FY 2016
RBOC Net Income (Expense) without NFL	(493,568)	(195,507)	(60,427)	169,976	(125,956)	62,081	145,149	(70,733)
RBOC Net Income (Expense) with NFL	(7,477)	405,150	430,568	808,702	803,566	841,802	883,261	1,006,778
Net Gain (Loss) From Operations	486,091	600,657	490,995	638,726	929,522	779,721	738,112	1,077,511
Estimated City Share - P.I.T.	860,472	877,681	895,235	913,140	931,403	950,031	969,031	988,412
Estimated City Construction Tax (One Time)	0	0	0	0	0	0	0	0
Estimated City Share - Sales Tax from Construction (One Time)	0	0	0	0	0	0	0	0
Estimated City Share - Sales Tax & TOT	192,910	194,839	196,787	198,755	200,743	202,750	204,778	206,826
Estimated City Share - Sales Tax & TOT - Super Bowl	0	0	0	100,000	0	0	0	0
Net Benefit (Loss) To City	1,539,473	1,673,177	1,583,018	1,850,621	2,061,668	1,932,502	1,911,921	2,272,749
<b>Golf Course Revenue</b>	<b>1,898,686</b>	<b>2,242,100</b>	<b>2,277,163</b>	<b>2,627,268</b>	<b>2,886,636</b>	<b>2,706,392</b>	<b>2,746,837</b>	<b>2,787,876</b>

	Projected FY 2017	Projected FY 2018	Projected FY 2019	Projected FY 2020	Projected FY 2021	Projected FY 2022	Projected FY 2023	Accumulative Cashflow
RBOC Net Income (Expense) without NFL	121,221	89,848	(214,335)	(36,125)	(79,011)	(421,234)	(260,786)	(2,356,495)
RBOC Net Income (Expense) with NFL	1,051,909	1,100,261	1,151,831	1,206,618	1,264,617	1,246,995	1,314,188	14,046,023
Net Gain (Loss) From Operations	930,688	1,010,413	1,366,166	1,242,743	1,343,628	1,668,229	1,574,974	16,402,518
Estimated City Share - P.I.T.	1,008,180	1,028,344	1,048,911	1,069,889	1,091,287	1,113,112	1,135,375	15,724,101
Estimated City Construction Tax (One Time)	0	0	0	0	0	0	0	5,627,640
Estimated City Share - Sales Tax from Construction (One Time)	0	0	0	0	0	0	0	2,184,758
Estimated City Share - Sales Tax & TOT	208,894	210,963	213,093	215,224	217,376	219,550	221,745	3,296,252
Estimated City Share - Sales Tax & TOT - Super Bowl	105,101	0	0	0	0	110,462	0	315,563
Net Benefit (Loss) To City	2,252,863	2,249,739	2,628,169	2,527,855	2,652,291	3,111,353	2,932,094	43,550,832
<b>Golf Course Revenue</b>	<b>2,829,516</b>	<b>2,871,764</b>	<b>2,914,628</b>	<b>2,958,114</b>	<b>3,002,228</b>	<b>3,046,979</b>	<b>3,092,373</b>	<b>46,444,945</b>

**Expanded Term Sheet**

**Negotiating Guidelines**

**Adopted by Pasadena City Council, May 19, 2003**

1. The NFL would enter into a 30-plus year lease of the Rose Bowl, which the NFL would rehabilitate according to an approved design in order to maintain the building's designation as a National Historic Landmark. The rehabilitation would be paid for by the NFL and the Rose Bowl would be home stadium for an NFL team;
2. The City would continue to own the Rose Bowl and the RBOC would continue its oversight role related to activities at the Rose Bowl Area;

**Recommended Terms For  
Lease With The National Football League For Use Of  
The Rose Bowl Stadium  
June 2005**

1. The NFL will enter into a 25-year lease of the Rose Bowl with up to six extension terms of five years each. The NFL will rehabilitate the Rose Bowl according to a City Council approved design, which is intended to maintain the building's designation as a National Historic Landmark. The rehabilitation will be paid for by the NFL and the Rose Bowl will be home Stadium for an NFL team;
2. The City will continue to own the Rose Bowl and the RBOC will continue its oversight role related to the tenants using the Rose Bowl. These tenants include the Tournament of Roses, UCLA, and the NFL within the stadium and the Flea Market and others outside the stadium. The RBOC will be responsible for making sure each tenant adheres to the lease terms within their specific lease and will resolve any differences between tenants.  
  
The RBOC will enter into a Management Agreement with the NFL for the day-to-day operations, management, maintenance and repair of the Rose Bowl based upon agreed upon standards. In return for managing day-to-day operations, the NFL will receive revenues currently received by the RBOC from other tenants unless renegotiated under #8.  
  
The RBOC will control all areas outside the secured Stadium perimeter and will retain the right to all revenues generated by those events on days when one of the 3 stadium tenants are not holding events within the Rose Bowl;

<p>3. The NFL would provide the City/RBOC adequate revenues to pay outstanding Rose Bowl bonds without using golf course revenue;</p>	<p>4. The NFL would pay rent for use of the Rose Bowl Stadium;</p>
<p>5. The NFL would pay for all operations, maintenance, capital, repairs and improvements for the Rose Bowl during the lease term, subject to agreed upon standards;</p>	<p>6. There would be no more than 25 events annually at the Rose Bowl with attendance of greater than 20,000 people. It is contemplated that seven of these events would be for the benefit of UCLA, one for the Tournament of Roses, and 13 for the NFL. The RBOC/City would establish limits and share revenue for the four other major events per year and for events with less than 20,000 attendees. Gathering of less than 2,000 people will not require RBOC area;</p>

<p>3. The NFL will pay for all fees, changes and taxes associated with construction at the Rose Bowl and operation of a business in Pasadena. The NFL will be responsible for all construction, maintenance and on-going capital maintenance costs associated with the Rose Bowl for the term of the agreement. The RBOC will no longer be obligated to expend an estimated \$12 million towards Stadium improvements required under the City/UCLA 20 year agreement.</p> <p><i>(Note: It is anticipated that the revenues generated from the above term will be more than sufficient to pay the outstanding Rose Bowl bonds without golf course revenues).</i></p>	<p>4. The NFL will pay rent for use of the Rose Bowl Stadium.</p>
<p>5. The NFL will pay for all operations, maintenance, capital, repairs and improvements for the Rose Bowl during the lease term, subject to agreed upon standards that are still to be developed;</p>	<p>6. There will be no more than 25 events annually at the Stadium with attendance of greater than 20,000 people. Up to eight of these events would be for the use of UCLA instead of seven, as the collegiate season will expand in the next few years, up to two for the Tournament of Roses because the BCS will be a separate event beginning 2010, and the remaining events will be for use by the NFL. There would be no more than 20 events annually at the Stadium with attendance of between 2,000 people and 20,000 people;</p>

7.	The City reserves the right to impose a user fee, the proceeds to be utilized at the City's discretion to finance improvements related to the Rose Bowl area;
8.	The NFL would be required to protect the Tournament of Roses and UCLA from adverse financial impacts caused by alterations to the stadium;
9.	The NFL would consider locating a practice facility in Pasadena;
10.	The NFL would commit to bringing Super Bowl games to the Rose Bowl throughout the term of the lease. The City would seek to have four Super Bowls during each 15 years of the lease;
11.	The NFL would provide public benefits to Pasadena, including participation in local non-profits and youth programs, and local employment during construction and for stadium operations;
12.	The NFL would be offered the opportunity to name the Rose Bowl field (i.e. XYZ/Field at the Rose Bowl);
13.	The City would pursue an exclusive negotiation agreement between the NFL and RBOC/City for a specific period of time;

7.	The City will have the right to collect an admission tax and impose a surcharge on parking in the Arroyo on event days. The proceeds from the tax surcharge will be utilized to finance improvements related to the areas surrounding the Stadium within the Central Arroyo;
8.	The NFL will protect the Tournament of Roses and UCLA from adverse financial impacts caused by alterations to the Stadium. Separate arrangements have been discussed with the Tournament of Roses and UCLA based on their unique needs;
9.	The NFL agrees to review potential practice facilities in Pasadena and requested the City's assistance in locating sites;
10.	The NFL will agree to bring Super Bowl games to the Rose Bowl during the term of the lease;
11.	The NFL will provide public benefits to Pasadena, including participation in local non-profits and youth programs and compliance with the City's local employment ordinance during construction and for Stadium operations;
12.	The NFL may name the Rose Bowl field, gates and plazas (i.e. XYZ Field at the Rose Bowl). They may not name the Stadium without prior City approval;
13.	No longer applicable;

14. An EIR would be prepared in compliance with CEQA and mitigation measures, and a mitigation monitoring plan would be imposed to fully mitigate the impacts and ensure enhanced quality of life of Pasadena residents and the Arroyo for public recreation and a natural environment;

15. Seek to materially reduce the number of cars parking in the Arroyo for major events.

14. The EIR has been completed and certified, and a mitigation plan can be mitigated for City Council consideration. While not all impacts (e.g. construction and displacement of events from Area H for up to 13 days per years) staff recommends that the benefits (described in the statement of overriding consideration) would overall enhance the quality of life for Pasadena;

15. The NFL would have priority use of 18,000 parking spaces for their major events and lesser amounts for smaller events. This compares to today's inventory of 21,000 spaces with two car stacking and 24,000 with five car stacking.