

Agenda Report

April 27, 2009

TO: City Council

FROM: Rose Bowl Operating Company (RBOC)

SUBJECT: Strategic Plan Pre-Development Funding

RECOMMENDATION:

It is recommended that the City Council find the action proposed herein is exempt from review pursuant to the California Environmental Quality Act pursuant to State CEQA Guidelines Section 15262 (feasibility and planning studies), and amend the 2009 CIP Budget in order to appropriate \$1,525,000 from RBOC Designated Retained Earnings (Strategic Plan Reserve Fund) to pay for pre-development costs related to project development, financial planning and community relations for further development of the Rose Bowl Strategic Plan.

BACKGROUND:

The Rose Bowl stadium is a Pasadena icon and planning for its physical improvement and long-term financial viability is imperative. The alternative is that the stadium may fall into disrepair, running the risk of eventually joining other prominent venues built primarily to host college football bowl games (Orange, Sugar, Cotton, and Citrus Bowls), which are now either demolished or on the verge of becoming extinct.

The effort to revitalize the Rose Bowl began in 2002 in discussions with the National Football League. In 2005 it was determined that having the NFL become the major player in the long term solution for the Rose Bowl was not acceptable to Pasadena, although the EIR associated with the NFL effort was certified by the City Council on May 5, 2005. Subsequently, the RBOC and the City began to consider how to develop a positive and stable future for the Rose Bowl without the NFL as part of the equation. The current strategic plan emerged from that effort and has resulted in the preparation and certification of a Supplemental Environmental Impact Report (SEIR) and an initial financial analysis. Five primary strategic planning objectives were identified by the RBOC, along with representatives of the City, Tournament of Roses and UCLA:

- Improve public safety;
- Enhance fan experience;
- Maintain National Historic Landmark status;
- Develop revenue sources to fund long-term improvements; and

- Enhance facility operations.

The SEIR was certified by the City Council in June, 2008. However, at that time, a financing plan did not seem viable as the preliminary cost estimate was significantly higher than projected revenue from improvements and/or potential of other funding opportunities.

Since June, 2008, the RBOC has continued its effort to develop a financing plan based upon the SEIR and/or develop an alternate program within the envelope of the SEIR that would have a better chance of becoming financially viable. Because of the serious downturn of the national economy we have not been able to find a funding solution for the proposed scale of the project which was estimated to cost in the \$200-300 million range.

In October, 2008, the RBOC began discussions with Struever Bros. Eccles & Rouse, Inc. (SBER) and their associated team. SBER had successfully spearheaded the renovation of the Fenway Park baseball stadium in Boston, which was built in 1912 and which over the past 7 years has undergone more than \$150 million in renovations. It should be noted that many of the challenges that were faced by SBER in renovating Fenway Park are very similar to those we face with the Rose Bowl stadium, limited space, the need for infrastructure upgrades, the need for improved exiting, the need to generate additional revenue for long-term funding of the improvements, the need to enhance the fan experience and the need to satisfy the Secretary of Interior's Standards so that the project can qualified for Historic Tax Credits. The SBER plan for the Rose Bowl focuses on achieving the five primary objectives in a modest, incremental manner that depends on addressing specific fan experience and operational concerns with the current facility, rather than proposing a total overhaul of the existing infrastructure and amenities by embracing the historic character. This approach results not only in a more manageable financial commitment, but also in simpler physical changes to the historic stadium. While no single element of this package, taken alone, would comprehensively address the goals of the Rose Bowl, taken together, these improvements would appear to work well together to significantly enhance the historic appeal, fan experience, and operational capacity of the Rose Bowl, and should result in extending its useful life well into future generations. The preliminary cost estimate for the plan is approximately \$160 million. Based upon preliminary financial projections, assuming the economy recovers, it appears that the majority of the \$160 million can be generated from incremental revenue derived from the improvements.

The plan concept has been shared with the stakeholders of the Rose Bowl and has received positive reactions from all parties. In order to proceed and make the Strategic Plan a reality the following work needs to be undertaken both from identifying revenue and costs related to the project:

Revenue Analysis:

- Review and update market study and analysis based on new economic climate and project revisions for premium seating and advertising
- Update Financing models and financing plans with City/TOR/UCLA based upon updated revenue projections & construction cost estimates
- Negotiations between RBOC/City and tenants

- Pursue prospective revenue opportunities, including historic tax credit and philanthropic opportunities

Costs Analysis:

Project Scope/Pricing Documents:

- Extend contracts with Consulting Team to assist in the development of Project Scope
- Prepare and coordinate project narrative that outlines project scope with informational drawing in order to obtain more refined cost estimates.
- Study way finding signage and develop
- Obtain stadium 3D ‘Scan Survey’ of stadium and concourse
- Continue to refine Project Scope with Planning & Development Department
- Review Code Analysis and Proposed Exiting Improvements with City
- Work with Operations staff for TOR/UCLA/RBOC/CITY for continued development of project scope
- Develop feasible construction phasing plan
- Work with Consulting Team to update construction cost estimate(s) and constructability
- Work with structural , mechanical, geotechnical and civil engineers for necessary study to determine construction methods and validate construction assumptions
- Work with concrete restoration consultant to have a preliminary review of proposed plans and impact on concrete seating bowl structure
- Have historic preservation consultant work with staff and project development team
- Review preliminary project scope with City Commissions (Design Review/Historic Preservation/Planning)

In addition, an important element of the continued effort will focus on community outreach.

Community Outreach Plan:

- Present the plan to neighborhood associations, business organizations, civic and council districts
- Utilize the Rose Bowl and City of Pasadena’s web site to demonstrate and explain the prospective improvements
- Hold Open Houses periodically at the Rose Bowl to provide opportunities for the public to better understand the prospective improvements
- Analysis of potential economic and employment opportunities that will help Pasadena residents
- Use the City’s General Plan outreach process as a means to reach the public

The timeline of the next steps, which are outlined above, would be to begin each of these major elements (financial analysis, costs analysis and community outreach) immediately with the goal of having this phase of work completed by the end of 2009. It is important to note that the difficult state of the country’s economy may play a significant factor in the development and timing of the financing plan. It is our goal to have a three year implementation plan, and to begin construction in January, 2011 in order to be complete in time for the 100th Rose Bowl Game, which will be played on January 1, 2014. It is recognized this is an ambitious time line however initial feedback from all of the stakeholders (city, tenants, community) has been very

positive related to both the vision of the plan, as well as preliminary cost estimates and preliminary incremental revenue opportunities. If the RBOC and City is going to complete the project in time for the 100th Rose Bowl Game, having a cost estimate that is more refined as well as an agreement with the city and tenants on a financing plan by the end of 2009 is needed.

ENVIRONMENTAL:

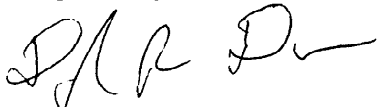
State CEQA Guidelines Section 15262 provides that projects providing only for feasibility or planning studies for future actions which have not yet been approved or funded do not require preparation of an environmental impact report or negative declaration, so long as the plan will not have a legally binding effect on later activities. This exemption applies so long as environmental factors have been considered. The action proposed herein does not serve to legally bind the City to any particular development project or funding commitment, and instead allows the City to move the strategic plan process and analysis along. Further, as outlined above, the potential environmental effects of the strategic plan were analyzed in an SEIR. To the extent that the planning process envisioned herein moves forward, the City will consider whether additional environmental analysis must be done, and complete such analysis at the more appropriate time if and when an actual physical development project becomes financially feasible. Accordingly, the planning process discussed herein falls under the exemption set forth in State CEQA Guidelines Section 15262.

FISCAL IMPACT:

The RBOC established a Strategic Plan Reserve Fund in 2007. The purpose of the Strategic Plan Reserve Fund is to pay for costs related to the continued effort of the Plan. Currently there is \$3.5 million available in this fund, with the expectation of an additional \$3.7 million being contributed by December, 2010, due to the BCS Game. It is anticipated that the costs of the next phase related to the Strategic Plan is estimated to be approximately \$1,525,000 which will fund the financial, project development and community outreach plans which are outlined above, and will begin immediately with the goal of having this phase completed by the end of 2009.

This phase to be completed will be the foundation for the final development drawings that will provide the required start needed in order to proceed with any work.

Respectfully submitted,



Paul Arevalo, RBOC
President

APR 13

--CITY MGR.--

RECEIVED



April 6, 2009

Mayor Bill Bogaard
 Pasadena City Council
 City of Pasadena
 100 North Garfield Avenue
 Pasadena, CA 91109

Dear Mayor Bogaard and City Council Members,

The Pasadena Chamber of Commerce is fully supportive of the current renovation plan for the Rose Bowl. We are very pleased that all stakeholders, from the neighborhood groups and preservation community to the Rose Bowl tenants are enthusiastic about moving forward with this plan.

We at the Chamber see the new proposal as one that serves the very important needs of the Rose Bowl while maintaining the historic character of the stadium and the unique experience for the fans and visitors who enjoy events and activities at the venue. As important, the new proposal seems to have brought the design proposals in line with the funds that are potentially available to actually the renovations.

While we understand there are still many details to be worked out, the Pasadena Chamber of Commerce is very excited about the prospect of having a renovation program for the Rose Bowl that has the support of the entire community. With that goal in mind, we urge the City Council to approve allocating money from the Rose Bowl Strategic Plan Fund to begin the planning necessary to move the Rose bowl renovation forward.

Thank you,

A handwritten signature in cursive script that reads "Ray Serafin".

Ray Serafin
 Chair-elect of the Board



2010

A CUT ABOVE THE REST

PASADENA TOURNAMENT OF ROSES

71ST ROSE PARADE 80TH ROSE BOWL GAME



PASADENA TOURNAMENT of ROSES

April 7, 2009

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ROSE BOWL GAME
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CHIEF FINANCIAL OFFICER

President Paul Arevalo
Rose Bowl Operating Company
1001 Rose Bowl Drive
Pasadena, CA 91103

Dear President Arevalo:

On behalf of the Pasadena Tournament of Roses Association, I would like to express our strong and enthusiastic support for the proposed renovations to the Rose Bowl recently presented to us by the Rose Bowl Operating Committee staff. We are excited that the concepts presented address the safety and operational needs currently existing while providing revenue-generating opportunities and being proactive with respect to historic preservation as we approach our 100th Rose Bowl Game.

We are mindful that significant discussions will need to occur in the future regarding financing of any large renovation project at the Rose Bowl. While financial commitments have yet been made and we have only scratched the surface on what may be required of the various parties involved, including the City of Pasadena, UCLA and the Pasadena Tournament of Roses Association, we are committed to engaging in those financial discussions, hopefully in the near future, in order to bring life to the proposed renovations.

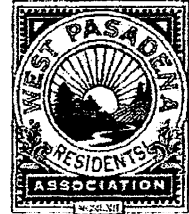
We are hopeful that the citizens and leaders of the City of Pasadena will see significant value in these improvements to what we believe is the icon of the City.

We commend Darryl Dunn and the Rose Bowl Operating Company staff for their effort in bringing us this project at this time as we look forward to the 2010 BCS National Championship Game and again in 2014 in a renovated stadium.

Very truly yours,

Gary J. DiSano
President and Chairman of the Board

cc: Darryl Dunn, RBOC General Manager
Mayor Bill Bogaard



April 17, 2009

Via E-Mail & Hand Delivered

Mayor William Bogaard
Councilmember Steve Madison
100 N. Garfield Ave. Room S228
Pasadena, CA 91109

RE: Rose Bowl Restoration and Renovation Concept

Dear Gentlemen,

The Rose Bowl is an important part of Pasadena's past and of its future. The West Pasadena Residents Association (WPRA) would like to support the Rose Bowl Operating Company (RBOC) in its effort to improve the facility.

The Concept Package that was prepared by Stuever Bros, Eccles & Rouse and reviewed by WPRA seems to be a fair compromise between maintaining National Historical Landmark status, upgrading the facility for the future and minimizing the impacts to the neighborhood.

These preliminary ideas are promising and should be developed further to see if they actually resolve all the pertinent questions and issues that need to be addressed and resolved. WPRA supports the RBOC's request to expand these concepts into a strategic plan that could then be evaluated by all the involved stakeholders.

Sincerely,

A handwritten signature in black ink, appearing to read "Fred G. Zepeda". The signature is fluid and cursive, written over the printed name.

Fred G. Zepeda
West Pasadena Residents Association

Cc: Michael Beck, City Manager



PETER W. BLACKMAN
ADMINISTRATIVE VICE CHANCELLOR, EMERITUS
330F CAPITAL PROGRAMS, 136507
LOS ANGELES, CALIFORNIA 90095-1365

April 2, 2009

President Paul Arevalo
Rose Bowl Operating Company
1001 Rose Bowl Drive
Pasadena, CA 91103

Dear President Arevalo:

On behalf of UCLA and UCLA Athletic Director Dan Guerrero I would like to communicate our significant interest in the direction being taken by the Rose Bowl Operating Company with reference to the renovation plan most recently presented to us by the RBOC staff. This revised conceptual design strikes us as being the most practical and most historically sensitive that we have had the opportunity to consider.

UCLA has been privileged to play its home football games at the Rose Bowl since 1982 and shares with the RBOC, the City of Pasadena and the Tournament of Roses the desire to take the actions necessary to preserve and improve the stadium which will continue to be our home. In that context we react favorably to the proposed design, taking into account as it does the need to improve the entry and exiting sequences, the development of a number of features intended to improve the fan experience, and the need for a practical approach to modification of the press box areas, additions which have the potential for creating revenue opportunities which will assist in funding the overall project.

We understand that no financial commitment regarding this project is expected of us at this time, and, inevitably, extensive financial analysis will be required before any contemplation of adjustment of the terms and conditions of our existing arrangement could be in order. However, we are greatly encouraged by the planning work which is taking place and would hope that the RBOC will continue further refining the design and the attendant financial analysis. As always, we look forward to participating in that effort, aspiring to find a practical and financially feasible way in which to proceed in the best interests of all.

Please feel free to forward this letter to the City of Pasadena, as may be appropriate, in connection with the City's consideration of any action required to advance this project concept.

Very truly yours,

A handwritten signature in black ink, appearing to read "P. Blackman", written over a horizontal line.

Peter W. Blackman
Administrative Vice Chancellor, Emeritus and Special
Assistant to the Chancellor for Intercollegiate Athletics

cc: Chancellor Gene D. Block
Athletics Director Daniel G. Guerrero
RBOC General Manager Darryl Dunn

04/27/2009

5.A.1.

Nagahiro, Lorain

From: Sue Mossman [smossman@pasadenaheritage.org]
Sent: Wednesday, April 08, 2009 2:29 PM
To: Bogaard, Bill; Gordo, Victor; Robinson, Jacque; Madison, Steve
Subject: Rose Bowl Plan Support

Dear Mayor Bogaard and Council members Gordo, Robinson and Madison:

Because I can't attend your meeting today, I wanted to convey to you, as you undertake discussion of the newest version of a Master Plan for the Rose Bowl, that Pasadena Heritage has found it to be vastly superior to previous plans. This new approach has our enthusiastic support. Many of the thoughts and ideas expressed by our members and Rose Bowl neighbors through these years of controversy are incorporated into this plan, as well as creative new ideas for improving the stadium and overcoming its shortcomings while preserving and celebrating its heritage and character. We hope that you will agree and give the proposal your support as it makes it was to the full City Council.

Regards to each of you, Sue

Susan N. Mossman

Executive Director

Pasadena Heritage

651 South St. John Avenue

Pasadena, CA 91105-2913

626-441-6333 Ext. 14 Telephone

626-441-2917 Fax

pasadenaheritage.org

Saving our Past for the Future

04/27/2009

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