

Agenda Report

DATE: December 3, 2009

TO: City Council

THROUGH: Economic Development Committee and Rose Bowl Operating Company Board

FROM: City Manager and Rose Bowl Operating Company

SUBJECT: Host City Agreement for the City of Pasadena and Stadium Cover Agreement for the Rose Bowl Operating Company for 2018 and 2022 World Cup Soccer Bidding Process.

RECOMMENDATION:

It is recommended that the City Council:

1. Authorize the City Manager to enter into a Host City Agreement between FIFA, the Local Organizing Committee (LOC), and the City of Pasadena for the 2018 and/or the 2022 FIFA World Cup, subject to any steps that he can reasonably take to protect the interests of the City;
2. Authorize the Rose Bowl Operating Company to enter into a Stadium Cover Agreement between FIFA, the Local Organizing Committee (LOC), and the RBOC for the Hosting and Staging of the 2018 and/or 2022 FIFA World Cup subject to any steps that the Rose Bowl General Manager can reasonably take to protect the interests of the City and the RBOC; and
3. Find that the action proposed herein is exempt from the California Environmental Quality Act (CEQA) Guidelines Section 15323 (Normal Operations of Facilities for Public Gatherings).

BACKGROUND:

This past June, the Rose Bowl received a Request for Proposals from the USA Bid Committee to participate in the process of selecting some twenty candidate Host Cities that will be submitted to

the Federation Internationale De Football Association (FIFA) as part of the United States Bid to stage the FIFA World Cup in 2018 or 2022. FIFA is the world governing body for the sport of soccer, and promotes the sport worldwide by supporting various programs that support social development through soccer, as well as by organizing, supervising and promoting international soccer competitions.

The Rose Bowl submitted its preliminary proposal in July as part of the City of Los Angeles Bid, and was among the 32 stadiums selected to advance to the next round, along with the Los Angeles Memorial Coliseum. The Host City Bid Committee is the Los Angeles Sports Council, a non-profit organization with extensive experience in bidding for and hosting major events in the Los Angeles Area.

Representatives from the USA Bid Committee conducted a stadium tour of the Rose Bowl and were extremely impressed with the facility and its capability to host a world class soccer match that meets FIFA's expectations, especially with the proposed renovations, which would include new hospitality lounges and a renovated press box and suites. The final cities selected for Bid Submission will be announced in December of this year.

FIFA will award the Host Nation for each of the 2018 and 2022 FIFA World Cups in December, 2010. Once the Host Nation status is determined, FIFA and the USA Bid Committee will conduct a further selection process to determine the final list of Host Cities for the Event. The final decision on the Host Cities will take place approximately five years prior to the Event.

As part of the submission to the USA Bid Committee all Stadiums are required to sign three documents: (1) a Stadium Agreement Cover for both the 2018 and 2022 games; (2) the Host City Agreement for both the 2018 and 2022 games; and (3) a later "Stadium Use Agreement." The first two sets of documents are required to be signed by the Stadium and Host City by the end of this year. Although they are styled as binding agreements, they are, as a practical matter, ineffective until the third document, the "Stadium Use Agreement" is signed, which sets forth the operational terms and conditions for Stadium use. The Stadium Use Agreement will be distributed by the committee in approximately one year, if the United States is to receive the Host Nation designation.

City and RBOC staff were informed that we will not be considered as a Host City in the US Bid for the 2018 and/or 2022 events unless the Stadium Agreement Cover and the Host City Agreement are approved as presented. These documents are "take it or leave it" and are being presented in this identical form to nations around the world who wish to host the World Cup. As there is no opportunity to negotiate or even to clarify the provisions, the City of Pasadena, as all other venues, is left with documents which place a significant financial burden on the City and the Rose Bowl for the event if implemented as drafted. Realizing, however, that, unless a Stadium Use Agreement is approved, these documents will not, in the end, be of any practical significance, many of the other US cities in contention for the Host City designation have already

approved and/or signed the agreements, including the City of Los Angeles. We have requested a list of Cities that have approved to date, as well as whether any have imposed conditions on their approval, and will provide that update at the Edtech and RBOC meetings.

There are ongoing discussions with the representatives of the host committee which are intended to limit City of Pasadena exposure, and staff will pursue these avenues to the extent possible prior to consideration of the Stadium Use Agreement.

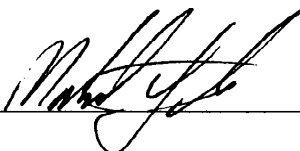
ENVIRONMENTAL:

State CEQA Guidelines Section 15323 exempts from CEQA review the “normal operations of facilities for public gatherings for which the facilities were designed, where there is past history of the facility being used for the same or similar kind of purpose.” Stadiums are specifically enumerated as one of the types of activities covered by this exemption. The Rose Bowl Stadium has recently hosted several international soccer matches, including Chelsea versus Inter Milan and the LA Galaxy versus Barcelona this past summer, as well as the Mens’ World Cup Finals in 1994.

FISCAL IMPACT:

There is no fiscal impact to signing of these agreements as they are ineffective until the later Stadium Use Agreement is executed; however, it is important to note that, as written, the documents would place a significant financial burden of the World Cup event on the Rose Bowl and the City of Pasadena.

Respectfully submitted,



Michael J. Beck
City Manager



Darryl Dunn
General Manager Rose Bowl Stadium