



ROSE BOWL RENOVATION PROJECT

City Council Workshop October 4, 2010

Window of Opportunity is Today

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- **Access to Build America and Recovery Zone Economic Development Bonds**
 - Bonds expire December 31, 2010
 - Federal stimulus plan provides 35-45% subsidy
 - Provides \$10 - \$15 million in additional bond proceeds
 - BABs/RZEDBs interest rates less than current tax-exempt rates
- **Favorable Construction Bidding Environment**
- **Improvements Must be Undertaken Before Competitive Stadium is Built**
- **UCLA & ToR Partners Committed to Project & Funding**
- **Rose Bowl Legacy**

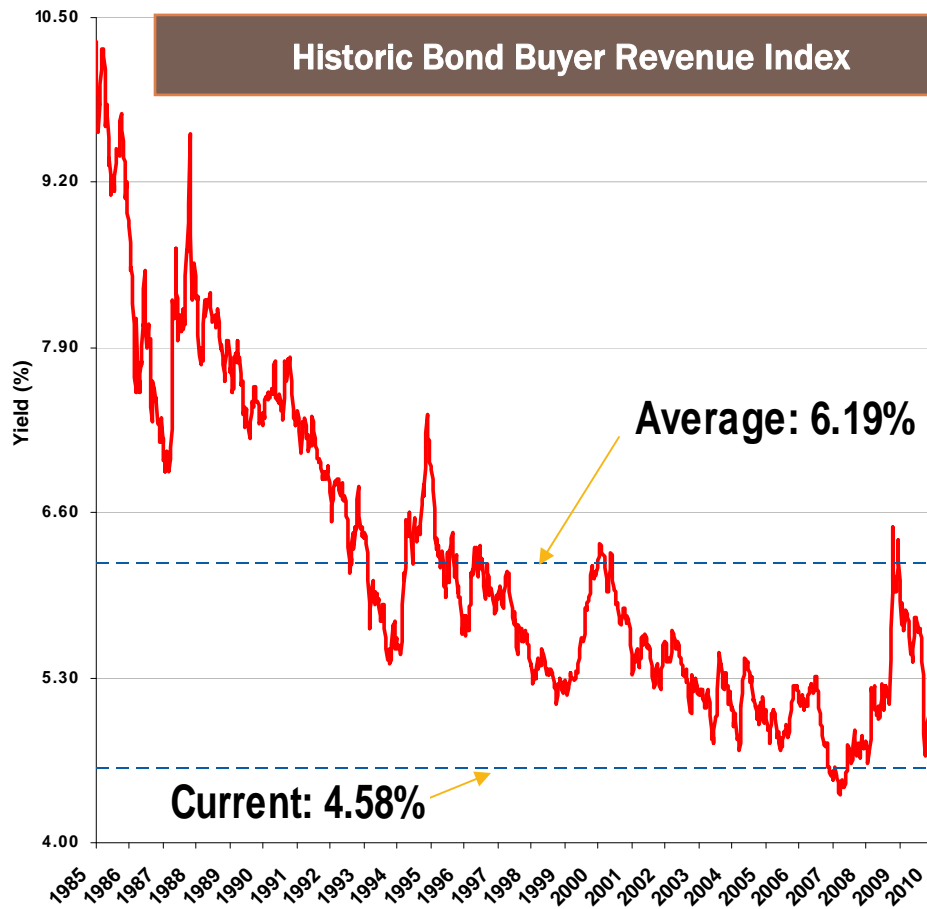


Window of Opportunity is Today

3

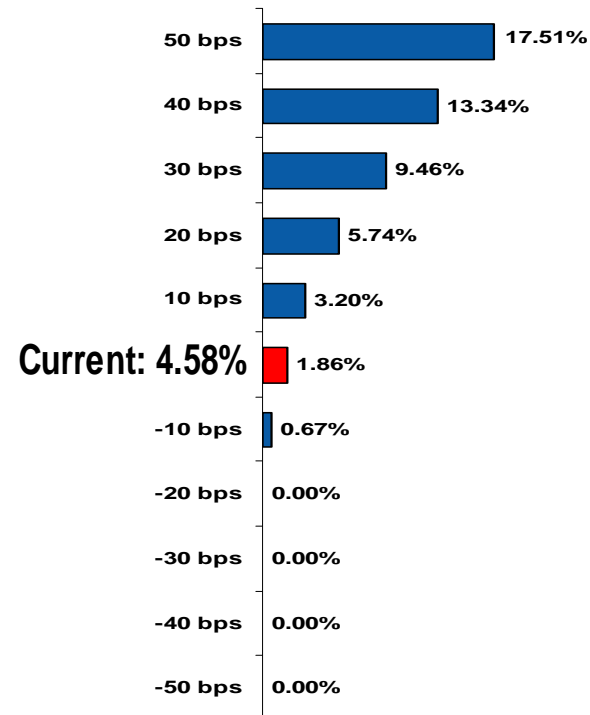
Historically Low Interest Rates

- Every 1% increase in rates results in \$15-\$20M less in proceeds



Information provided by BMO Capital Markets

% time BBRI below current level since 1985



Conceptual Approach

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- City to Issue Bonds and Provide Credit Enhancement
- City Bonds Plus Upfront Sources to Fund Improvements
- Tenants to Extend Leases through FY2043
- All New (Incremental) Revenues Dedicated to Rose Bowl Debt Service and Ongoing Capital Needs
- Bond Issue Includes Debt Service Reserve Fund
- Debt Service Coverage of 1.475x
- Supplemental Financing and Capital Reserves Established From Surplus Revenues

Note: See Appendix A for Surplus Illustration



Conceptual Approach

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- Distribution of Surplus Revenues After Debt Service (Estimated at \$3 Million Per Year)
 - ▣ 50% to City Supplemental Financing and Capital Reserve
 - ▣ 25% to UCLA
 - ▣ 25% to Tournament of Roses
- Net Incremental Revenue Growth Estimated at 3%
- Breakeven Sensitivity Estimated at Approximately 74% of Base Case Assumptions

Note: See Appendix B for Sources/Uses of Funds



Conceptual Approach

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- Bond Financing Required – Key Considerations
 - Current Economic Conditions/Financial Markets
 - Credit Enhancement Required
 - Impact on City Bonding Capacity/Rating
 - Ability of City to Fund Other Projects
 - Build America Bonds – Benefit/Timing
 - Tax-Exempt/Taxable Status
 - Debt Coverage Requirement
 - Annual Revenue/Debt Service Risk
 - Annual Debt Coverage Surplus (If Any)
 - Estimated Debt Service Presented for Illustrative Purposes
 - Gross/Net Bond Proceeds



Conceptual Approach

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- RBOC Long Term Budget Assumed at Breakeven through 2024 Based on Dedicated Revenue Streams
 - First Priority on Current Revenues
 - \$4.1 Million Annual Set-Aside (Plus Escalation) Established from Incremental/New Revenues
- Deal Structure and Key Stakeholder Participation Critical
 - Key Stakeholders Must Cooperate in Marketing Premium Seating/Advertising/Sponsorship/Etc.
 - Lease Terms Intended to Provide Incentives for Key Stakeholders – Interests Must Be Aligned



Base Project Components

8

(Millions)

□ Concourses	\$10.3
□ Concessions	\$12.1
□ Restrooms	\$3.7
□ Ingress/Egress	\$24.9
□ Scoreboards	\$18.4
□ Infrastructure	\$10.7
□ Stadium Seating/Concrete Repair	\$ 0.8
□ Press Box	<u>\$70.9</u>

Total (Rounding) \$152.0



Project Funding Model

9

(Millions)

□ Bond Proceeds	\$129.4
□ Equity	\$15.0
□ Additional Funding (Gap)	<u>\$7.5</u>

Total (Rounding) \$152.0

Note: See Appendix C for Additional Detail



Bond Structure

10

- Four Revenue Bond Series – \$129.4 Million Net Proceeds (\$160.8 Million Gross)
 - BABs – 53%
 - Tax-Exempt CIBs & CABs – 18%
 - Taxable CIBs – 24%
 - Recovery Zone Economic Development Bonds – 5%
 - Last maturity – 2043
- Blended interest rate – 4.8%
- Coverage 1.475x



Equity Contribution

11

(Millions)

□ Tournament of Roses BCS 2006/2010	\$4.0
□ RBOC Share of BCS 2010	\$2.0
□ RBOC Retained Earnings/ISP	\$1.5
□ Concessionaire Advance	\$2.0
□ City Fee Contributions	\$2.8
□ TOR Capital User Fee During Construction	\$1.7
□ Other (Brick Pavers)	<u>\$1.0</u>
TOTAL	\$15.0



Additional Funding (Gap)

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- Construction Contingency
- Favorable Construction Bids
- Final Interest Rate on Bonds
- 2014 BCS Game Revenue
- Rose Bowl Legacy



Rose Bowl Legacy

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- A Civic Philanthropic Organization Being Established to Provide Private Donations to Support the Rose Bowl Renovation
- Goal is to Raise in Excess of \$20M for the Project



Project Revenue Sources

14

(Millions)

□ Project Sources	\$74.8
□ City of Pasadena	\$35.7
□ UCLA	\$16.4
□ Tournament of Roses	\$17.5
□ Additional Funding (Gap)	<u>\$7.5</u>
Total (Rounding) \$152.0	

Note: See Appendix C for Additional Detail

Rose Bowl Renovation Project



Project Revenue Sources

15

(Millions)

- Project Sources \$74.8
 - Premium Seating (Incremental)
 - Luxury Suites
 - Loge Boxes
 - Club Seats
 - Advertising/Sponsorships (Incremental)
 - ISP Guaranteed Rights Fee (15 Year)
 - Lounge Memberships (New)
 - Horizon Level



Project Revenue Sources

16

(Millions)

- City Sources \$35.7
 - RBOC Share of 2010 BCS Game
 - Concessionaire Investment
 - Concessions Revenue (Incremental)
 - Other Events/Meetings/Banquets (Incremental)
 - Parking User Fee (New) - \$5.00 Plus Increases
 - RB Profit/Golf Course (2024 Debt Relief)
 - Brick Pavers (New)
 - Other

Note: Golf Course Revenue Not Shared (See Appendix D)



Project Revenue Sources

17

(Millions)

- **UCLA** **\$16.4**
 - Premium Seating Ticket Revenue (New)
 - Concessions Revenue (New/Incremental)
 - Parking User Fee (New) - \$5.00 Plus Increases

- **Tournament of Roses** **\$17.5**
 - Annual Gift (New)
 - Capital Maintenance User Fee (New)
 - TOR Share of 2006/2010 BCS Games



Summary of Lease Terms



UCLA Lease Terms

19

- ▣ Total Revenue \$60.6 Million
- ▣ Net Bond Proceeds/Upfront \$16.4 Million

- RBOC to Retain UCLA Share of Premium Ticket Revenue
- RBOC to Retain UCLA Share of Concessions
- Parking User Fee – \$5.00 Plus Increases
- Horizon Level Lounge – 50/50 Sharing
- Dedicated Horizon Level Lounge Membership Revenue for Additional Security/Coverage (After \$250,000)
- Southeast Lounge Development Rights
- *Television Percentage (8% to 0%)*



Tournament Lease Terms

20

□ Total Revenue	\$49.1 Million
□ Net Bond Proceeds/Upfront	\$17.5 Million
■ Annual Gift	
■ \$100,000 (No Escalation)	
■ Capital Maintenance User Fee	
■ Years 2012 – 2021	\$10.00
■ Years 2022 – 2031	\$15.00
■ Years 2032 – 2043	\$20.00
■ BCS Investment	
■ 2006/2010 Games	\$4,000,000
■ 2014 Game	Best Efforts



Key Financial Model Assumptions



Premium Seating Assumptions

22

□ Current Pricing (FY2010)

■ Executive Suites

■ Average Price	\$52,000
■ Price Per Seat	\$3,750

■ Club Suites

■ Average Price	\$29,400
■ Price Per Seat	\$2,260

□ Occupancy Rate

■ Historical

■ Current Conditions

□ Tentative Agreement with Legends/IMG College



Premium Seating Assumptions

23

□ Luxury Suites – Traditional

■ Total Inventory	46
■ Available for Lease (Includes Partial Season Inventory)	42
■ Capacity	16 - 20
■ Price Range	\$65,000 to \$90,000
■ Average	\$75,650
■ Price Per Seat	\$4,290
■ Occupancy Rate	90%

Note: Actual Pricing Will Vary



Premium Seating Assumptions

24

▣ Luxury Suites – Game Day/VIP

■ Total Inventory	4.0
■ Available for Lease	3.5
■ Capacity	32
■ Average Price (Annual Equivalent)	\$105,000
■ Price Per Seat	\$3,300
■ Occupancy Rate	90%

Note: Actual Pricing Will Vary



Premium Seating Assumptions

25

▣ Loge Boxes

■ Total Inventory	48
■ Available for Lease	48
■ Price Range	\$20,000 to \$25,000
■ Average Price	\$21,700
■ Price Per Seat	\$5,415
■ Occupancy Rate	90%

Note: Actual Pricing Will Vary



Premium Seating Assumptions

26

▣ Club Seats

■ Total Inventory	1,280
■ Available for Lease	1,280
■ Price Range	\$3,000 to \$4,000
■ Average Price	\$3,380
■ Occupancy Rate	90%

Note: Actual Pricing Will Vary



Premium Seating Assumptions

27

□ Horizon Level Memberships

- Capacity 1,500
- Model Assumption (Dedicated to Debt)
 - UCLA Season (UCLA Revenue Share) \$500
 - Rose Bowl Game/Special Events \$100
- Occupancy Rate 90%

□ Sales and Marketing

- UCLA Events – UCLA
- Other Events – RBOC

Note: Actual Pricing Will Vary



Advertising/Sponsorship Assumptions

28

- ▣ Tentative Agreement with ISP
- ▣ 15 Year Agreement
- ▣ Guaranteed Rights Fee – \$36.1 Million
- ▣ Revenue Sharing Opportunity (Limited)
- ▣ Termination Provision Included – Losses Plus \$2.0 Million
- ▣ ISP-IMG Proposed Merger

Year		
1	2011	0
2	2012	1,650,000
3	2013	1,775,000
4	2014	1,925,000
5	2015	2,100,000
6	2016	2,400,000
7	2017	2,400,000
8	2018	2,450,000
9	2019	2,500,000
10	2020	2,550,000
11	2021	2,600,000
12	2022	2,650,000
13	2023	2,700,000
14	2024	2,750,000
15	2025	2,800,000
16	2026	2,850,000

Note: Figures Do Not Include Fulfillment Expenses



Concession Assumptions

29

- ❑ Increase in Points of Sale
 - Permanent: 92 to 164 (78%)
 - Portable: 108 to 132 (22%)
 - TOR Beer Stands: 32 to 52 (63%)
- ❑ Improved Access Resulting from Concourse Modifications
- ❑ No Material Increase in Attendance or Number of Special Events Assumed (Except Meetings/Banquets/Etc.)
- ❑ Blended Commission of Approximately 40%
- ❑ May Require Qualified Management Agreement – Could Impact Upfront Investment
- ❑ Inclusive Packages Provided for Most Premium Seating Areas



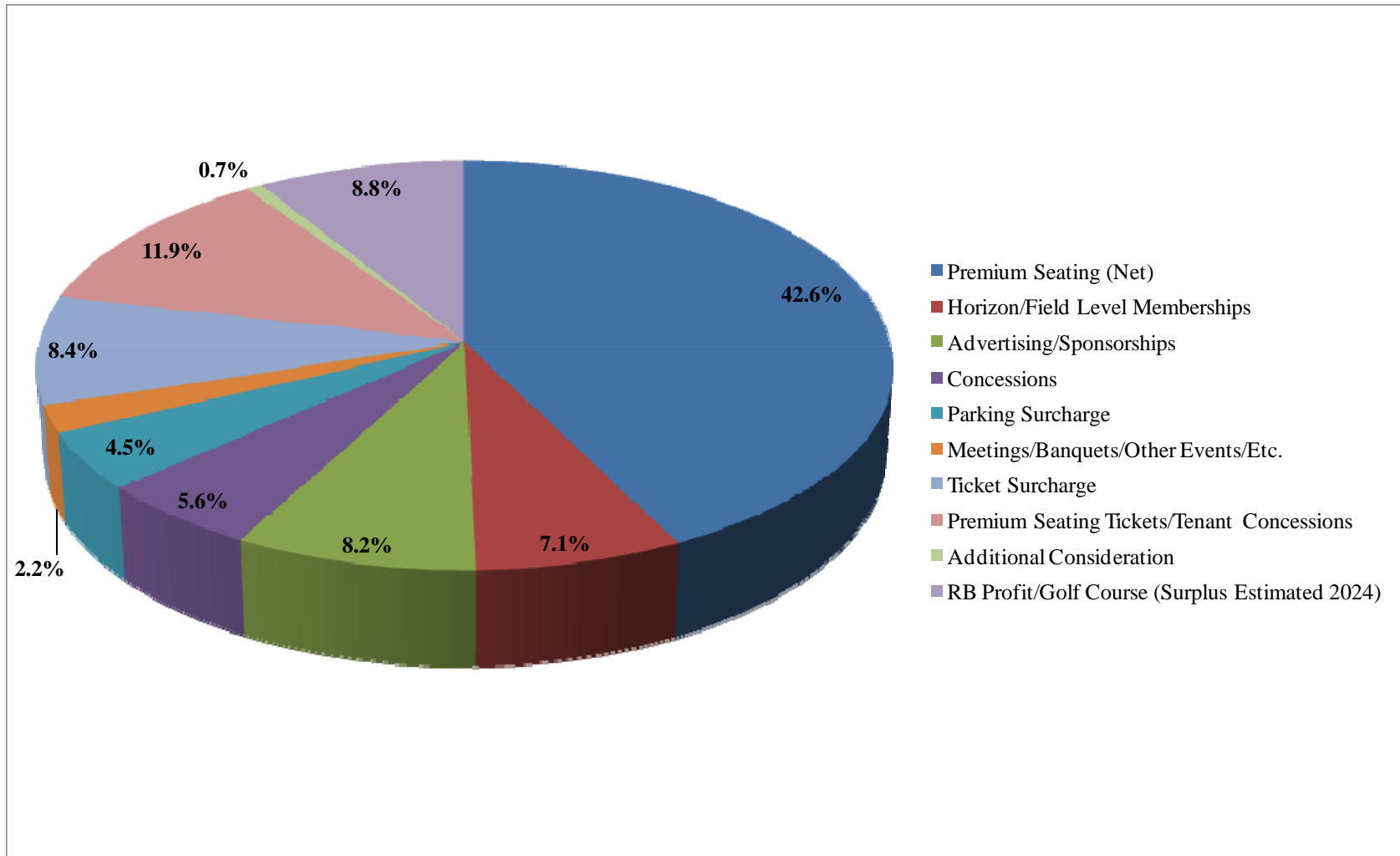
Other Revenue Assumptions

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- ▣ Meetings/Banquets/Other Events
 - Additional Meeting/Banquet Space to be Added in Press Box and Horizon Level
 - Potential High Activity/Low Margin Business
 - No Increase Assumed in Model for Additional Special Events
- ▣ Incremental Expenses Included in Model
 - Additional Staff
 - Sales and Marketing (Premium Seating Shown Net of Commissions)
 - Increased Operating Costs (e.g. Utilities/Supplies/Marketing/Etc.)



Allocation of Net Bond Proceeds



Peer Review

32

- CS&L International – Formal Review
 - ▣ Market Study
 - ▣ Financial Model and Assumptions
- Bigelow Companies
 - ▣ Concessions Model and Assumptions
- Legends-IMG College
 - ▣ Premium Seating Input



Financial Model Revisions/Adjustments

33

- Year 1 Revenue Estimate Reduced: \$12.2 to \$9.5 Million
 - Project Description – Base Project
 - Field Level Lounges Eliminated / Loge Box-Club Seat Adjustment
 - Lease Terms – Model Adjusted to Reflect Negotiations
 - Premium Seating – Reduction in Club Seat Pricing and Minor Adjustments to Luxury Suites and Loge Boxes
 - Advertising/Sponsorships – ISP Rights Fee
 - Concessions – Revised Historicals Provided/More Conservative Assumptions
 - Meetings/Banquets/Other Events – Minor Reduction Based on Peer Review
 - Adjusted Set Aside Amounts

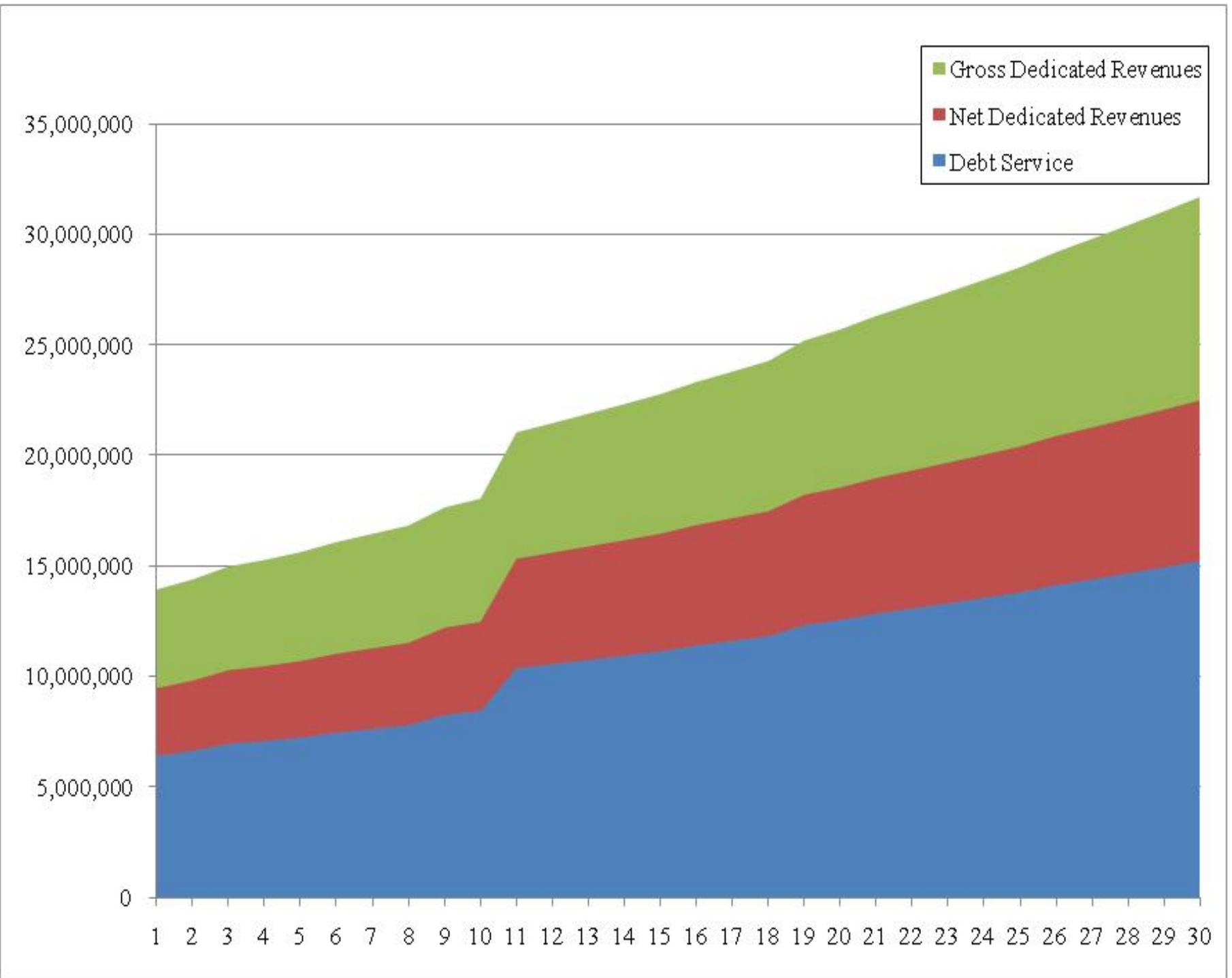


Description		Premium Seating (1)	Horizon Level Memberships	Advertising/ Sponsorship	Ticket & Parking User Fees/ Premium Ticket Revenue/ Concessions	Concessions	Meetings/ Banquets/ Other Events/ Etc.	Additional Sources		Gross Dedicated Revenues
		Sensitivity 1.00	Sensitivity 1.00	Scenario ISP Sensitivity 1.00	Sensitivity 1.00	1.00	1.00	TOR Annual Gift	Existing RB Profit/ Golf Course 1.00	
	Year									
1	2014	5,999,719	810,000	1,762,258	2,586,125	1,480,280	1,197,984	100,000	0	13,936,366
2	2015	6,179,710	826,200	1,932,376	2,620,439	1,509,886	1,221,944	100,000	0	14,390,555
3	2016	6,365,101	842,724	2,227,347	2,655,722	1,540,084	1,246,383	100,000	0	14,977,360
4	2017	6,556,055	859,578	2,222,167	2,692,000	1,570,885	1,271,310	100,000	0	15,271,996
5	2018	6,752,736	876,770	2,266,832	2,729,304	1,602,303	1,296,736	100,000	0	15,624,682
6	2019	6,955,318	894,305	2,311,337	2,863,873	1,634,349	1,322,671	100,000	0	16,081,854
7	2020	7,163,978	912,192	2,355,677	2,903,316	1,667,036	1,349,125	100,000	0	16,451,324
8	2021	7,378,897	930,435	2,399,848	2,943,876	1,700,377	1,376,107	100,000	0	16,829,540
9	2022	7,600,264	949,044	2,443,843	3,415,584	1,734,384	1,403,629	100,000	0	17,646,749
10	2023	7,828,272	968,025	2,487,659	3,458,474	1,769,072	1,431,702	100,000	0	18,043,203
11	2024	8,063,120	987,385	2,531,288	3,598,789	1,804,453	1,460,336	100,000	2,500,000	21,045,372
12	2025	8,305,014	1,007,133	2,574,727	3,644,145	1,840,542	1,489,543	100,000	2,500,000	21,461,104
13	2026	8,554,164	1,027,276	2,617,969	3,690,787	1,877,353	1,519,333	100,000	2,500,000	21,886,882
14	2027	8,810,789	1,047,821	2,661,008	3,738,753	1,914,900	1,549,720	100,000	2,500,000	22,322,991
15	2028	9,075,113	1,068,778	2,703,838	3,788,081	1,953,198	1,580,714	100,000	2,500,000	22,769,722
16	2029	9,347,366	1,090,153	2,746,453	3,935,020	1,992,262	1,612,329	100,000	2,500,000	23,323,583
17	2030	9,627,787	1,111,956	2,788,847	3,987,190	2,032,108	1,644,575	100,000	2,500,000	23,792,463
18	2031	9,916,621	1,134,196	2,831,012	4,040,844	2,072,750	1,677,467	100,000	2,500,000	24,272,889
19	2032	10,214,119	1,156,879	2,872,943	4,526,024	2,114,205	1,711,016	100,000	2,500,000	25,195,187
20	2033	10,520,543	1,180,017	2,914,631	4,582,775	2,156,489	1,745,237	100,000	2,500,000	25,699,691
21	2034	10,836,159	1,203,617	2,956,070	4,737,351	2,199,619	1,780,141	100,000	2,500,000	26,312,957
22	2035	11,161,244	1,227,690	2,997,252	4,797,380	2,243,611	1,815,744	100,000	2,500,000	26,842,921
23	2036	11,496,081	1,252,244	3,038,169	4,859,119	2,288,483	1,852,059	100,000	2,500,000	27,386,156
24	2037	11,840,964	1,277,288	3,078,814	4,922,619	2,334,253	1,889,100	100,000	2,500,000	27,943,038
25	2038	12,196,193	1,302,834	3,119,179	4,987,929	2,380,938	1,926,882	100,000	2,500,000	28,513,955
26	2039	12,562,078	1,328,891	3,159,254	5,151,313	2,428,557	1,965,420	100,000	2,500,000	29,195,513
27	2040	12,938,941	1,355,469	3,199,032	5,220,404	2,477,128	2,004,728	100,000	2,500,000	29,795,701
28	2041	13,327,109	1,382,578	3,238,503	5,291,468	2,526,670	2,044,823	100,000	2,500,000	30,411,151
29	2042	13,726,922	1,410,230	3,277,658	5,364,563	2,577,204	2,085,719	100,000	2,500,000	31,042,296
30	2043	14,138,730	1,438,434	3,316,488	5,439,747	2,628,748	2,127,434	100,000	2,500,000	31,689,580

(1) - Figures presented net of tickets and commissions.

Description		Gross Dedicated Revenues	Less:		Net Dedicated Incremental Revenues	Less: Debt Service	Net Surplus/ (Deficit)	Net Debt Coverage
			RBOC Operating Set Aside	Incremental Expenses				
Year								
1	2014	13,936,366	(3,979,326)	(500,000)	9,457,040	(6,411,553)	3,045,488	1.475
2	2015	14,390,555	(4,080,883)	(510,000)	9,799,672	(6,643,845)	3,155,826	1.475
3	2016	14,977,360	(4,185,130)	(520,200)	10,272,030	(6,964,088)	3,307,942	1.475
4	2017	15,271,996	(4,292,142)	(530,604)	10,449,251	(7,084,238)	3,365,013	1.475
5	2018	15,624,682	(4,401,992)	(541,216)	10,681,474	(7,241,677)	3,439,797	1.475
6	2019	16,081,854	(4,514,760)	(552,040)	11,015,053	(7,467,833)	3,547,221	1.475
7	2020	16,451,324	(4,630,525)	(563,081)	11,257,717	(7,632,351)	3,625,367	1.475
8	2021	16,829,540	(4,749,370)	(574,343)	11,505,828	(7,800,561)	3,705,266	1.475
9	2022	17,646,749	(4,871,379)	(585,830)	12,189,541	(8,264,096)	3,925,445	1.475
10	2023	18,043,203	(4,996,638)	(597,546)	12,449,019	(8,440,013)	4,009,006	1.475
11	2024	21,045,372	(5,125,237)	(609,497)	15,310,638	(10,380,093)	4,930,544	1.475
12	2025	21,461,104	(5,257,269)	(621,687)	15,582,148	(10,564,168)	5,017,980	1.475
13	2026	21,886,882	(5,392,826)	(634,121)	15,859,935	(10,752,498)	5,107,437	1.475
14	2027	22,322,991	(5,532,008)	(646,803)	16,144,180	(10,945,207)	5,198,973	1.475
15	2028	22,769,722	(5,674,913)	(659,739)	16,435,070	(11,142,420)	5,292,650	1.475
16	2029	23,323,583	(5,821,643)	(672,934)	16,829,006	(11,409,495)	5,419,510	1.475
17	2030	23,792,463	(5,972,306)	(686,393)	17,133,765	(11,616,112)	5,517,653	1.475
18	2031	24,272,889	(6,127,008)	(700,121)	17,445,760	(11,827,634)	5,618,126	1.475
19	2032	25,195,187	(6,285,862)	(714,123)	18,195,201	(12,335,730)	5,859,472	1.475
20	2033	25,699,691	(6,448,983)	(728,406)	18,522,302	(12,557,493)	5,964,809	1.475
21	2034	26,312,957	(6,616,488)	(742,974)	18,953,495	(12,849,827)	6,103,668	1.475
22	2035	26,842,921	(6,788,500)	(757,833)	19,296,588	(13,082,432)	6,214,155	1.475
23	2036	27,386,156	(6,965,141)	(772,990)	19,648,024	(13,320,695)	6,327,330	1.475
24	2037	27,943,038	(7,146,542)	(788,450)	20,008,046	(13,564,777)	6,443,269	1.475
25	2038	28,513,955	(7,332,834)	(804,219)	20,376,902	(13,814,849)	6,562,053	1.475
26	2039	29,195,513	(7,524,152)	(820,303)	20,851,058	(14,136,310)	6,714,747	1.475
27	2040	29,795,701	(7,720,637)	(836,709)	21,238,355	(14,398,885)	6,839,470	1.475
28	2041	30,411,151	(7,922,431)	(853,443)	21,635,277	(14,667,984)	6,967,293	1.475
29	2042	31,042,296	(8,129,683)	(870,512)	22,042,101	(14,943,797)	7,098,304	1.475
30	2043	31,689,580	(8,342,544)	(887,922)	22,459,114	(15,226,518)	7,232,596	1.475

Description		Gross Dedicated Revenues	Less: Debt Service	Gross Surplus/ (Deficit)	Gross Debt Coverage
Year					
1	2014	13,936,366	(6,411,553)	7,524,813	2.17
2	2015	14,390,555	(6,643,845)	7,746,709	2.17
3	2016	14,977,360	(6,964,088)	8,013,272	2.15
4	2017	15,271,996	(7,084,238)	8,187,759	2.16
5	2018	15,624,682	(7,241,677)	8,383,005	2.16
6	2019	16,081,854	(7,467,833)	8,614,021	2.15
7	2020	16,451,324	(7,632,351)	8,818,973	2.16
8	2021	16,829,540	(7,800,561)	9,028,979	2.16
9	2022	17,646,749	(8,264,096)	9,382,654	2.14
10	2023	18,043,203	(8,440,013)	9,603,190	2.14
11	2024	21,045,372	(10,380,093)	10,665,279	2.03
12	2025	21,461,104	(10,564,168)	10,896,936	2.03
13	2026	21,886,882	(10,752,498)	11,134,384	2.04
14	2027	22,322,991	(10,945,207)	11,377,784	2.04
15	2028	22,769,722	(11,142,420)	11,627,302	2.04
16	2029	23,323,583	(11,409,495)	11,914,088	2.04
17	2030	23,792,463	(11,616,112)	12,176,352	2.05
18	2031	24,272,889	(11,827,634)	12,445,255	2.05
19	2032	25,195,187	(12,335,730)	12,859,457	2.04
20	2033	25,699,691	(12,557,493)	13,142,198	2.05
21	2034	26,312,957	(12,849,827)	13,463,130	2.05
22	2035	26,842,921	(13,082,432)	13,760,488	2.05
23	2036	27,386,156	(13,320,695)	14,065,461	2.06
24	2037	27,943,038	(13,564,777)	14,378,261	2.06
25	2038	28,513,955	(13,814,849)	14,699,106	2.06
26	2039	29,195,513	(14,136,310)	15,059,203	2.07
27	2040	29,795,701	(14,398,885)	15,396,816	2.07
28	2041	30,411,151	(14,667,984)	15,743,167	2.07
29	2042	31,042,296	(14,943,797)	16,098,499	2.08
30	2043	31,689,580	(15,226,518)	16,463,062	2.08



SOURCES OF FUNDS			
	Net Bond Proceeds - (1)	Upfront Investment	Total - (2)
Project Sources	\$74,790,174	\$0	\$74,790,174
City of Pasadena Sources	\$26,391,849	\$9,339,664	\$35,731,513
UCLA Sources	\$16,413,740	\$0	\$16,413,740
Tournament of Roses Sources	\$11,762,925	\$5,720,000	\$17,482,925
<i>Additional Funding Sources (Gap)</i>	<i>\$0</i>	<i>\$7,500,000</i>	<i>\$7,500,000</i>
Total	\$129,358,687	\$22,559,664	\$151,918,351

USES OF FUNDS	
	Base Case
Concourses	\$10,272,100
Concessions	\$12,144,602
Restrooms	\$3,719,816
Ingress/Egress (Tunnels/New Aisles)	\$21,658,465
Public Entry Gates	\$1,839,865
Scoreboards	\$18,374,376
Infrastructure/Other	\$10,723,619
Stadium Seating/Concrete Repair	\$799,355
Press Box - Phase 1	\$60,826,671
Horizon Level	\$10,063,411
Field Level Exiting	\$1,431,596
Total	\$151,853,876

Estimated Funding Surplus/(Gap) - Preliminary	\$64,475
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(1) - Credit enhancement required. May require CABs to maximize proceeds.

(2) - Reflects direct investment, lease modifications, and estimated allocation of net bond proceeds.

SOURCES OF FUNDS				
		Net Bond Proceeds - (1)	Upfront Investment	Total - (2)
Project Sources		\$74,790,174	\$0	\$74,790,174
Premium Seating Revenues (Increment Only)	\$55,067,165			
Advertising/Sponsorship Revenues (Increment Only)	\$10,600,748			
Horizon Level Lounge Memberships	<u>\$9,122,261</u>			
City Sources		\$26,391,849	\$9,339,664	\$35,731,513
Equity/RBOC Retained Earnings/Etc.	\$1,000,000			
ISP Construction Period Surplus Less Premier Commissions	\$504,135			
Public Arts Fee (1%)	\$945,176			
Construction Tax (2%)	\$1,890,353			
RBOC Share of BCS Proceeds (2010)	\$2,000,000			
Brick Pavers	\$1,000,000			
Concessionaire Investment	\$2,000,000			
Concessions (RBOC Share - Increment Only)	\$7,275,277			
Other Revenue (Meetings/Banquets/Etc. - Increment Only)	\$2,815,513			
RB Profit/Golf Course (2024 Debt Relief)	\$11,383,029			
New Parking User Fee (RBOC Spaces)	<u>\$4,918,030</u>			
UCLA Sources		\$16,413,740	\$0	\$16,413,740
Premium Seating Ticket Revenue/Concessions	\$15,457,609			
New Parking User Fee (UCLA Spaces)	<u>\$956,131</u>			
Tournament of Roses/BCS/Miscellaneous Sources		\$11,762,925	\$5,720,000	\$17,482,925
Annual Gift	\$888,871			
New Capital Maintenance Fee (Post Construction)	\$10,874,054			
New Capital Maintenance Fee (During Construction)	\$1,720,000			
BCS - 2006/2010	\$4,000,000			
BCS - 2014 (Loan Required)	<u>\$0</u>			
Total		<u>\$129,358,687</u>	<u>\$15,059,664</u>	<u>\$144,418,351</u>

(1) - Credit enhancement required. May require CABs to maximize proceeds.

(2) - Reflects direct investment, lease modifications, and estimated allocation of net bond proceeds. Does not include "gap" funding.

Year		Total Revenues Available for Debt Service	Annual Debt Service Coverage @ 1.475 (1)	Debt Coverage/ Surplus Revenue	Less: Golf Course Revenue	Adjusted Debt Coverage/ Surplus Revenue	Allocation of Surplus Revenue			
							Financing Reserve 25.0%	Capital Reserve 25.0%	UCLA 25.0%	TOR 25.0%
1	2011	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	
2	2012	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	
3	2013	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	
4	2014	\$9,457,040	\$6,411,553	\$3,045,488	\$0	\$3,045,488	\$761,372	\$761,372	\$761,372	
5	2015	\$9,799,672	\$6,643,845	\$3,155,826	\$0	\$3,155,826	\$788,957	\$788,957	\$788,957	
6	2016	\$10,272,030	\$6,964,088	\$3,307,942	\$0	\$3,307,942	\$826,985	\$826,985	\$826,985	
7	2017	\$10,449,251	\$7,084,238	\$3,365,013	\$0	\$3,365,013	\$841,253	\$841,253	\$841,253	
8	2018	\$10,681,474	\$7,241,677	\$3,439,797	\$0	\$3,439,797	\$859,949	\$859,949	\$859,949	
9	2019	\$11,015,053	\$7,467,833	\$3,547,221	\$0	\$3,547,221	\$886,805	\$886,805	\$886,805	
10	2020	\$11,257,717	\$7,632,351	\$3,625,367	\$0	\$3,625,367	\$906,342	\$906,342	\$906,342	
11	2021	\$11,505,828	\$7,800,561	\$3,705,266	\$0	\$3,705,266	\$926,317	\$926,317	\$926,317	
12	2022	\$12,189,541	\$8,264,096	\$3,925,445	\$0	\$3,925,445	\$981,361	\$981,361	\$981,361	
13	2023	\$12,449,019	\$8,440,013	\$4,009,006	\$0	\$4,009,006	\$1,002,252	\$1,002,252	\$1,002,252	
14	2024	\$15,310,638	\$10,380,093	\$4,930,544	(\$1,250,000)	\$3,680,544	\$920,136	\$920,136	\$920,136	
15	2025	\$15,582,148	\$10,564,168	\$5,017,980	(\$1,250,000)	\$3,767,980	\$941,995	\$941,995	\$941,995	
16	2026	\$15,859,935	\$10,752,498	\$5,107,437	(\$1,250,000)	\$3,857,437	\$964,359	\$964,359	\$964,359	
17	2027	\$16,144,180	\$10,945,207	\$5,198,973	(\$1,250,000)	\$3,948,973	\$987,243	\$987,243	\$987,243	
18	2028	\$16,435,070	\$11,142,420	\$5,292,650	(\$1,250,000)	\$4,042,650	\$1,010,662	\$1,010,662	\$1,010,662	
19	2029	\$16,829,006	\$11,409,495	\$5,419,510	(\$1,250,000)	\$4,169,510	\$1,042,378	\$1,042,378	\$1,042,378	
20	2030	\$17,133,765	\$11,616,112	\$5,517,653	(\$1,250,000)	\$4,267,653	\$1,066,913	\$1,066,913	\$1,066,913	
21	2031	\$17,445,760	\$11,827,634	\$5,618,126	(\$1,250,000)	\$4,368,126	\$1,092,032	\$1,092,032	\$1,092,032	
22	2032	\$18,195,201	\$12,335,730	\$5,859,472	(\$1,250,000)	\$4,609,472	\$1,152,368	\$1,152,368	\$1,152,368	
23	2033	\$18,522,302	\$12,557,493	\$5,964,809	(\$1,250,000)	\$4,714,809	\$1,178,702	\$1,178,702	\$1,178,702	
24	2034	\$18,953,495	\$12,849,827	\$6,103,668	(\$1,250,000)	\$4,853,668	\$1,213,417	\$1,213,417	\$1,213,417	
25	2035	\$19,296,588	\$13,082,432	\$6,214,155	(\$1,250,000)	\$4,964,155	\$1,241,039	\$1,241,039	\$1,241,039	
26	2036	\$19,648,024	\$13,320,695	\$6,327,330	(\$1,250,000)	\$5,077,330	\$1,269,332	\$1,269,332	\$1,269,332	
27	2037	\$20,008,046	\$13,564,777	\$6,443,269	(\$1,250,000)	\$5,193,269	\$1,298,317	\$1,298,317	\$1,298,317	
28	2038	\$20,376,902	\$13,814,849	\$6,562,053	(\$1,250,000)	\$5,312,053	\$1,328,013	\$1,328,013	\$1,328,013	
29	2039	\$20,851,058	\$14,136,310	\$6,714,747	(\$1,250,000)	\$5,464,747	\$1,366,187	\$1,366,187	\$1,366,187	
30	2040	\$21,238,355	\$14,398,885	\$6,839,470	(\$1,250,000)	\$5,589,470	\$1,397,368	\$1,397,368	\$1,397,368	
31	2041	\$21,635,277	\$14,667,984	\$6,967,293	(\$1,250,000)	\$5,717,293	\$1,429,323	\$1,429,323	\$1,429,323	
32	2042	\$22,042,101	\$14,943,797	\$7,098,304	(\$1,250,000)	\$5,848,304	\$1,462,076	\$1,462,076	\$1,462,076	
33	2043	\$22,459,114	\$15,226,518	\$7,232,596	(\$1,250,000)	\$5,982,596	\$1,495,649	\$1,495,649	\$1,495,649	
		\$483,043,591	\$327,487,180	\$155,556,411	(\$25,000,000)	\$130,556,411	\$32,639,103	\$32,639,103	\$32,639,103	

(1) - Reflects blended debt coverage assumption - guaranteed revenue sources do not include debt coverage.

Limiting Conditions and Assumptions

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Barrett Sports Group, LLC analysis is subject to the following limiting conditions and assumptions:

- The analysis has been prepared for internal decision making purposes of the City of Pasadena/RBOC, UCLA, and the Tournament of Roses only and shall not be used for any other purposes without the prior written permission of Barrett Sports Group, LLC.
- Ownership and management of the stadium are assumed to be in competent and responsible hands.
- Any estimates of historical or future revenues, rents, expenses, occupancy, net operating income, mortgage debt service, capital outlays, cash flows, inflation, capitalization rates, yield rates or interest rates are intended solely for analytical purposes and are not to be construed as predictions of the analysts. They represent only the judgment of the authors based on information provided by operators and owners active in the market place, and their accuracy is in no way guaranteed.
- Our work has been based in part on review and analysis of information provided by unrelated sources which are believed accurate, but cannot be assured to be accurate.
- Current and anticipated market conditions are influenced by a large number of external factors. We have not knowingly withheld any pertinent facts, but we do not guarantee that we have knowledge of all factors which might influence the operating potential of the facility. Due to rapid changes in the external factors, the actual results may vary significantly from estimates presented in this report.
- The analysts reserve the right to make such adjustments to the analyses, opinions, and conclusions set forth in this report as may be required by consideration of additional data or more reliable data which may become available.
- The analysis is intended to be read and used as a whole and not in parts. Separation of any section or page from the main body of the report is expressly forbidden and invalidates the analysis.
- Possession of the analysis does not carry with it the right of publication. It shall be used for its intended purpose only and by the parties to whom it is addressed. Other parties should not rely on the findings of this report for any purpose and should perform their own due diligence.
- Our performance of the tasks completed does not constitute an opinion of value or appraisal, or a projection of financial performance or audit of the facility in accordance with generally accepted audit standards. Estimates of value (ranges) have been prepared to illustrate current and possible future market conditions.
- The analysis shall not be used in any matters pertaining to any financing, or real estate or other securities offering, registration, or exemption with any state or with the federal Securities and Exchange Commission.
- No liability is assumed for matters which are legal or environmental in nature.



Risks and Mitigation Measures



Risks and Mitigation Measures

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- Completion Risk
 - ▣ Experienced Design/Construction Team
- Construction Cost Overruns
 - ▣ Conservative Construction Estimates Plus 10% Contingency
 - ▣ GMP Contracts/Early Material Price Lock
- City Credit Rating Downgrade
 - ▣ 1.475x Debt Service Coverage
 - ▣ Surplus Revenues Dedicated to Capital and Supplemental Financing Reserve
 - ▣ Peer Review on Revenue Estimates (74% Breakeven)
 - ▣ Golf Course Revenue (FY2024)



Risks and Mitigation Measures

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- Lower than Estimated Revenues
 - ▣ Deterioration in Economic Conditions
 - ▣ Rose Bowl Game Status – BCS/Pac-10 and Big-10
 - History and Prestige of Event
 - Increased Revenue Generating Opportunities
 - ▣ UCLA Football Status
 - Program Critical to Athletic Department Revenues
 - ▣ Lack of Cooperation from Tenants – Competing Interests
 - Surplus Revenue Sharing Attempts to Align Interests
 - ▣ Same Mitigation Measures as Rating Downgrade



Risks and Mitigation Measures

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- RBOC Operating Shortfalls
 - ▣ Current Revenue Sources Dedicated
 - ▣ Set-Asides Established
 - ▣ Same Mitigation Measures as Rating Downgrade
- Competition from NFL Stadium
 - ▣ Tenants Committed through FY2043
 - ▣ ISP Contract through FY2026
 - ▣ History and Prestige of Venue
 - ▣ Improvements will Increase Appeal
 - ▣ Same Mitigation Measures as Rating Downgrade



Financing Next Steps

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- City Council Workshop – October 4th
- RBOC Board Approval and Recommendation on Financing Plan – October 7th
- City Council Approval – October 11th
- Rating Agency Presentations and Follow Up – Oct
- Acquire Bond Ratings – Early Nov
- Bond Pricing – Mid Nov
- Bond Closing – Late Nov



Additional Priority Elements to Add

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(Millions)

□ Chair Replacement/Concrete Repair/New Aisles	\$11.5
□ Field Level Lounges	\$7.9
□ Other Event Exiting Improvements	\$3.3
□ Remodel of Existing Restrooms	<u>\$2.0</u>
Total	\$24.7

Revenue Sources: Surplus Bond Proceeds, Surplus Revenue Fund, & Legacy



Rose Bowl Renovation Project...

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Preserving the Past to Ensure the Future



Rose Bowl Renovation Project

