

RESOLUTION NO. _____

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF PASADENA AMENDING THE GENERAL FEE SCHEDULE TO ADD A NEW FEE TO THE SCHEDULE OF MINIMUM RENTS, CHARGES AND FEES TO BE CHARGED FOR THE USE OF THE ROSE BOWL LEVIED PURSUANT TO SECTION 3.32.280 OF THE PASADENA MUNICIPAL CODE

WHEREAS, the City of Pasadena, a municipal corporation and a chartered city of the State of California (the "City") owns that certain land and improvements thereon consisting primarily of the Rose Bowl Stadium (the "Stadium"), certain related facilities and adjacent areas, more particularly defined in Pasadena Municipal Code §3.32.250 (collectively the "RBOC Area"); and

WHEREAS, the City and Pasadena Financing Authority (the "Financing Authority") previously entered into a Lease, dated as of February 1, 2006 (the "2006 Lease"), pursuant to which the City leased the RBOC Area to the Authority; and

WHEREAS, the City and the Authority previously entered into a Sublease, dated as of February 1, 2006 (the "2006 Sublease"), pursuant to which the Authority subleased the RBOC Area back to the City; and

WHEREAS, pursuant to Pasadena Municipal Code §2.175, the City created the Rose Bowl Operating Company ("RBOC"); and

WHEREAS, pursuant to that certain Management and Operating Agreement, Agreement No. 15,703, dated as of May 19, 1995, as amended by an Amendment, Agreement No. 15,703-1, dated as of July 10, 1996, as further amended by an Amendment, Agreement No. 15,703-1, dated as of August 20, 1999 (as so amended, the "Operating Agreement"), and Pasadena Municipal Code §4.09.026, the City has, subject to certain limitations, delegated the operation and management of the RBOC Area to RBOC; and

WHEREAS, the City desires to renovate the RBOC Area to (1) improve public safety, (2) enhance fan experience, (3) maintain national historic landmark status, (4) develop revenue sources to fund long term capital improvements, and (5) enhance facility operations (collectively, the "Renovation Project"); and

WHEREAS, concurrently herewith, in order to finance the Renovation Project, the City proposes to enter into a First Amendment to the Lease with the Financing Authority (the "First Amendment to Lease" together with the 2006 Lease, the "Lease"), pursuant to which the City will undertake the Renovation Project; and

WHEREAS, concurrently herewith, in order to finance the Renovation Project, the City further proposes to enter into a First Amendment to Sublease with the Financing Authority (the "First Amendment to Sublease", together with the 2006 Sublease, the "Sublease"), pursuant to which the Authority will sublease the RBOC Area, including the Renovation Project,

to the City and the City will make additional base rental payments ("2010 Base Rental Payments") to the Authority; and

WHEREAS, pursuant to a Bond Indenture (the "Indenture"), dated as of November 1, 2010, between the Authority and Deutsche Bank National Trust Company, N.A., as trustee (the "Trustee"), the Authority will assign its rights to receive the 2010 Base Rental Payments to the Trustee and the Authority will issue the bonds, which bonds will be designated generally as the "Pasadena Public Financing Authority Lease Revenue Bonds (Rose Bowl Improvement Project)" (the "Bonds"), of one or more series and with such other name or names as may be designated pursuant to the Indenture; and

WHEREAS, in order to partially offset the City's and RBOC's costs and expenses in the maintenance, expansion, operation, repair and replacement of the RBOC Area, including the debt service on the Bonds, the RBOC has proposed a modification to the schedule of minimum rents, charges and fees to be charged and collected for use of the Rose Bowl Area previously adopted by the City pursuant to Section 3.32.280 of the Pasadena Municipal Code (the "Rose Bowl Fee Schedule") to add the following user fees (the "New User Fees"):

(a) A capital improvement maintenance user fee (the "Capital Improvement Surcharge") on each right to use a seat in the Stadium pursuant to an admission ticket or license with a face value in excess of \$100 per seat (each a "Subject Admission Ticket") sold to members of the public for admission to the Stadium, whether such Subject Admission Tickets are sold by or on behalf of RBOC, or by a licensee of RBOC including the Regents of the University of California, a California public benefit corporation, on behalf of the University of California, Los Angeles ("UCLA"), the Pasadena Tournament of Roses Association ("TOR") and/or ISP Sports, LLC ("ISP"), not to exceed the following amounts:

- i. Commencing January 1, 2012, during calendar years 2012 through 2021, \$10 per Subject Admission Ticket;
- ii. During calendar years 2022 through 2031, \$15 per Subject Admission Ticket, and
- iii. During calendar years 2032 through 2043, \$20 Subject Admission Ticket; and

(b) Commencing with the first day of the first calendar month following substantial completion of the Renovation Project, a parking surcharge (the "Parking Surcharge") in the amount of \$5 per vehicle (thereafter increasing by \$1 every 5th anniversary thereof) to be added to the parking admission charge for all vehicles entering parking areas at the RBOC Area, in connection with events at the Stadium, whether such charges are collected by or on behalf of RBOC, or by a licensee of RBOC including UCLA, TOR and/or ISP; and

WHEREAS, the New User Fees (a) will be charged only to the person actually using the facilities and services to which the New User Fees relate, i.e., the Stadium in the case of the Capital Improvement Surcharge and the Stadium parking areas in the case of the Parking Surcharge, (b) the amount of the New User Fees are generally related to the actual goods or services provided, i.e., the Stadium in the case of the Capital Improvement Surcharge and the

Stadium parking areas in the case of the Parking Surcharge.; and (c) the User Fees would be imposed on those persons who choose to attend events at the Stadium for the privilege of enjoying the benefits of the Stadium, including the Renovation Project, (d) the User Fee compensates the City for a special benefit or privilege granted to the person upon whom such fee is imposed, (e) persons who choose not pay the New User Fees will not receive access to the Stadium or the associated parking areas, as applicable, and (f) the revenue generated by the New User Fees will constitute only a portion of the costs to finance the Renovation Project and the City's and RBOC's costs and expenses in the maintenance, expansion, operation, repair and replacement of the RBOC Area; and

WHEREAS, the City Council finds and determines that, for the reasons set forth above, the New User Fees do not constitute general or special taxes within the meaning of California Constitution, Article 13C; and

WHEREAS, the City Council finds and determines that, for the reasons set forth above, the New User Fees do not exceed the reasonable cost of providing the services or regulatory activities for which the fees are to be charged and will not be levied for general purposes.

NOW THEREFORE, BE IT RESOLVED by the City Council of the City of Pasadena, that the addition of the New User Fees to the Rose Bowl Fee Schedule are hereby approved; and

FURTHER RESOLVED, that, notwithstanding such change to the Rose Bowl Fee Schedule, the City Manager and/or the RBOC, as applicable, from time to time, shall have the right to waive application of or discount the New User Fees, or either of them, in whole or in part to UCLA, TOR, ISP or other licensee, provided such waiver is consistent with a duly authorized agreement with such party, or otherwise, if in the exercise of its discretion in a manner consistent with Pasadena Municipal Code Chapter 3.32, a waiver or discounting of either such fee offers a significant marketing advantage in booking an event which is likely to produce positive economic impact.

Adopted at the regular meeting of the City Council on the ___ day of _____, 2010, by the following vote:

AYES:

NOES:

ABSENT:

ABSTAIN:

City Clerk

APPROVED AS TO FORM:

City Attorney