

Agenda Report

April 8, 2013

To: Honorable Mayor and City Council
From: Rose Bowl Operating Company
Subject: Amendment to Master License Agreement with the Tournament of Roses to Host the 2014 BCS National Championship Game

RECOMMENDATION

It is recommended that the RBOC:

1. Find that the action proposed herein is categorically exempt from the California Environmental Quality Act pursuant to State CEQA Guidelines Section 15323 (Normal Operations of Facilities for Public Gathering; and
2. Authorize the General Manager to complete negotiations and enter into an amendment to the Master License Agreement with the Tournament of Roses to host the 2014 Bowl Championship Series (BCS) National Championship Game on January 6, 2014 on the terms set forth herein, and recommend same to City Council.

BACKGROUND

As part of the 2014 BCS the Rose Bowl will have the opportunity to host both the annual Rose Bowl Game and the BCS National Championship Game ("2014 NCG"), as it did in 2010. The Rose Bowl Game will be held on January 1, 2014 and the 2014 NCG will be held on January 6, 2014.

The City and the Tournament of Roses Association ("TOR") have been in discussions regarding the staging of the January 2014 NCG at the Rose Bowl Stadium on January 6, 2014. The game start time will be approximately 5:20 p.m. In order to stage the game, the City and the TOR will enter into an amendment to the Amended and Restated Master License Agreement No. 20,502 dated November 16, 2010 (the "MLA"). The material terms of the amendment are primarily consistent with those within the MLA and are set forth herein.

To accommodate the 2014 NCG, the Exclusive Use Periods for the 2014 Rose Bowl Game shall be extended and continue without interruption for the 2014 NCG.

The event is projected to net approximately \$4 million for the RBOC. In addition, this event is expected to generate significant tax revenues for the City of Pasadena.

The key provisions of the amendment are listed as follows:

License Fee: \$245,000

Field Re-sod: TOR shall pay all costs associated with re-sod and painting of the field for the game.

Facility Expenses: TOR shall reimburse the City for facility expenses for the 2014 NCG of up to \$500,000. In the event the City exceeds the \$500,000 budget, TOR must pre-approve expenses beyond the \$500,000, such approval not to be unreasonably withheld.

Premium Seating: The TOR shall receive six 16-person suites and two 17-person suites as part of the license fee and will purchase five additional suites. All additional premium seating will be at the control of the RBOC.

Tickets: The City shall receive its normal allotment of stadium tickets per the MLA. In addition, the RBOC shall receive the opportunity to purchase 1,000 tickets to be utilized primarily to enhance premium seating sales efforts.

Parking: This section will be consistent with the MLA, whereby the City shall have the rights to turf parking lots, and the TOR shall have rights to paved parking lots. Each entity shall retain all revenue for their respective areas. The City shall have the rights to parking for recreational vehicles in City controlled lots, and the rights to all parking in all of the turf lots, and shall retain all revenue therefrom. The TOR shall have the rights to parking for buses and limousines, and in the paved lots and shall retain all revenue therefrom.

Fan Festival: ESPN has exclusive rights to sponsorship activation for this activity; however, the RBOC shall have exclusive rights to all food & beverage for this activity.

Broadcast/Media Rights: Same as stated in the MLA.

Food/beverage: The City shall have all rights to food and beverage concessions as provided in the MLA, except at TOR parties and other private parties outside the Stadium fence.

Novelties: The TOR has all rights to licensed merchandise, however if the RBOC wants to develop Rose Bowl Stadium branded merchandise then the parties shall work together in order for this opportunity to occur.

Advertising: All advertising and signage shall be as set forth in the MLA.

Admission Tax: \$1.58 per ticket

Capital Maintenance User Fee: \$10 per ticket

All other areas of the BCS agreement shall be consistent with the MLA.


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 a 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 was constructed as a football stadium and has hosted football games of the size discussed herein throughout its history. There is no indication that this event will be any different in terms of impacts than any other football game hosted in the Bowl in the past.

FISCAL IMPACT

The RBOC is anticipated to receive approximately \$ 4 million in net income from the event. In addition, the economic impact to the City of Pasadena as a result of hosting the BCS National Championship Game is estimated to be in the tens of millions of dollars. This figure does not include the publicity Pasadena is expected to receive via the media during the college football season leading up to the game and the broadcast of the event which is expected to be viewed by approximately 20 million people. The net revenue for the RBOC is expected to primarily provide funding for additional stadium project elements, as the RBOC works towards completing the renovation project.

Respectfully Submitted,


Darryl Dunn,
General Manager