



Rose Bowl Operating Company
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April 21, 2014

To: Mayor Bill Bogaard and members of the City Council

From: Darryl Dunn, General Manager

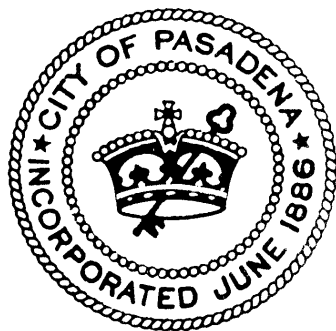
Subject: Agenda report related to displacement event # 18

Mayor and Members of the City Council:

Attached is the agenda report related to the potential Jay Z & Beyonce concert for August 2, 2014. The RBOC Board of Directors is scheduled to meet on this item on Monday, April 21st @ 5:30 PM. In the event that there is any deviation from the recommendation referenced in the attached agenda report, staff will be prepared to update the council on the floor of the meeting.

If you have any questions, please contact me at (626) 577-3116 or (626) 255-2927.

04/22/2014
Item 2



Agenda Report

April 22, 2014

TO: CITY COUNCIL

FROM: ROSE BOWL OPERATING COMPANY (RBOC)

SUBJECT: LICENSE AGREEMENT WITH LIVE NATION FOR THE PRESENTATION OF A CONCERT TO BE HELD ON AUGUST 2, 2014,

Recommendation of Rose Bowl Operating Company:

It is recommended that the City Council:

- 1) Find that proposed actions are categorically exempt under California Environmental Quality Act (CEQA) Guidelines Section 15323 (Normal Operations of Facilities for Public Gatherings);
- 2) Make the required findings, pursuant to Pasadena Municipal Code Section 3.32.270, to authorize one additional Displacement Event at the Rose Bowl Stadium during calendar year 2014 for Jay-Z & Beyonce concert to occur on August 2, 2014;
- 3) Acknowledge that the General Manger will issue a permit to Live Nation for the purposes of sound check on August 1, 2014 between the hours of noon-10:00 p.m. (intermittent) and on August 2, 2014 between the hours of 10:00 a.m. – 11:00 p.m.; and
- 4) Direct staff to file a Notice of Exemption by April 25th, 2014.

BACKGROUND:

The Rose Bowl has an opportunity to host a concert on Saturday August 2, 2014 featuring Jay-Z and Beyonce. This would be the sixth concert in 2014, which would be the most in any calendar year in the history of the iconic stadium.

On February 6, 2014, the RBOC approved up to 18 displacement events to be held in 2014. This approval was also given by the City Council on February 10, 2014. At that time there were 17 displacement events identified. It was noted in that report that the RBOC would have the potential of scheduling one additional displacement in 2014. The displacement events in 2014 currently approved are the following:

- Rose Bowl Game, January 1, 2014
- BCS National Championship Game, January 6, 2014
- Autism Speaks walk, April 26, 2014
- July 4th Celebration

- International Soccer featuring Manchester United vs. Los Angeles Galaxy, July 23, 2014
- Two concerts featuring Rihanna & Eminem on August 7 & 8, 2014
- Three concerts featuring One Direction, September 9-11, 2014
- UCLA vs. Memphis, September 6, 2014
- UCLA vs Utah, October 4, 2014
- UCLA vs. Oregon, October 11, 2014
- UCLA vs. Arizona, November 1, 2014
- UCLA vs. USC, November 22, 2014
- UCLA vs. Stanford, November 28, 2014
- *Pac 12 Championship Game, December 6, 2014 (this will only be hosted at the Rose Bowl if UCLA has the best record in the Pac 12 Conference)

It should be recognized that a primary reasons for the increased activity has been musical artists teaming up to produce one stadium concert and the success of the Rose Bowl Renovation Project. This will be the third time in the past year that the Rose Bowl will host such an event. In 2013, Jay-Z and Justin Timberlake sold out the Rose Bowl. In addition to the Jay-Z & Beyonce show, Eminem and Rhianna will be performing also in August. Due in large part to this trend, 2014 has become the busiest year for stadium concerts in the United States in recent memory.

The deal points would be consistent with the other two dates. Some of the key deal points are as follows:

- Flat License Fee
 - o Attendance under 50,000 – \$286,000
 - o Attendance over 50,000 – \$302,500
- Admission tax
 - o \$1.60 per ticket

Both the license fee and admission tax are RBOC revenue streams. It should be mentioned that none of the ticket revenue will be shared with the RBOC.

Similar to other concerts, the promoter and the RBOC will share revenue of ancillary income in certain categories, such as the following:

- o Net concession income
- o Net parking income (and traffic)
- o Premium seating income & corresponding Pavilion expenses
- o Novelty income
- o Picnic in the Park (a pre-event in area H that is designed to get fans to the stadium sooner in the day in order to help manage traffic closer to show time)

The promoter will reimburse the RBOC for the following expenses:

- Facility damages
- Field Damage
- VIP special requests related expenses

- Stagehands expenses
- Permit expenses
- Pre-coverage, move-in, move out & production expenses

The event will have a stage that is expected to be located in the south end of the stadium, which is typical for most concerts that occur at the Rose Bowl. This configuration will provide a capacity of up to approximately 60,000 spectators. The event is anticipated to begin at approximately 7:00 p.m. and end no later than 11:00 p.m., although specific times have not been defined as of yet. As traditionally occurs for a major concert at the Rose Bowl, amplified noise will exceed non-event day sound levels originating from the stadium. A sound permit exempting this event from the general standards of the noise ordinance and allowing noise levels up to the limits specified in the noise element of the City's General Plan will be issued pursuant to Section 9.36.170 of the Pasadena Municipal Code. This will permit amplified sound to occur at the following levels: not exceeding a constant of 85 decibels (dba) at the outer limits of the property line and not exceeding a constant of 75 dba at the nearest residential property line. It is not a violation of this permit however, for noise to intermittently spike above those levels, as the Noise Element of the City's General plan indicates is the historical norm for this permitted activity. The Rose Bowl shall place noise monitors at various locations throughout the area during the sound amplification. It should be noted that City Council approval of the license agreement or the sound permit is not required for this event.

Event traffic from this as well as other displacement events requires careful management to reduce the impact on local neighborhoods. The promoter and stadium staff have been in discussions on how best to manage traffic for this event. A pre-event will be planned in order to attract fans to come to the stadium early, and other management measures will be put into place. Communication between stadium, police and neighborhood associations will occur regularly leading up to the second half of 2014, which is when the displacement events will be occurring.

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 has hosted numerous concerts over its history, including last year. There is no indication that this concert will be any different in terms of noise than any other concert hosted in the Bowl in the past, and any noise generated from this concert is expected to be within the parameters allowed by the Noise Element of the General Plan.

DISPLACEMENT EVENTS

The Arroyo Public Lands Ordinance establishes guidelines and policies related to the administration of the Arroyo Seco, including the Rose Bowl. The ordinance states that the City seeks to achieve a balance between the use of the Rose Bowl and impact of such use on surrounding residential areas. To achieve that balance, Section 3.32.370 of the ordinance limits the number of Displacement Events to no more than 12 in any calendar year except with the approval of the City Council and upon making certain findings. Specifically, in order to stage additional Displacement Events the City Council must, for each event, find that:

1. The additional event represents a unique opportunity that will enhance the stature of the Rose Bowl.
2. The revenue generating potential from the additional event justifies its consideration.
3. It is anticipated that this event will not create undue conflicts with Arroyo Seco activities taking place at the same time.
4. The event does not impose undue adverse impacts on the surrounding residential area.

The City Council is encouraged to consider the following information as to how the proposed additional Displacement Event satisfies the requirements of the Municipal Code.

Finding 1: This concert provides the Rose Bowl a unique opportunity to continue its momentum as one of the premier concert venues in America. This is the first time that Jay Z and Beyonce have toured together and they have selected the Rose Bowl as the best venue in LA to host their national tour.

Finding 2: It is estimated that this event will directly generate approximately \$300,000 - \$400,000 in direct net revenue for the RBOC (depending on attendance). This does not include the additional economic activity associated with the concert that will benefit local businesses and therefore City tax revenue.

Finding 3: The events would be planned for a Saturday and would result in minimal conflict with current schedule activities in the Arroyo. Staff will work closely with the Public Works, Police, and Human Services and Recreation Department staff of the City of Pasadena, as well as Kids Space Museum and Rose Bowl Aquatics Center to minimize the impact that the displacement event will have on other activities in the Central Arroyo Seco. In the event of potential scheduling conflicts, the RBOC will work with those involved to minimize the impact.

Finding 4: Planning and preparation will minimize the impact of this event to the surrounding neighborhoods. It is staff's expectation that this event will be very similar to the Legends of the Summer tour (Jay Z, Justin Timberlake) that occurred in 2013. We anticipate that although traffic issues will be a major concern, being able to contact the majority of the ticket buyers of this event and encourage car pools, use of public transportation and early arrivals will enable successful traffic management.

FISCAL IMPACT:

It is anticipated that the RBOC will generate in excess of \$300,000 - \$400,000 from this event. This will enable the RBOC to help meet its operating budget for fy15, as well as develop additional funding sources for capital needs of the stadium and golf course.

This event is expected to result in a significant positive economic impact for the business community, especially hotels, restaurants, and retail outlets in the City. The RBOC will be working with the Chamber of Commerce and the Pasadena Center Operating Company staff to develop links on the Rose Bowl website and other opportunities to benefit the Pasadena business community.

Respectfully submitted,

A handwritten signature in black ink, appearing to read 'Darryl Dunn', with a long horizontal flourish extending to the right.

Darryl Dunn
General Manager