



**10 Year Financial Projections:
The Rose Bowl & Golf Course**

January 1995

by

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Executive Summary:

As requested by The General Manager of The Rose Bowl, this report contains financial projections for The Rose Bowl and Brookside Golf Course. The purpose of the projections, which are broken down into income statements and cash flows, is to provide The Rose Bowl Operating Committee with a realistic expectation of the future financial status of the entities which it will be governing.

The projections are based on the most group of events likely to occur over the next 10 years. In the near future, the most significant factor affecting bottom line revenue of The Rose Bowl will be the ability to attract major events. This report assumes that in addition to the annually occurring events (UCLA, Rose Bowl Game, Independence Day) that The Rose Bowl will attract 2 additional major events per year. Moreover, increases in parking fees in FY96 and FY00 will generate significant revenues for The Rose Bowl as will the internalizing of the accounting and finance functions currently handled by The City. All other assumptions are carefully explained in the report that follows.

As the financial projections indicate, The RBOC will be able to engage in over \$10 million worth of the capital improvement projects outlined in the master plan and The City's proposed schedule. Additionally, The RBOC will be able to deposit money into a Debt Service Reserve Fund to safe guard against defaulting on present and future loans while still contributing a substantial amount to The City's General Fund.

Note: There is no attempt to explore possible lucrative new business opportunities, such as licensing and merchandising. Instead, the projections reflect only those revenue generating and cost saving projects that are extremely likely to occur.

Summary of 10 Year Financial Projections

<u>Rose Bowl</u>	FY95	FY96	FY97	FY98	FY99	FY00	FY01	FY02	FY03	FY04
Operating Revenues	6,307,359	4,548,663	4,796,094	4,933,393	5,129,544	5,897,375	6,010,335	6,176,060	6,407,388	6,589,505
Operating Expenses	4,266,304	3,691,361	3,859,916	4,076,320	4,280,764	4,486,622	4,700,973	4,928,406	5,169,824	5,426,202
Non-Operating Income	(772,000)	(856,000)	(840,000)	(824,000)	(808,000)	(888,000)	(868,000)	(944,000)	(920,000)	(896,000)
NET INCOME	1,269,055	1,302	96,178	33,074	40,780	522,754	441,362	303,654	317,564	267,303
<u>Brookside</u>										
Operating Revenues	2,021,875	2,114,531	2,211,567	2,313,194	2,419,634	2,531,119	2,647,894	2,770,214	2,898,347	3,032,576
Operating Expenses	686,351	658,652	614,076	640,409	668,288	697,817	729,108	762,282	797,469	834,809
Non-Operating Income	(60,000)	(54,000)	(47,700)	(41,085)	(34,139)	(26,846)	(19,189)	(11,148)	(2,705)	6,159
NET INCOME	1,275,524	1,401,879	1,549,791	1,631,700	1,717,206	1,806,456	1,899,598	1,996,784	2,098,173	2,203,926
Arroyo Park	(850,000)	(884,000)	(919,360)	(956,134)	(994,380)	(1,034,155)	(1,075,521)	(1,118,542)	(1,163,284)	(1,209,815)
Retained Earnings	425,524	517,879	630,431	675,565	722,827	772,301	824,076	878,242	934,890	994,111
Total Earnings	1,694,579	519,181	726,609	708,639	763,607	1,295,055	1,265,438	1,181,896	1,252,454	1,261,414

10 Year Financial Projections: ROSEBOWL

	FY95	FY96	FY97	FY98	FY99	FY00	FY01	FY02	FY03	FY04
Operating Revenues										
NYD Fees	250,000	257,500	265,225	273,182	281,377	289,819	298,513	307,468	316,693	326,193
Concessions	1,290,000	485,000	509,250	534,713	561,448	589,521	618,997	649,946	682,444	716,566
Rental Fees	3,000,000	1,550,000	1,627,500	1,708,875	1,794,319	1,984,035	1,978,236	2,077,148	2,181,006	2,290,056
Press Box	995,200	995,200	1,044,960	1,044,960	1,097,208	1,097,208	1,152,068	1,152,068	1,209,671	1,209,671
Admission Tax	60,000	0	0	0	0	0	0	0	0	0
Advertising	412,159	581,963	600,159	619,164	639,017	663,760	685,435	708,089	731,768	756,522
Parking	300,000	679,000	679,000	679,000	679,000	1,192,000	1,192,000	1,192,000	1,192,000	1,192,000
Recovery of Billables	0	0	70,000	73,500	77,175	81,034	85,085	89,340	93,807	98,497
Total	6,307,359	4,548,663	4,796,094	4,933,393	5,129,544	5,897,375	6,010,335	6,176,060	6,407,388	6,589,505
Operating Expenses										
Salaries	547,439	574,810	603,551	633,728	665,415	698,686	733,620	770,301	808,816	849,257
Materials	136,087	142,892	150,036	157,538	165,415	173,686	182,370	191,489	201,063	211,116
Outside Services	201,986	212,086	222,690	233,825	245,516	257,792	270,681	284,215	298,426	313,347
Utilities	272,682	278,863	287,229	295,845	304,721	313,862	323,278	332,977	342,966	353,255
General Services	293,115	322,426	354,669	390,136	429,149	472,064	519,271	571,198	628,318	691,149
Depreciation	458,750	496,500	530,500	567,000	580,800	584,550	584,550	584,550	584,550	584,550
Abatements	221,245	141,034	111,042	116,594	122,423	128,544	134,972	141,720	148,806	156,247
Stadium Marketing	0	6,000	6,300	6,615	6,946	7,293	7,658	8,041	8,443	8,865
PressBox Expenses	210,000	220,500	231,525	243,101	255,256	268,019	281,420	295,491	310,266	325,779
Event Related Expenses	25,000	26,250	28,875	31,763	34,939	38,433	42,276	46,503	51,154	56,269
Total	1,900,000	1,270,000	1,333,500	1,400,175	1,470,184	1,543,693	1,620,878	1,701,921	1,787,018	1,876,368
Total	4,266,304	3,691,361	3,859,916	4,076,320	4,280,764	4,486,622	4,700,973	4,928,406	5,169,824	5,426,202
NON-Operating Income										
1992 COP Int Expense	(472,000)	(456,000)	(440,000)	(424,000)	(408,000)	(388,000)	(368,000)	(344,000)	(320,000)	(296,000)
1992 COP Debt Payment	(300,000)	(400,000)	(400,000)	(400,000)	(400,000)	(500,000)	(500,000)	(600,000)	(600,000)	(600,000)
Private Donations	0	0	0	0	0	0	0	0	0	0
Investment Earnings	0	0	0	0	0	0	0	0	0	0
Total	(772,000)	(856,000)	(840,000)	(824,000)	(808,000)	(888,000)	(868,000)	(944,000)	(920,000)	(896,000)
NET INCOME	1,269,055	1,302	96,178	33,074	40,780	522,754	441,362	303,654	317,564	267,303

10 Year Financial Projections: Brookside Golf Course

	FY95	FY96	FY97	FY98	FY99	FY00	FY01	FY02	FY03	FY04
Operating Revenue										
Pro Shop	100,000	103,000	106,090	109,273	112,551	115,927	119,405	122,987	126,677	130,477
Restaurant	321,875	331,531	341,477	351,722	362,273	373,141	384,336	395,866	407,742	419,974
American Golf	1,600,000	1,680,000	1,764,000	1,852,200	1,944,810	2,042,050	2,144,153	2,251,361	2,363,929	2,482,125
Total	2,021,875	2,114,531	2,211,567	2,313,194	2,419,634	2,531,119	2,647,894	2,770,214	2,898,347	3,032,576
Operating Expenses										
Salaries	172,000	180,600	189,630	199,111	209,067	219,520	230,496	242,021	254,122	266,828
Materials	7,900	8,295	8,710	9,145	9,602	10,083	10,587	11,116	11,672	12,255
Outside Services	56,700	59,535	62,512	65,637	68,919	72,365	75,983	79,783	83,772	87,960
Utilities	89,250	91,928	94,685	97,526	100,452	103,465	106,569	109,766	113,059	116,451
General Services	47,250	51,975	57,173	62,890	69,179	76,097	83,706	92,077	101,285	111,413
Depreciation	106,712	106,712	106,712	106,712	106,712	106,712	106,712	106,712	106,712	106,712
Abatements	206,539	159,608	94,655	99,388	104,357	109,575	115,054	120,806	126,847	133,189
Total	686,351	658,652	614,076	640,409	668,288	697,817	729,108	762,282	797,469	834,809
NON-Operating Income										
Interest Expense	(180,000)	(180,000)	(180,000)	(180,000)	(180,000)	(180,000)	(180,000)	(180,000)	(180,000)	(180,000)
Misc Rev	0	0	0	0	0	0	0	0	0	0
Investment Earnings	120,000	126,000	132,300	138,915	145,861	153,154	160,811	168,852	177,295	186,159
Total	(60,000)	(54,000)	(47,700)	(41,085)	(34,139)	(26,846)	(19,189)	(11,148)	(2,705)	6,159
NET INCOME	1,275,524	1,401,879	1,549,791	1,631,700	1,717,206	1,806,456	1,899,598	1,996,784	2,098,173	2,203,926
Arroyo Park Operations	(850,000)	(884,000)	(919,360)	(956,134)	(994,380)	(1,034,155)	(1,075,521)	(1,118,542)	(1,163,284)	(1,209,815)
RETAINED EARNINGS	425,524	517,879	630,431	675,565	722,827	772,301	824,076	878,242	934,890	994,111

Purpose:

This report, commissioned by The General Manager of The Rose Bowl, is intended to provide the Rose Bowl Operating Committee with a basis for negotiating a reasonable annual contribution to The City of Pasadena's General Fund. In order to best reflect the actual future financial status of the entities governed by the RBOC, 10 year financial projections incorporate various possible capital improvement plans and expenditures.

Methodology

The 10 year financial projections were derived from a number of sources. In most cases, base projections, FY95, and assumptions about annual increases were corroborated by financial statements or financial analysts to reasonably ensure an accurate projection. Whenever possible, figures were obtained from the person most responsible for an area of revenue generation. For example, the revenue numbers for the golf course fund were mostly generated from David Sams, who is in The City's main liaison with the parties running Brookside Golf Course. Interviews were conducted with the entire Rose Bowl staff to gain a better understanding of how each department contributes to and is responsible for revenues and expenses. Specifically, current revenue and expense estimates, as well as future projections, were provided by the personnel in charge of marketing, advertising, the New Year's Day game, Rose Bowl Suites, and general administration of The Rose Bowl. Similarly, numbers pertaining to existing investments and debt service obligations were provided by the accounting, finance and budget offices of The City of Pasadena.

Documents, such as The City of Pasadena's Rose Bowl Fund, Statement of Revenues & Expenses, were valuable in extrapolating future expenses. Additionally, projections were referenced against past attempts to develop an accurate 10 year projection. Specifically, this report borrowed from McGladrey & Pullen's 1991 report, "City of Pasadena Rose Bowl Fund", as well as several projections from The City's budget and finance departments. In addition, the format for the 10 year projections borrows from documents of The City of Pasadena Department of Power and Water and The Pasadena Center. A complete list of sources can be found in Appendix A.

Explanation of Assumptions

Assumptions are perhaps the most influential factor contributing to the bottom line dollar figures. Somewhat conservative estimates are used in revenue generating measures, whereas, expenses are regarded as uncontrollable and thus increasing at a faster rate than revenues. Furthermore, several foreseeable costs cutting and revenue generating measures are analyzed and incorporated into the overall projections. The most significant of these measures occur in the areas of parking revenues, abatement costs, and debt service schedules related to proposed capital improvements. Moreover, there are no assumptions made regarding new business opportunities, such as licensing and merchandising, which could generate significant revenues. The following is a detailed list of the assumptions upon which the figures are predicated.

Rose Bowl Operating Revenues

Perhaps the most influential of all assumptions concerns the number of major events to be held each year. The report assumes that in addition to one New Year's Day Game, 12 flea markets, 6 UCLA games, and the Fourth of July event, The Rose Bowl will hold two major events per year. (This number is based on an average number of regular occurring events over the past seven years. Hence, extraordinary events like a Superbowl or World Cup are not included and thus do not include the major revenue spike like in FY95. A more detailed list is detailed in Appendix H.) The events, i.e. concert or motorcross, will allow beer sales and receive all standard moneys as have past events. It must also be noted that FY95 includes all actual events scheduled, including World Cup and several major concerts. Additionally, FY00 includes a Superbowl that nets the Rose Bowl \$100,000.

NYD Fees:

According to The City's Statement of Revenues and Expenses for recent years and sources who work closely with The New Year's Day Game, The Rose Bowl can expect to realize \$250,000 annually from the event. Unfortunately, The Rose Bowl has little ability to affect TOR decisions on generating revenue or decreasing expenses associated with the event. Thus, The Rose Bowl will be limited to an overall increase of 3% annually.

Concessions

The concession figures reflect a continuation of the revenue sharing structure which exists in the present contract. Additionally, it is expected that revenue will increase by 5% per year due to price increases and the possible installation of ATMs to capture additional sales. The base figures rely upon 1994 event revenues provided by Service America.

Rental Fees

FY96 rental fees are based on revenues generated from FY92, a similar event year, plus a 5% annual increase from FY92 to FY96 and an adjustment made for an additional UCLA game. An additional event is based on revenues from recent major events contained in the Pink Floyd/Rolling Stones Comparison. (Appendix B contains the FY92 event schedule.) The fee is presumed to increase at 5% annually beginning in FY97. FY00 includes \$100,000 from a Superbowl.

Press Box

FY95 press box figures are based on Rose Bowl Suites Revenues and Expenses 7/1/94-6/30/95. Projections assume a 5% increase in alternating years.

Admission Tax

Admission tax is assumed at \$0. This number is irrelevant to the RBOC for the purpose of revenue calculation since The City will be the sole beneficiary of this money.

Advertising

Advertising figures are based on the existing contracts and no change in the overall signage with the exception of additional advertising covering seats for the UCLA games. The assumptions are as follows: Farmer John's fee will increase by 5% annually; Coke's annual increase is linked to the Consumer Price Index; Health Net's fee will increase by 5% annually beginning in FY96; Honda's fee will increase by 5% annually; AirTouch's fee will increase by 5% annually beginning in FY97; Anheuser-Busch will be charged an additional \$4000 annually beginning in FY00; UCLA Signage revenue will grow by 5% annually. (A detailed summary can be found in Appendix C.)

Parking

Parking revenue will have a great impact on The Rose Bowl's ability to operate profitably. Appendix D lists several analyses on revenue generating opportunities. Among the critical assumptions are a fee of \$10 per car for major events and \$5 per car for UCLA football games. Shuttle fees will be \$1 per person for UCLA games and \$2 per person for events. Additionally, it is assumed that parking rates will increase in FY00 to \$15 for major events and \$10 for UCLA football. Shuttle fees will increase by \$1 per person in FY01. (The parking increase is not spread out across several years because of previous problems with attendants making change. Thus, the large increase has major implications on the overall earnings.)

Recovery of Billables

Recovery of Billables or "pass-throughs" will be marked up 5% beginning in FY97. The total "pass-through" amount in FY97 is estimated to be \$1.4M and is expected to increase at a rate of 3% per year.

Rose Bowl Operating Expenses

Unless otherwise noted: Base numbers from which future expenses are projected are contained within The City of Pasadena's Rose Bowl Fund, Statement of Revenues & Expenses 7/1/93-6/30/94. To ensure the integrity of these figures, FY93's statement was used as a reference.

Salaries

Five percent is the presumed yearly increase. Additional personnel needs when eliminating abatements are included in the abatement figures.

Materials

Projections reflect a 5% annual increase.

Outside Services

Projections reflect a 5% annual increase.

Utilities

Projections reflect a 3% annual increase.

General Services

Projections reflect a 10% annual increase to best portray current trends.

Depreciation

According to The City's finance department, the depreciation schedule is based on remaining depreciable assets. Most of the depreciation can be attributed to the press box.

Abatements (Charges for City Personnel)

The abatement projections are detailed in Appendix E. Among the significant assumptions are a two year hiatus on all abatements paid to The City in FY96 and FY97. The 10 year figures for The Rose Bowl and the golf course only reflect assumptions made in Appendix E. The cessation of abatements in FY96 and FY97 are included in Appendix H-3. Additionally, the figures include the hiring of internal accounting and finance personnel at \$90k (\$45k to Golf Course and \$45k to the Rose Bowl) per year beginning in FY96. Projections include a 5% annual increase.

Stadium Marketing

Projections include a \$6000 base budget beginning in FY96 and a 5% annual increase. This money is to be spent increasing industry and public awareness of The Rose Bowl as a viable major event venue.

Press Box Expense

These projections extrapolated from the Rose Bowl Suites Projected Revenues and Expenses 7/1/94-6/30/95 statement reflect only ticket expenses and general expenses. All other expenses have been accounted for in other expense categories. All projections assume a 5% yearly increase in addition to a 50% decrease in FY97 due to negotiating a waiver of ticket fees for UCLA games.

Press Box Marketing

Projections based on the Rose Bowl Suites Projected Revenues and Expenses 7/1/94-6/30/95 statement depict a 5% increase in FY96 and a 10% annual increase thereafter.

Event Related Expenses

These projections incorporate past years' cost figures relating to groups of events. UCLA costs are estimated at \$70k per game and major events costs are estimated at \$250k per event. Costs are expected to rise at 7% per year. The total dollar figure is based on FY92's Statement of Revenues and Expenses. An Adjustment is made for yearly increases and an additional UCLA game.

Rose Bowl Non-Operating Revenues

1992 COPs are mainly related to the construction of the press box.

1992 COP Interest Expense

The calculated interest expense schedule, as set forth by the indenture of the 1992 COPs, is contained in Appendix F.

1992 COP Debt Payment

The calculated debt service expense schedule, as set forth by the indenture of the 1992 COPs, is contained in Appendix F.

Private Donations

No private donations are assumed. It is hoped, however, that donations can be solicited for various future capital improvements such as a visitor's center.

Investment Earnings

Given the uncertainty of the post transition financial status of the Rose Bowl, this report does not assume any reasonable investment earnings. Moreover, any excess earnings would probably be given to The City.

Reserve for Debt Service on 1992 COP

This reserve, according to sources in The City's finance department, is a savings account to safeguard against years when the Rose Bowl may not be able to payoff its debt service obligations with the retained earnings from the previous year's operations. \$997,410 was placed in reserve in FY94 from World Cup revenue. The projections assume an similar deposit in FY95 due to extraordinary earnings from World Cup. Subsequent deposits to the reserve are expected to be lower to correspond with lower earnings. A proposed reserve schedule is set forth in the Statement of Cash Flows.

Brookside Golf Course Operating Revenues

There are no major assumptions contained within the projections of revenues and expenses generated by Brookside Golf Course. It is assumed that relationships and contracts will remain steadfast. Unless otherwise noted, base projections are extrapolated from The City of Pasadena's Golf Course Fund, Statement of Revenues & Expenses 7/1/93-6/30/94.

Pro Shop

The RBOC is guaranteed a minimum of \$100,000 per year from the Pro Shop. It is expected that this threshold will be surpassed in FY96. The RBOC's split will increase by a conservative 3% annually.

Restaurant

Projections reflect a 3% annual increase.

American Golf

Projections reflect a conservative 5% annual increase.

Brookside Golf Course Operating Expenses

Unless otherwise noted, base projections are extrapolated from The City of Pasadena's Golf Course Fund, Statement of Revenues & Expenses 7/1/93-6/30/94. To ensure the integrity of these figures, FY94 numbers were compared to FY93 numbers in conjunction with a review by David Sams for anomalies.

Salaries

Projections reflect a 5% annual increase.

Materials

Projections reflect a 5% annual increase.

Outside Services

Projections reflect a 5% annual increase.

Utilities

Projections reflect a 3% annual increase.

General Services

Projections reflect a 10% annual increase.

Depreciation

According to The City's finance department, the depreciation schedule is based on remaining depreciable assets. Most of the depreciation can be attributed to improvements made to the clubhouse building.

Abatements

The abatement projections are detailed in Appendix E. Among the significant assumptions are a two year hiatus on all abatements paid to The City in FY96 and FY97. The 10 year figures for The Rose Bowl and the golf course only reflect assumptions made in Appendix E. The cessation of abatements in FY96 and FY97 are included in Appendix H-3. Additionally, the figures include the hiring of internal accounting and finance personnel at \$90k (\$45k to Golf Course and \$45k to the Rose Bowl) per year beginning in FY96. Projections include a 5% annual increase.

Brookside Golf Course Non-Operating Revenues

Interest Expense

These figures are dictated by The City for the payment of a previous COP offering which included some moneys to make capital improvements to the clubhouse. Basically, Brookside is paying its share.

Investment Earnings

These projections assume a 5% annual increase in investment earnings.

Arroyo Park Operations

Projections reflect a 4% annual increase. There exists, however, the possibility to lower the costs associated with maintaining the park by contracting out the work.

CIP Fund

This fund, expected to increase by 4% annually, is earmarked for improvement projects in the Arroyo.

Summary:

The projected retained earning for the next ten years will allow the RBOC to engage in many needed capital improvement projects, as well as contribute a reasonable sum to The City's General Fund. The somewhat conservative nature with which these projections have been compiled must be emphasized. Consequently, many revenue generating and cost cutting opportunities have not been examined in this report. Moreover, the report does not take into account efficiency gains reflected in assumed changes, such as internalizing accounting and finance operations. Instead, the 10 year financial projections portray, to a reasonable degree, the most likely situation that will occur based on current operations.

The figures in the statement of cash flows are of utmost importance to The RBOC, since the figures contained within describe the amount of real money that can be used. The statement isolates the projection with and without capital improvements, as well as depicting the financial situation with an annual payment of \$200,000 made to The City. Moreover, the condition of a waiver of abatement charges to The Rose Bowl and golf course in FY96 and FY97 are incorporated. Both the abatement and the payment to The City scenarios were specifically requested by the general manager of The Rose Bowl.

The assumption of the issuance of \$10.3M in Certificates of Participation (COP) for capital improvements beginning in FY97 is used for several reasons. (Appendix G contains several debt

service schedules.) First, the sooner the projects are sent out for bid the more realistic the figures used in this report will reflect the actual costs. Secondly, capital improvements are easier to justify when The City and the public is allowing the RBOC some political leeway in spending than at a time when The City is desperately seeking income.

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1991 UCLA Season Parking Revenue, 3/5/92 by Bridget Schinnerer
Existing Rose Bowl Vehicle Parking Capabilities
Diagram Showing Seating Capacity; Rose Bowl
City of Pasadena 1992 Certificates of Participation Schedule; The First Boston Corporation
Official Statement 1992 Certificates of Participation; The First Boston Corporation
City of Pasadena Golf Course Fund Analysis; 1992 by Paul Karsten
Capital Fixed Assets, Depreciation Schedule
City of Pasadena Combining Statement of Revenue, Expenses and Changes In Retained
Earnings/Fund Balances Enterprise Funds 1989-1993
Funds Used for Capital Improvements
Rose Bowl Cash Flows; 9/18/91 by David Casey
City of Pasadena Rose Bowl Fund, Statement of Revenues and Expenses; FY93-FY94
City of Pasadena Golf Course Fund, Statement of Revenues and Expenses; FY93-FY94
Rose Bowl Suites Revenues and Expenses, 7/1/94-6/30/95; 12/1/94
Rose Bowl/Golf Course Abatements FY94-FY95
City of Pasadena Rose Bowl Fund, report on a financial operations review, 11/15/91,
McGladrey & Pullen
Rolling Stones Merchandise Summary
Preliminary Master Plan Task Force Priority List
Rose Bowl Department Contracts
Rose Bowl Revenue Summary, FY86-FY94
Golf Course Revenue Summary, FY86-FY94
City of Pasadena Budget Expense Report By Activity, 6/30/94
Rose Bowl Advertising Revenue
By-Laws of the PCOC
PCOC Budget
PCOC Balance Sheet
Pink Floyd Concert Summary of Costs, 4/16/94
New Year's Day Calendar, 1/2/95
Brookside Golf Club Revenues and Expenses (City of Pasadena's Share)
Golf Course Green Fee Reserve Future Requirements
Assistance with Financial Operation of the Rose Bowl 4/1/92 by Tom Bakalay
Rose Bowl Projects, 10/25/94
Rose Bowl Improvements, FY 1995-2000 Capital Improvement Program

Persons consulted or interviewed:

Rose Bowl Staff

David Jacobs, General Manager
Barbara Barrett, New Year's Day Coordinator
Jack Mehl, Business Manager
Bridget Schinnerer, Marketing Manager
David Sams, Rose Bowl Suite/ Golf Course Liaison

City Employees

Paula Hanson
Paul Karsten
Cissy Schreiner
Tom Bakalay
Robert Curtiss

Other

Mark McClure (Service America)
Bob Holden, former GM The Rose Bowl
Charles Klemstein, Professor of Accounting & Finance, University of Michigan Business School
Robert Abbott, financial analyst B.F. Goodrich Company

Appendix B: FY92 Event Schedule

<u>Date</u>	<u>Event</u>
07/01/91	International Soccer Tournament
07/04/91	Independence Day Celebration
07/14/91	Flea Market
07/14/91	International Soccer Tournament
07/27/91	Shrine Game
08/11/91	Flea Market
09/07/91	UCLA vs. BYU
09/08/91	Flea Market
10/05/91	UCLA vs. California
10/12/91	UCLA vs. Arizona
10/13/91	Flea Market
11/02/91	UCLA vs. Washington St.
11/10/91	Flea Market
11/16/91	UCLA vs. Oregon
11/24/91	Anniversary Flea Market
12/08/91	Flea Market
01/01/92	Rose Bowl Game
01/12/92	Flea Market
02/09/92	Flea Market
03/08/92	Flea Market
04/12/92	Flea Market
05/10/92	Flea Market
05/13/92	La Mesa RV Show
06/14/92	Flea Market
06/27/92	The Cure Concert

Major Events Bolded

Appendix C: Schedule of Advertising Revenues

	FY95	FY96	FY97	FY98	FY99	FY00	FY01	FY02	FY03	FY04
Farmer John	19,000	19,950	20,948	21,995	23,095	24,249	25,462	26,735	28,072	29,475 5% increase
Coke	195,953	198,697	201,479	204,300	207,160	210,060	213,001	215,983	219,007	222,073 from 2001 at .014%
Health Net	39,690	41,675	43,758	45,946	48,243	50,656	53,188	55,848	58,640	61,572 5% increase from 96
Honda	40,516	42,542	44,669	46,902	49,247	51,710	54,295	57,010	59,861	62,854 5% increase per year from 95
AirTouch	42,000	44,100	46,305	48,620	51,051	53,604	56,284	59,098	62,053	65,156 5% increase from 97
AB Beer	75,000	75,000	75,000	75,000	75,000	79,000	79,000	79,000	79,000	79,000 4000 increase in 00
UCLA signage	0	160,000	168,000	176,400	185,220	194,481	204,205	214,415	225,136	236,393 5% increase
Total	412,159	581,963	600,159	619,164	639,017	663,760	685,435	708,089	731,768	756,522

Bold = signed contract

Appendix D-1: Summary of Parking Revenue Projections

	FY95	FY96	FY97	FY98	FY99	FY00	FY01	FY02	FY03	FY04
UCLA	48,000	0	0	0	0	0	0	0	0	0
Golf	0	70,000	70,000	70,000	70,000	95,500	95,500	95,500	95,500	95,500
RB parking (UCLA Football)	36,000	332,000	332,000	332,000	332,000	648,000	648,000	648,000	648,000	648,000
NYD parking	0	0	0	0	0	0	0	0	0	0
Event Parking	270,000	174,000	174,000	174,000	174,000	261,000	261,000	261,000	261,000	261,000
Shuttle	0	103,000	103,000	103,000	103,000	187,500	187,500	187,500	187,500	187,500
Total Revenues	354,000	679,000	679,000	679,000	679,000	1,192,000	1,192,000	1,192,000	1,192,000	1,192,000

Assumptions

Parking Fees will be \$5 in FY96 and increase to \$10 in FY00 for UCLA
 Parking Fees will be \$10 in FY96 and increase to \$15 in FY00 for events
 UCLA revenues based on option 6 in Appendix D-2; Expenses are included in Event Related Expenses
 Shuttle charges: \$1 UCLA(120,000), \$2 event(20,000/people); increase in '00, \$2UCLA, \$3 event
 Appendix D-3 contains number of cars and shuttle riders

Appendix D-2: UCLA Parking

\$5 parking fee (per game totals)	
	RB
Fees	4,000
Maintenance	0
Parking Costs	(30,000)
Other Parking Costs	0
Shuttle Costs	(22,000)
Golf Parking Revenues	16,250
Other Parking Revenues	44,000
Golf Revenue	0
Per Game Totals	12,250

Appendix D-3: Parking Revenue Assumptions

MAJOR EVENTS: (2 per year)

Rose Bowl: 8,700 @ \$10 = 87,000
Golf: 10,000 @ \$3.5 = 35,000
Shuttle: 10,500 @ \$2 = 21,000

Total = \$143,000 (per event)

UCLA Games: (6 per year)

Rose Bowl: 8,700 @ \$5 = 43,500
Golf: 6,800 @ \$1.75 = 11,900
Shuttle: 10,100 @ \$1 = 10,100

Total = \$65,500 (per game)

With Rate Increase in FY00:

MAJOR EVENTS:

Rose Bowl: 8,700 @ \$15 = 130,500
Golf: 9,000 @ \$5.25 = 47,250
Shuttle: 11,500 @ \$3 = 34,500

Total = \$212,250

UCLA Games:

Rose Bowl: 8,700 @ \$10 = 87,000
Golf: 6,000 @ \$3.5 = 21,000
Shuttle: 10,900 @ \$2 = 19,800

Total = \$127,800

Appendix E-1: Current Abatement Schedule

	RB95	GC95	FY95	FY94
City Manager	11,934	11,934	23,868	24,680
Official Records	2,839	568	3,407	3,134
Records Management	841	168	1,009	0
City Attorney	26,944	26,944	53,888	55,099
General Liability	4,778	4,778	9,556	0
City Council	4,208	4,209	8,417	8,390
Financial Services *	39,757	39,757	79,514	88,079
Treasurer	0	3,466	3,466	6,737
Payroll	2,976	595	3,571	2,706
Purchasing	10,169	0	10,169	13,194
Financial Services	12,079	12,079	24,158	26,190
Budget	11,417	11,417	22,834	24,995
Library	347	347	694	694
Human Resouces	13,300	2,660	15,960	15,215
Affirmative Action	2,321	464	2,785	3,122
Contract Compliance	3,699	0	3,699	0
Assistant C.M.	70,633	42,380	113,013	106,649
Fire Dept	1,228	246	1,474	0
Public Works	0	15,151	15,151	13,446
Rec & Parks	0	27,963	27,963	27,963
Rent	1,296	1,296	2,592	2,592
Rent2	479	117	596	596
Totals	221,245	206,539	427,784	423,481

Appendix E-2: Abatements Categorized

Category 1:

Needed Functions				
	RB95	GC95	FY95	FY94
City Manager	11,934	11,934	23,868	24,680
Official Records	2,839	568	3,407	3,134
Records Management	841	168	1,009	0
City Attorney	26,944	26,944	53,888	55,099
General Liability	4,778	4,778	9,556	0
City Council	4,208	4,209	8,417	8,390
Treasurer	0	3,466	3,466	6,737
Contract Compliance	3,699	0	3,699	0
Assistant C.M.	70,633	42,380	113,013	106,649
Fire Dept	1,228	246	1,474	0
Rent2	479	117	596	596
Totals	127,583	94,810	222,393	205,285

Category 2:

Accounting & Finance				
	RB95	GC95	FY95	FY94
Financial Services	39,757	39,757	79,514	88,079
Payroll	2,976	595	3,571	2,706
Purchasing	10,169	0	10,169	13,194
Financial Services	12,079	12,079	24,158	26,190
Budget	11,417	11,417	22,834	24,995
Human Resources	13,300	2,660	15,960	15,215
Affirmative Action	2,321	464	2,785	3,122
Rent	1,296	1,296	2,592	2,592
Totals	93,315	68,268	161,583	176,093

Category 3:

Unneeded Functions				
	RB95	GC95	FY95	FY94
Library	347	347	694	694
Public Works	0	15,151	15,151	13,446
Rec & Parks	0	27,963	27,963	27,963
Totals	347	43,461	43,808	42,103

Appendix E-3: Proposed Abatement Schedule

	FY95	FY96	FY97	FY98	FY99	FY00	FY01	FY02	FY03	FY04
RB										
Category 1	127,583	95,687	63,792	66,981	70,330	73,847	77,539	81,416	85,487	89,761
Category 2	93,315	45,000	47,250	49,612	52,093	54,698	57,433	60,304	63,320	66,485
Category 3	347	347	0	0	0	0	0	0	0	0
Sub Total	221,245	141,034	111,042	116,594	122,423	128,544	134,972	141,720	148,806	156,247
GC										
Category 1	94,810	71,108	47,405	49,775	52,264	54,877	57,621	60,502	63,527	66,704
Category 2	68,268	45,000	47,250	49,612	52,093	54,698	57,433	60,304	63,320	66,485
Category 3	43,461	43,500	0	0	0	0	0	0	0	0
Sub Total	206,539	159,608	94,655	99,388	104,357	109,575	115,054	120,806	126,847	133,189
Totals	427,784	300,642	205,697	215,981	226,780	238,119	250,025	262,527	275,653	289,436

Categories references in Appendix E-2

FY 95 in the books

FY96 assumes 25% reduction in Category 1

FY 96 Assumes hiring internal accounting & finance at \$90k (includes benefits); 5% increase per year

FY 97 Assumes elimination of Category 3; 50% reduction from FY95 Category 1; 5% increase per year

Appendix F: 1992 COP Debt Service & Interest Expense

1992 COP Debt Payment	FY 93	FY 94	FY95	FY96	FY97	FY98	FY99	FY00	FY01	FY02	FY03	FY04
1992 COP Interest Expense (estimate)	(300,000)	(300,000)	(300,000)	(400,000)	(400,000)	(400,000)	(400,000)	(500,000)	(500,000)	(600,000)	(600,000)	(600,000)
Total Payment	(300,000)	(300,000)	(772,000)	(856,000)	(840,000)	(824,000)	(808,000)	(888,000)	(868,000)	(944,000)	(920,000)	(896,000)
Remaining Principal	12,400,000	12,100,000	11,800,000	11,400,000	11,000,000	10,600,000	10,200,000	9,700,000	9,200,000	8,600,000	8,000,000	7,400,000
1992 COP Debt Payment	FY 05	FY 06	FY07	FY08	FY09	FY10	FY11	FY12				
1992 COP Interest Expense (estimate)	(700,000)	(700,000)	(800,000)	(900,000)	(1,000,000)	(1,000,000)	(1,100,000)	(1,200,000)				
Total Payment	(996,000)	(968,000)	(1,040,000)	(1,108,000)	(1,172,000)	(1,132,000)	(1,192,000)	(1,248,000)				
Remaining Principal	6,700,000	6,000,000	5,200,000	4,300,000	3,300,000	2,300,000	1,200,000	0				

Appendix G-1: Proposed Projects Using Debt Service

North End Completion	620,000
Lot B Resurface	272,000
Golf Course Patio	265,000
Locker/Press Room	1,500,000
Scoreboard	750,000
Event Services	880,000
Video ScoreBoard	3,500,000
Main Entry	1,200,000
Add Public Restrooms	620,000
Lighting Control	200,000
Restroom Renov	180,000
Pub Address	130,000
Neon Sign Repair	80,000
Total	10,197,000

Appendix G-2: \$ 10.3M COP Schedule

Total COP \$10.3M: Assume 4.5%/FY97																				
	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10										
Principal	300,000	350,000	400,000	400,000	400,000	450,000	450,000	450,000	450,000	450,000	450,000	450,000	450,000	450,000	450,000	450,000	450,000	450,000	450,000	450,000
Interest	463,500	450,000	434,250	416,250	398,250	380,250	360,000	339,750	319,500	299,250										
Total Payment	763,500	800,000	834,250	816,250	798,250	830,250	810,000	789,750	769,500	749,250										
Principal Left	10,000,000	9,650,000	9,250,000	8,850,000	8,450,000	8,000,000	7,550,000	7,100,000	6,650,000	6,200,000										
Depreciation	505,000	505,000	505,000	505,000	505,000	505,000	505,000	505,000	505,000	505,000										
Principal	Year 11	Year 12	Year 13	Year 14	Year 15	Year 16	Year 17	Year 18	Year 19	Year 20										
Principal	550,000	550,000	550,000	600,000	650,000	650,000	650,000	750,000	750,000	750,000										
Interest	279,000	254,250	229,500	204,750	177,750	148,500	119,250	90,000	56,250	22,500										
Total Payment	829,000	804,250	779,500	804,750	827,750	798,500	769,250	840,000	806,250	772,500										
Principal Left	5,650,000	5,100,000	4,550,000	3,950,000	3,300,000	2,650,000	2,000,000	1,250,000	500,000	(250,000)										
Depreciation	505,000	505,000	505,000	505,000	505,000	505,000	505,000	505,000	505,000	505,000										
Avg. Payment	799,638																			

Total COP \$9.6M; Assume 4.5%(FY98)

Appendix G-3: \$9.6M COP Schedule

	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10
Principal	300,000	300,000	350,000	350,000	350,000	350,000	350,000	450,000	450,000	450,000
Interest	432,000	418,500	405,000	389,250	373,500	357,750	342,000	326,250	306,000	285,750
Total Payment	732,000	718,500	755,000	739,250	723,500	707,750	692,000	776,250	756,000	735,750
Principal Left	9,300,000	9,000,000	8,650,000	8,300,000	7,950,000	7,600,000	7,250,000	6,800,000	6,350,000	5,900,000
Depreciation	505,000	505,000	505,000	505,000	505,000	505,000	505,000	505,000	505,000	505,000
Principal	Year 11	Year 12	Year 13	Year 14	Year 15	Year 16	Year 17	Year 18	Year 19	Year 20
Principal	450,000	450,000	550,000	550,000	550,000	650,000	650,000	650,000	650,000	750,000
Interest	265,500	245,250	225,000	200,250	175,500	150,750	121,500	92,250	63,000	33,750
Total Payment	715,500	695,250	775,000	750,250	725,500	800,750	771,500	742,250	713,000	783,750
Principal Left	5,450,000	5,000,000	4,450,000	3,900,000	3,350,000	2,700,000	2,050,000	1,400,000	750,000	0
Depreciation	505,000	505,000	505,000	505,000	505,000	505,000	505,000	505,000	505,000	505,000
Avg. Payment	740,438									

Total COP \$9.1M: Assume 4.5%(FY99)

Appendix G-4: \$9.1M COP Schedule

	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10
Principal	300,000	300,000	300,000	300,000	350,000	350,000	400,000	400,000	450,000	450,000
Interest	409,500	396,000	382,500	369,000	355,500	339,750	324,000	306,000	288,000	267,750
Total Payment	709,500	696,000	682,500	669,000	705,500	689,750	724,000	706,000	738,000	717,750
Principal Left	8,800,000	8,500,000	8,200,000	7,900,000	7,550,000	7,200,000	6,800,000	6,400,000	5,950,000	5,500,000
Depreciation	505,000	505,000	505,000	505,000	505,000	505,000	505,000	505,000	505,000	505,000
Principal	Year 11	Year 12	Year 13	Year 14	Year 15	Year 16	Year 17	Year 18	Year 19	Year 20
Principal	450,000	450,000	450,000	500,000	550,000	550,000	600,000	650,000	650,000	650,000
Interest	247,500	227,250	207,000	186,750	164,250	139,500	114,750	87,750	58,500	29,250
Total Payment	697,500	677,250	657,000	686,750	714,250	689,500	714,750	737,750	708,500	679,250
Principal Left	5,050,000	4,600,000	4,150,000	3,650,000	3,100,000	2,550,000	1,950,000	1,300,000	650,000	0
Depreciation	505,000	505,000	505,000	505,000	505,000	505,000	505,000	505,000	505,000	505,000
Avg. Payment	700,025									

Appendix G-6: Debt Options Summary

	Avg. Payment										
\$10.3M COP	799,638	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10
\$9.6M COP	740,438	763,500	800,000	834,250	816,250	798,250	830,250	810,000	789,750	769,500	749,250
\$9.1M COP	700,025	732,000	718,500	755,000	739,250	723,500	707,750	692,000	716,250	756,000	733,750
\$8.4M COP	652,588	709,500	696,000	682,500	669,000	705,500	689,750	724,000	706,000	738,000	717,750
		628,000	616,750	655,500	642,000	628,500	655,000	649,250	633,500	617,750	602,000
		Year 11	Year 12	Year 13	Year 14	Year 15	Year 16	Year 17	Year 18	Year 19	Year 20
		829,000	804,250	779,500	804,750	827,750	798,500	769,250	840,000	806,250	772,500
		715,500	695,250	775,000	750,250	725,500	800,750	771,500	742,250	713,000	783,750
		697,500	677,250	657,000	686,750	714,250	689,500	714,750	737,750	708,500	679,250
		686,250	666,000	645,750	675,500	703,000	678,250	653,500	678,750	651,750	674,750

Appendix G-7: Approved Capital Improvements Schedule (FY95-FY00)

Project	FY95	FY96	FY97	FY98	FY99	FY00	FY01	FY02	FY03	FY04
North End	1,000,000	500,000	300,000	320,000	0	0	0	0	0	0
Administration	75,000	0	0	0	0	0	0	0	0	0
World Cup	100,000	0	0	0	0	0	0	0	0	0
Computers*	0	15,000	0	0	0	30,000	0	0	0	0
Tunnel Reramping	0	180,000	0	0	0	0	0	0	0	0
Add Public Restrooms	0	0	0	0	620,000	0	0	0	0	0
Lighting Control	0	0	200,000	0	0	0	0	0	0	0
Restroom Renov	0	0	0	180,000	0	0	0	0	0	0
Lot B resurface	0	0	0	0	0	0	0	0	0	0
Pub Address	0	0	0	130,000	0	0	0	0	0	0
Neon Sign Repair	0	0	80,000	0	0	0	0	0	0	0
Golf Course Path										
Locker/Press Room										
Scoreboard										
Event Services										
Video Scoreboard										
Main Entry										
Totals	1,175,000	695,000	580,000	630,000	620,000	30,000	0	0	0	0

* Computers not yet approved
Improvements Listed in The Master Plan are not included.

Appendix H: Major Event Totals (Past 7 Years)

	FY89	FY90	FY91	FY92	FY93	FY94	FY95
UCLA	7	6	6	5	6	6	6
NYD	1	1	1	1	1	1	1
Independence Day	1	1	1	1	1	1	1
Concerts	0	0	0	1	1	3	3
Off Road/Motorcross	1	2	1	0	2	0	0
Soccer	0	0	0	0	1	1	0
World Cup						4	4
SuperBowl	0	0	0	0	1	0	0
Totals	10	10	9	8	11+2	11+5	11+4

Bolded = Special Events