

Agenda Report

February 10, 2014

TO: City Council

FROM: Rose Bowl Operating Company

SUBJECT: APPROVAL OF FINDINGS RELATED TO THE STAGING OF
ADDITIONAL DISPLACEMENT EVENTS AT THE ROSE BOWL
STADIUM IN CALENDAR YEAR 2014

RECOMMENDATION:

It is recommended that the City Council:

1. Find that the actions proposed herein 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 three additional Displacement Events at the Rose Bowl Stadium during calendar year 2014;
3. Direct staff to file a Notice(s) of Exemption by February 14, 2014; and
4. Establish that the City of Pasadena will not host National Football League (NFL) games, nor more than 18 Displacement Events at the Rose Bowl Stadium in calendar year 2014.

Executive Summary:

The Rose Bowl Operating Company has an opportunity to host several additional "Displacement Events" (events which displace recreation programs and accessibility to the Arroyo Seco facilities) during calendar year 2014. To date, the City Council has approved the staging of up to 14 Displacement Events, the most recent being the approval of two potential concerts to occur on August 7th and 8th 2014.

Pursuant to the Arroyo Seco Public Lands Ordinance, Section 3.32.270(A) of the Pasadena Municipal Code, the Rose Bowl stadium may host up to 12 Displacement Events per year without action by the City Council. Additional Displacement Events may be approved by the City Council upon making certain findings. The additional Displacement Events proposed herein are: an international soccer match (#15), Autism Speaks (#16) and AmericaFest (#17). The Rose Bowl Operating Company is

requesting that the City Council make the requisite findings to allow these additional Displacement Events and approve the related environmental finding. The RBOC Board has approved the events and permits, but final approval is contingent upon the City Council action proposed herein.

Additionally, the RBOC Board is requesting that the City Council establish that for calendar year 2014 the City of Pasadena will not host National Football League games and no more than 18 Displacement Events at the Rose Bowl Stadium will occur.

BACKGROUND:

On January 24, 2014, the RBOC approved license agreements to host three additional Displacement Events to occur in 2014: an international soccer match, Autism Speaks and AmericaFest, bringing the total number of anticipated Displacements to 17 for 2014.

Proposed Displacement Event 15 – International Soccer

The Rose Bowl has a tremendous history of hosting international soccer, including the finals of both the men's and women's World Cup as well as the Finals of the Olympics in 1984. The RBOC has also hosted national teams of United States, Brazil and Mexico. In addition, the stadium hosted the Los Angeles Galaxy as a tenant from 1996-2002. In recent years, the Rose Bowl has hosted European club teams, specifically Barcelona, Real Madrid, Chelsea and Inter Milan.

A tournament consisting of friendly matches involving European teams will be occurring in late July/early August, 2014. As part of that tournament, the Rose Bowl has an opportunity to host a match on Wednesday, July 23rd. At this time, the promoter has requested the teams' names not be released, which is customary, as the tournament has a marketing strategy and the timing of the announcement of the match is very important to the promoter. The anticipated attendance is expected to be approximately 70,000. While negotiations are continuing, terms are expected to include:

- Flat License Fee - \$165,000
- Admission tax
 - o \$1.59 per ticket
- Concessions to be retained in full by the RBOC
- Parking to be retained in full by the RBOC
- Premium Seating - shared between the licensee and the RBOC

It is recognized that this event will occur on a weekday and 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 traffic management measures typically used at the stadium during Displacement Events will be put into place. Communication between stadium, police and neighborhood associations will occur regularly leading up to the match.

Proposed Displacement Event 16 – Autism Speaks

Walk Now Autism Speaks, the nation's largest grassroots autism walk program, is Autism Speaks' signature fundraising and awareness event, taking place in communities across the United States and Canada. The event's participants are families who are affected by autism, as well as their friends and supporters. This fundraising event generates funds for research and also raises awareness about autism. The 2014 event would be the 10th consecutive year at the Rose Bowl. It has grown substantially and is the largest single event for Autism Speaks in the country.

It is estimated that the event will bring together approximately 40,000 – 50,000 participants and for the second year will be considered a Displacement Event due to the projected attendance. It should be recognized that in 2013 there were parking issues due to the size of the walk, and the fact that the Rose Bowl loop was closed in its entirety. As a result, many vehicles were not able to park on the golf course as originally planned, which created difficulties as some vehicles parked in neighborhoods adjacent to the stadium. For 2014, an alternate plan more typical of that used during Displacement Events has been developed by the organizers of the event in conjunction with Rose Bowl and City staff, as only half of the loop will be closed, thereby leaving some of the streets leading to the golf course open. In addition, increased staffing protecting neighborhood streets from outside vehicles will occur, similar to a UCLA football game and other typical Displacement Events.

The RBOC anticipates net revenue from this event will be approximately \$75,000. Walk Now Autism Speaks will be charged a flat license fee in the amount of \$170,000 which includes facility and parking expenses. This is \$60,000 more than 2013, due primarily to additional traffic management expenses due to the growth in attendance. Autism Speaks will pay for additional expenses separately (e.g. permits, production costs, etc.). In addition to the license fee, the RBOC's revenue streams for this event are food & beverage as well as 50% of parking revenue for any VIP parking which may be implemented.

Proposed Displacement Event 17 – AmericaFest

The 4th of July celebration at the Rose Bowl has been a Pasadena tradition for the past 88 years. The goal each year has been to break-even financially from this event, as it has been a priority to continue this community tradition for Pasadena and the Southern California region. The financial success of the event has been sporadic, although the RBOC has for the most part either remained neutral (broke even) or attained some financial profit each year.

The event costs approximately \$300,000 to stage, primarily due to production and event costs, with traffic and neighborhood management being the most expensive costs. This is due primarily to the amount of people who view the show but either don't come into the stadium (park or walk into the Arroyo), or attend parties in the neighborhoods adjacent to the stadium.

The revenue sources for this event are primarily derived from ticket sales, food/beverage and parking. The City of Pasadena provides \$60,000 annually to help support the expenses of City services utilized. One of the bright spots over the past several years has been a philanthropic effort to support the event that is usually supported by Pasadena area businesses as well as citizens, including many who live adjacent to the Rose Bowl. As part of the event, staff will develop a program that precedes the fireworks celebration, as well as enter into media promotional partnerships, in order to promote the event, with minimal or no costs to the RBOC.

The RBOC has taken the position in past years that although this event presents limited return, in addition to being labor intensive for staff, the overall positive feedback from Pasadena residents, as well as keeping a wonderful tradition alive in Pasadena, has made the effort worthwhile.

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.

Following are the rationales as to how each of the proposed additional Displacement Events proposed herein satisfies the requirements of the municipal code.

Proposed Displacement Event 15 – International Soccer

Finding 1: International soccer provides the Rose Bowl an opportunity to be publicized internationally, and enhance its brand as one of the most prominent stadiums in the country for soccer.

Finding 2: It is estimated that this event will directly generate approximately \$300,000 for the RBOC (depending on attendance). Adding to this is the economic impact of sales tax and transient occupancy tax to the City of Pasadena as well as local business activity.

Finding 3: The events would be planned for mid-week and would result in minimal conflict with current activities scheduled. Staff will work closely with the Parks and Natural Resources Division of the City of Pasadena, as well as the Pasadena Police Department to best control the displacement of other activities in the Arroyo Seco.

Finding 4: Planning and preparation will minimize impact of this event to the surrounding neighborhoods. Although this is a weekday event, and traffic issues will be a major concern, the Police Department and staff have been successful recently hosting mid-week events with minimal disruption, notably the 2014 BCS National Championship Game and the UCLA-Washington game, which was played on Friday, November 15, 2013.

Proposed Displacement Event 16 – Autism Speaks

Finding 1: The event is unique as it supports a worthwhile non-profit organization and brings families and supporters in a positive setting, while also introducing them to Pasadena and the Rose Bowl.

Finding 2: It is estimated that this event will directly generate approximately \$75,000 for the RBOC, which is by far the most of any walk hosted by the RBOC or City. In addition, the leadership of Autism Speaks is planning on working with the Pasadena Chamber of Commerce and Visitors and Conventions Bureau in an effort to promote participants of the walk to shop and do business within Pasadena.

Finding 3: The event would result in minimal conflict with current activities scheduled. Staff will work closely with the Parks and Natural Resources Division of the City of Pasadena, as well as the Pasadena Police Department to best control the displacement of other activities in the Arroyo Seco.

Finding 4: Planning and preparation will be coordinated to minimize impact of this event to the surrounding neighborhoods. As mentioned previously, there have been changes to the configuration of the walk route, which staff is confident will address concerns generated by last year's event in the surrounding residential area.

Proposed Displacement Event 17 – AmericaFest

Finding 1: The event is unique as it continues a Pasadena tradition and is recognized as one of the most significant July 4th celebrations on the west coast.

Finding 2: Although this event may not generate significant revenue, overall it has been positive financially for the RBOC over the past several years.

Finding 3: The event would result in minimal conflict with current activities scheduled. Staff will work closely with the Parks and Natural Resources Division of the City of Pasadena, as well as the Pasadena Police Department to best control the displacement of other activities in the Arroyo Seco.

Finding 4: Planning and preparation will minimize impact of this event to the surrounding neighborhoods. This event does create challenges due to the amount of visitors to the neighborhoods to celebrate America's birthday. Overall, neighbors of the Rose Bowl have been very positive about this event and many have personally contributed in order for the tradition to continue.

Proposed limit on Displacement Events for Calendar Year 2014

Recognizing the impact Displacement Events have on adjacent neighborhoods, on February 6th the RBOC Board approved a motion to limit the total number of Displacement Events it would pursue for calendar 2014 to 18; the 17 already identified as well as one additional potential event. The RBOC recommends that the City Council take a similar action. Moreover, the RBOC is recommending that the City Council take the position publically that the City will not host NFL games in 2014. Such action would make it clear to residents that the City and RBOC are not seeking to over-program the stadium and would dispel confusion that, between additional Displacement Events and potential temporary use of the Stadium by the National Football League, the City/RBOC would be pursuing in excess of 30 Displacement Events. However, it must also be recognized that this limit would be in place for 2014 only so that the City maintains the ability to host NFL games should the opportunity present itself and it is determined that the NFL provides the most viable route toward the economic returns necessary to maintain the iconic stadium.

It should be noted that the RBOC Board also voted to take the further action of limiting minor events in the form of run/walks to no more than 13 in calendar year 2014. While these minor events fall short of the definition of Displacement Events, they do have impacts and are often the source of complaints by neighbors and others seeking to use the Central Arroyo in a casual fashion.

Finally, and in further recognition of the impact Displacement Events and other activities in the Central Arroyo have on this important community resource, as discussed during the presentation of the Report on RBOC Governance presented to the City Council on Monday, February 3rd the RBOC Board voted to share in the cost of a study to analyze event coordination in the Central Arroyo Seco, as recommended in the Report on RBOC Governance.

ENVIRONMENTAL:

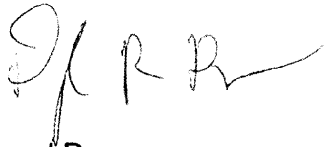
State CEQA Guidelines Section 15323 exempts from CEQA review the "normal operations of facilities for public gatherings for which the facilities were designed, where there is a past history of the facility being used for the same or similar kind of purpose." Stadiums are specifically enumerated as one of the types of activities covered by this exemption. The Rose Bowl Stadium has hosted numerous soccer games over its history and particularly within the past year, has hosted Autism Speaks for the past 10 years, and has hosted AmericaFest for 88 years. There is no indication that any of these Displacement Events will be any different than any other soccer game, walk or AmericaFest hosted in the Bowl in the past. Traffic generated from each of these events will be managed in the usual way that the stadium manages Displacement Event

traffic, with particular emphasis to be placed on implementing neighborhood protection measures usually in place during the UCLA home football season in the stadium. Finally, the cumulative effects of these additional Displacement Events are not significant; each is a one-time, partial day event and consistent with prior uses of the stadium and surrounds.

FISCAL IMPACT:

The total estimated net revenue to the RBOC as a result of staging these three additional Displacement Events, less the value of reducing the total number of annual walk/runs is anticipated to be approximately \$300,000.

Respectfully submitted,

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

Darryl Dunn
General Manager

2014 SPECIAL EVENT DIPLACEMENT EVENTS SCHEDULE

As of 2-6-14

Event	Date	Contract Stage	Est. Attendance
Rose Bowl	Wednesday, Jan. 1	Done	90,000
BCS Championship	Monday, Jan. 6	Done	90,000
Autism Speaks (#16)	Saturday, April 27	Approved by RBOC. Needs Council approval	40-50,000
AmericaFest (#17)	Friday, July 4	" "	30,000
International Soccer (#15)	Wednesday, July 23	" "	60-70,000
Live Nation Concert (#13)	Thursday, August 7	Finalized	60,000
Live Nation Concert (#14)	Friday, August 8	Finalized	60,000
One Direction	Thursday, Sept. 11	Finalized	60,000
One Direction	Thursday, Sept. 12	Finalized	60,000
One Direction	Thursday, Sept. 13	Finalized	60,000
UCLA Season			
Memphis Vs. UCLA	Saturday, Sept. 6	Done	40,000-90,000
Utah vs. UCLA	Saturday, Oct. 4	Done	40,000-90,000
Oregon vs. UCLA	Saturday, Oct. 11	Done	40,000-90,000
Arizona vs. UCLA	Saturday, Nov. 1	Done	40,000-90,000
USC vs. UCLA	Saturday, Nov. 22	Done	40,000-90,000
Stanford vs. UCLA	Friday, Nov. 28	Done	40,000-90,000

*Contractual requirement to host the Pac 12 Championship on Saturday, December 6th, but only if UCLA has best record in Pac 12 Conference and wins Pac 12 South