



Agenda Report

September 18, 2017

TO: Honorable Mayor and Pasadena City Council

FROM: Rose Bowl Operating Company (RBOC)

SUBJECT: Endorsement of Rose Bowl Legacy Centennial Campaign and authorization to finalize negotiations with Legacy Connections donor for a lead gift (field naming recognition) to Legacy's Rose Bowl Centennial Capital Campaign

RECOMMENDATION:

The RBOC recommends that the City Council approve the following:

1. Find that the actions proposed herein are exempt from the California Environmental Quality Act (CEQA) pursuant to State CEQA Guidelines Sections 15061(b)(3) (general rule) and 15301 (existing facilities-minor);
2. Endorse Legacy's Capital Campaign to raise \$40M in support of capital improvement projects in preparation and support of the Stadium's centennial birthday in 2022.
3. Authorize the General Manager of the RBOC to finalize negotiations with a Legacy donor concerning a donation in the amount of \$10 million as a lead gift (field naming recognition) to Legacy's Rose Bowl Centennial Capital Campaign.

BACKGROUND:

Legacy Connections is a 501c3 non-profit organization whose primary purpose is to raise funds to support Rose Bowl Capital Improvements. Founded in 2010 with the support of the RBOC, Legacy was modeled after a civic philanthropic organization in Omaha, Nebraska called Heritage Services.

Since its founding, Legacy has privately raised \$18.5M in gross pledges/gifts (through 2022), which includes more than \$16M towards capital improvement projects, as well as \$1.2M towards the Area H Perimeter Project.

Over the past two years, Legacy's approach has transitioned to a more traditional style development approach similar to those of universities. The new approach has yielded continued growth, with fundraising totals in 2015 (\$1.9M in new gross gifts/pledges) and 2016 (\$2.5M in new gross gifts/pledges).

Additionally, many of Legacy's recent donations have incorporated valuable community elements to provide impact and educational opportunities to the Stadium's heritage. One of Legacy's key community programs is the Honda Field Trip to the Field, where every seventh grader in Pasadena Unified School District visits the venue for a professional educational tour, a healthy lunch, and a physical education activity on the field or outside of the Stadium (See Attachment B). Additional community programs include a developing reader program at Cleveland Elementary School, that includes book donations, as well as a hosting of military spouses at the Rose Bowl on the morning of July 4.

ROSE BOWL CENTENNIAL CAPITAL CAMPAIGN:

Legacy is embarking on a historic five year capital campaign to raise \$40M in support of capital improvement projects at the Stadium and to celebrate the Stadium's centennial birthday in 2022. With increasingly diverse competition coming to the Los Angeles marketplace due to new and renovated venues, the protection, preservation, and enhancement of the Rose Bowl Stadium, as well as the recognition of its history and heritage within the Arroyo Seco, is more important than ever before.

Co-Chairs of the campaign are Mickey Segal (Legacy President) and Ron Okum (Legacy Vice President/Treasurer), with strong support and endorsement from the Legacy Board of Directors, its Advisory Committee, and the RBOC.

The campaign will provide new, private funding for several vital areas of capital need at the Rose Bowl Stadium.

Significant capital improvements that are needed at the Stadium, include, but are not limited to:

- New Stadium Lights – approximately \$2M-\$3M
- New Stadium Seating – approximately \$8M-\$11M
- Wi-Fi – approximately \$6M
- Updated Stadium Safety Elements – approximately \$1.2M

- Updated Videoboard - TBD
- Updated Stadium Concession Stands and Bathrooms – approximately \$4.75M
- Updates and Key Improvements to Brookside Clubhouse - TBD

CAPITAL CAMPAIGN LEAD GIFT

Lead gifts, especially those totaling more than 20% of a campaign total, are instrumental in any capital project campaign as they can transform donor behavior, energize potential future major gifts, and provide a foundational belief in the organization's mission. The psychological impact of the gift can be "game-changing" for a fundraising effort.

Legacy staff solicited and secured a lead gift from a private donor of \$10M in support of the campaign from a private, respected philanthropist, with strong ties to the Rose Bowl, UCLA, and Legacy Connections, as a prior donor.

The gift would be the largest donation in Legacy's history and will assist in preserving, protecting, and enhancing the Rose Bowl Stadium through capital improvement projects at the venue. Additionally, the gift would fund an annual scholarship award to a senior Pasadena student focused in the areas of Field Maintenance, Sport Management, or Stadium Operations, courtesy of the donor's family, amongst other community elements.

The donor's generosity would be recognized by naming the Rose Bowl Stadium field in his honor.

Legacy provided an update to City Council on the lead gift on July 10, 2017, and most recently provided an update to the RBOC on July 12, 2017.

As is standard with such major gift opportunities, Legacy implemented two (2) professional background checks on the donor. Based upon the background checks staff is confident recommending approval of this opportunity.

DONOR RECOGNITION – FIELD NAMING – ATTACHMENT A

Stadiums, both internationally and domestically, have determined that naming rights are a revenue stream and have become standard within the facility industry, so active discussions with key tenants are critical to the success of this gift as a launch to the campaign.

Although it doesn't occur nearly as often as naming a facility, the naming of a field in honor of a donor or corporation is now happening at venues—especially collegiate venues.

Some examples of field naming rights at other college football venues include: Alaska Airlines Field at Husky Stadium (University of Washington); Kabam Field at Memorial Stadium (California) which was eliminated in Summer of 2017; Ryan Field

Some examples of field naming rights at other college football venues include: Alaska Airlines Field at Husky Stadium (University of Washington); Kabam Field at Memorial Stadium (California) which was eliminated in Summer of 2017; Ryan Field (Northwestern); David Harrison Field at Scott Stadium (University of Virginia); Worsham Field at Lane Stadium (Virginia Tech); Capital One Field at Byrd Stadium (University of Maryland); and Skelly Field at H.A. Chapman Stadium (Tulsa).

Given the iconic brand of the Rose Bowl, naming the Stadium (e.g. XYZ company Rose Bowl) has not been seriously pursued. Staff believes that naming the Stadium after a corporation would not be appropriate for the Rose Bowl Stadium, although it is likely that a corporation being linked to the field or stadium naming could result in significantly more revenue. It could have negative effects not only on the Rose Bowl Stadium, but indirectly on stakeholders of the Stadium, namely the City of Pasadena, the Tournament of Roses and UCLA.

In exploring the possibility of field naming, it was important for staff to determine the field naming opportunity's appropriateness to our heritage and prestige on Stadium stakeholders, such as the City of Pasadena, Tournament of Roses, and UCLA.

It should be noted, that Legacy and staff has actively worked and communicated with the Tournament of Roses, UCLA, and other key partners about 1) the appropriateness of the donor recognition within the venue, and 2) the use of the donation funds to satisfy key projects needed to improve the venue.

Legacy has already provided City Council with an informational update on this item at the July 10, 2017 meeting, and received approval and recommendation from the RBOC to the City Council at a meeting on July 19, 2017. Legacy's board of directors formally approved the lead gift at a June 21, 2017 meeting.

History of Donor Naming Opportunities at the Stadium

On May 20, 2013, Council granted the RBOC authority to pursue and assign values for current and new donor naming rights in the future, applicable to any inventory within the fence-line at the Stadium.

Also on May 20, 2013, the RBOC and Legacy agreed to return to Council for discussion and approval of the pledge amount for potential Field Naming rights, when appropriate.

The RBOC previously assigned field naming rights to Legacy, recognizing that if a field naming at the Rose Bowl Stadium was to occur, both the RBOC and City Council would have to approve.

In the event the field naming rights is approved and executed, staff will confer with both entities about options in expending the funds related to future capital improvements. It should be noted that the RBOC/City has rights to name the field, subject to reasonable consent to field-adjacent signage locations by the Tournament, which has been given. Attached is a comprehensive list of current naming opportunities and associated values. Legacy will be working in conjunction with the RBOC to identify additional and appropriate naming opportunities.

Recommended Exposure for Donor Gift

To maintain the venue's prestige, and to support the near-century of history with the Stadium, Legacy is recommending that adjacent areas on the field-level be provided for donor recognition.

As a result of the \$10M pledge and contribution, the donor will be honored through a naming recognition adjacent to the Rose Bowl Stadium's field and to be displayed on several locations in the venue including:

- Naming on the East and West historic field hedges (both sides of each hedge)
- Naming in all (4) corner end zone pads by the main entry tunnels to the field level, for all events and dates other than the annual Rose Bowl Game
- Naming on the back of the north videoboard of the Stadium, facing Gate N, for the Rose Bowl Game only.
- Naming on (12-15) new, heritage images on the concourse
- Naming on (8) major stadium gate exits

It is important to recognize that some assets traditionally associated with stadium or field-naming rights are not part of this opportunity. (e.g. Name on marquee of stadium, name on field of play, freeway signs.)

Partnership Conversations

The RBOC and Legacy have tremendous respect for their key partners, the Tournament of Roses and UCLA. These primary tenants provide stability for the long-term vision of the Rose Bowl, as well as expand credibility for the Rose Bowl brand and its status as a national and global icon.

The RBOC has and will continue to work collaboratively with its stadium partners to find the best possible scenario to honor and recognize the donor's contribution in relation to

each partner's needs, not just for this gift, but for future gifts as well.

ENVIRONMENTAL:

The actions proposed herein, a capital campaign and the naming of the Rose Bowl Stadium field, are exempt from review under the California Environmental Quality Act (CEQA) pursuant to State CEQA Guidelines Sections 15061(b)(3) (general rule). The general rule provides that CEQA only applies to projects that have a potential for causing a significant effect on the environment. The capital campaign is a general fundraising endeavor and does not commit the RBOC/City to any specific construction project. Before the RBOC/City is ready to commit to any particular construction project, appropriate environmental review will be undertaken at that time. As for field naming, this action may require the installation of a few recognition signs or plaques near the field, but these installations do not have the potential to cause a significant impact on the environment.

FISCAL IMPACT:

The capital campaign, which will provide a significantly heightened, focused effort to fund several key renovation projects, has the potential to generate \$30M-\$40M in new, gross pledges/gifts. Understanding the historic nature of this effort along with its three to five-year timeline, the campaign will provide new philanthropic support to preserve, protect, and enhance the Rose Bowl Stadium in an increasingly diverse Los Angeles marketplace.

A lead campaign gift of \$10M will infuse the capital campaign with inspiration for other donors. The commitment would be the largest in Legacy's history, and due to the donor's interest, the majority of the gift is temporarily unrestricted and can be used for what the RBOC deems most necessary for capital improvement projects.

Respectfully submitted,

A handwritten signature in black ink, appearing to read 'Darryl Dunn', written in a cursive style.

Darryl Dunn
General Manager, RBOC