

Agenda Report

December 10, 2018

TO: Honorable Mayor and City Council
FROM: City Manager
SUBJECT: Approval of Amendment to the Pasadena Tournament of Roses Association Master License Agreement regarding use of the Rosemont Pavilion (No. 20,502)

RECOMMENDATION:

It is recommended that the City Council:

1. Find that the action proposed herein is exempt from environmental review pursuant to the California Environmental Quality Act ("CEQA"), State CEQA Guidelines Section 15301 (existing facilities); and
2. Authorize the City Manager to sign an amendment to the Amended and Restated Master License Agreement with the Pasadena Tournament of Roses Association regarding the use of the Rosemont Pavilion as set forth in this report.

BACKGROUND:

The Pasadena Tournament of Roses Association ("Tournament") annually stages and produces the Tournament of Roses Parade and Rose Bowl Game. Both long-standing traditions, these events require the full support and cooperation by the City. To formalize the relationship between the City of Pasadena and the Tournament, including terms and conditions upon which the Tournament may use City property, facilities and services required for staging of the New Year's events, both entities entered into an Amended and Restated Master License Agreement ("MLA") in November, 2010.

The MLA identifies a number of city-owned facilities that the Tournament rents from the City in support of their operations to stage the Rose Parade and Rose Bowl Game. Amongst these facilities is Rosemont Pavilion, a property referred to as a "float barn" in historical sources, and more generally described as a warehouse located on a two acre site in the Central Arroyo. Historically, the Tournament has occupied Rosemont Pavilion for six months out of the year for float building and decorating. In 2016, the Tournament acquired a float building facility in Irwindale and two of the approved float builders vacated Rosemont Pavilion in favor of having access to a float building space

year-round. One remaining builder is willing to keep its operations in Pasadena on the condition that they have access to a facility year-round.

In order to maintain a float building presence in Pasadena, the Tournament has proposed to occupy Rosemont Pavilion year-round for an initial term of two years. Should the pilot program be successful, the Tournament is requesting a mutual option to extend the arrangement for a three year term, with two renewals of the three year term (total extensions up to nine years).

The use of Rosemont Pavilion as a float building facility is consistent with PMC 3.32.060 (Arroyo Seco Public Lands Ordinance- General Regulations). Zoned for Open Space, Rosemont Pavilion uses have historically included warehouse, office and storage space; float construction including welding and painting; scenic fabrication of float materials; float decorating; and public/private float viewing.

To proceed with the Tournament's proposal to occupy Rosemont Pavilion year-round, the MLA will need to be amended to reflect a revised use period; modifications to the allowed uses of the facility; provisions for maintenance and repair; as well as a revision to the rent schedule and base fee calculation. Pursuant to Section 1.1 (Certain Defined Terms), the Rosemont Pavilion Use Period shall be revised to reflect a year-round occupancy by the Tournament for Tournament Years 2018/2019 (FY19) and 2019/2020 (FY20) as a pilot program, with a mutual option to extend for a three year term, with two renewals of a three year term (total extensions up to nine years).

Section 6.3 (License to Use Rosemont Pavilion) will also need to be amended to limit public events and gatherings to the traditional timeframe associated with the building to December 1 – January 15. All other restrictions on use will remain the same with new proposals being approved in writing by the City, and in compliance with all applicable municipal code requirements/restrictions and City event/park use policies.

With the Tournament using Rosemont Pavilion year-round, all responsibilities for maintenance and repair of the facility, including associated expenses, will belong to the Tournament. Pursuant to Section 15.2 (Utility Installations; Trade Fixtures; Alterations), any other capital improvements will require City approval, and will be undertaken at the Tournament's expense. During the two year period, however, the City may approve up to \$75,000 in credit toward tenant improvements. Signage, if any, shall be subject to any applicable City regulations and any permitting or review requirements as set forth in the Pasadena Municipal Code.

Amendment No. 3 to the MLA (approved in January 2018) established a new Base Fee structure for combined rent related to the various properties occupied by the Tournament. At that time, the combined rental amounts were outlined in an Amended Schedule III. Under the proposed arrangement, the Amended Schedule III would need to be revised as follows: (1) beginning with Tournament Year 2018/2019 (FY19), the revised base fee would increase from \$498,146.09 to \$590,942.16; (2) in Tournament Year 2019/2020 (FY20), the revised base fee would increase from \$519,862.72 to

\$615,442.68. Following the two year trial period, the fee schedule would continue to adjust in accordance with the MLA.

As part of the Tournament's commitment to keeping a float building presence in Pasadena, an enhanced decorating village known as "Sip & Savor" will be staged at Jackie Robinson Stadium, adjacent to the Rosemont Pavilion. The MLA will need to be amended to reflect that the Tournament shall bear responsibility for any incremental costs and expenses related to the new Sip & Savor event.

As part of the negotiations with the Tournament, the City has emphasized the need for greater cooperation and participation with Pasadena Unified School District (PUSD). Especially, as it relates to job training, observation and/or participation in float building. To that end, the City will be discussing with the Tournament projects and opportunities appropriate for involving PUSD students in fields such as, but not limited to, robotics, engineering, and construction.

ENVIRONMENTAL:

The action proposed herein is exempt from environmental review pursuant to State CEQA Guidelines Section 15301 (existing facilities). This exemption applies when approving a license of public facilities involving negligible or no expansion of the use beyond that currently in existence. The action proposed herein, amendments to an existing license agreement for public facilities, extends the length of the time covered by the license for the existing use, a negligible expansion of the use.

FISCAL IMPACT:

The Annual Base Fee for FY19 will increase by \$92,796.07 for a grand total of \$590,942.16. By the end of the two year pilot program, adjustments to the Base Fee will total \$188,376.03 thereby increasing revenues to Fund 106 (New Year's Day Fund).

Respectfully submitted,




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City Manager

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