



Rose Bowl Operating Company

June 8, 2020

OPERATING AGREEMENT EXTENSION





OPERATING AGREEMENT BACKGROUND

- AGREEMENT EXPIRES JUNE 30, 2020
- AGREEMENT HAS BEEN IN PLACE EFFECTIVE 1995
- RBOC IS PROVIDED AUTHORITY IN THE AGREEMENT TO ACT AS CITY'S AGENT TO MANAGE THE STADIUM AND GOLF COURSES



OPERATING AGREEMENT BACKGROUND

- ENABLES RBOC TO ENTER INTO EVENT AGREEMENTS AS WELL AS OTHER CONTRACTUAL COMMITMENTS
- POLICIES AND RULES BY WHICH THE RBOC MUST CONDUCT ITS BUSINESS ARE OUTLINED IN THE AGREEMENT



ACTION ITEM

- ACTION BEING REQUESTED WOULD EXTEND THE AGREEMENT BY 3 YEARS UNDER THE SAME TERMS AND CONDITIONS AS EXIST TODAY
- AN EXTENSION IS NECESSARY TO PROVIDE RBOC CONTINUED AUTHORITY TO MANAGE CITY ASSETS



LOOKING AHEAD

- **RBOC BUSINESS MODEL FACING SIGNIFICANT CHALLENGES**
 - > REBOUND FROM COVID-19 PANDEMIC
 - UNCERTAINTY WHEN STADIUM WILL BE ABLE TO OPERATE AS IT DID PRE-COVID
 - ATTENDANCE IMPACT WHILE PANDEMIC IS ONGOING IS ALSO UNCERTAIN
 - > SOUTHERN CALIFORNIA IS THE MOST COMPETITIVE STADIUM MARKET IN UNITED STATES
 - > VERY RELIANT ON TENANTS SUCCESS



LOOKING AHEAD

- > NEED TO CONTINUE TO WORK CLOSELY WITH TENANTS (TOURNAMENT OF ROSES, UCLA, MUSIC FESTIVAL, FLEA MARKET, GOLF) TO MAXIMIZE SUCCESS FOR ALL PARTIES
- > GOLF INDUSTRY CHANGING RAPIDLY
- > INCREMENTAL REVENUE CRITICAL FOR RBOC TO ATTAIN SUCCESS



LOOKING AHEAD

- > DURING NEXT 3 YEARS RBOC WILL WORK CLOSELY WITH CITY STAFF TO DETERMINE WHAT CHANGES MAY BE NECESSARY TO ENABLE RBOC TO SUCCEED AND REPORT BACK TO COUNCIL
 - CHANGES COULD INCLUDE FINANCIAL TERMS, EVENT MIX, PHYSICAL IMPROVEMENTS, APPLICABLE REGULATIONS

- FOR THE FORESEEABLE FUTURE THE RBOC RECOMMENDS QUARTERLY REPORTING TO COUNCIL FINANCE COMMITTEE AND CONTINUED CLOSE COOPERATION BETWEEN CITY STAFF AND RBOC STAFF