

# Agenda Report

November 23, 2020

**TO:** Honorable Mayor and City Council

**FROM:** City Manager

**SUBJECT: APPROVAL OF AMENDMENT TO THE PASADENA TOURNAMENT OF ROSES ASSOCIATION MASTER LICENSE AGREEMENT REGARDING TOURNAMENT YEAR 2020-2021 (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 15061(b)(3), the Common Sense Exemption that CEQA only applies to projects that may have an effect on the environment); and
2. Authorize the City Manager to finalize negotiations and sign an amendment to the Amended and Restated Master License Agreement with the Pasadena Tournament of Roses Association regarding COVID-19 impacts to Tournament Year 2021 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. The City of Pasadena and the Tournament entered into a contract, the Amended and Restated Master License Agreement ("MLA"), in November, 2010. The MLA provides the contractual and financial terms and conditions upon which the Tournament stages the annual New Year's events.

On March 17, 2020, the City of Pasadena declared a Local State of Emergency due to the COVID-19 pandemic. During COVID-19, the State of California has placed restrictions on large public events and gatherings to slow the spread of the virus. Without a timeline for these restrictions to be lifted, the Tournament of Roses has made the difficult decision to cancel the Rose Parade which would have occurred on January 1, 2021.

***Rose Parade:***

The COVID-19 pandemic has created an unforeseeable circumstance beyond the control of both the City and Tournament. It therefore meets the criteria for a Force Majeure event, specifically related to the staging of the Rose Parade. As such, the City of Pasadena and Tournament must agree to a Force Majeure with both parties being excused and released of responsibilities under the MLA.

The cancellation of the Rose Parade has implications to the financial framework as set forth in the MLA. The MLA requires payments for a Base Fee, or rent from city properties, and an Expense Fee, or fees related to the staging of the New Year's events. In addition, there are payments that the City receives from the Tournament related to community support and association gifts.

As the Rose Parade will not occur as planned in January 2021, and therefore no expenses will be incurred by the City, the Expense Fee will be zeroed out for Tournament Year 2021. While there are no proposed changes to the Base Fee calculation, it will be reduced on account of the Tournament's revised occupancy plans for Rosemont Pavilion beginning Fiscal Year 2021. The Tournament's Community Support Gift of \$28,000, which would ordinarily be due for Fiscal Year 2021, will not be included in the calculation of fees paid to the City.

***Rose Bowl Game:***

The Rose Bowl Game is expected to occur on January 1, 2021. In light of COVID-19 conditions, it is understood that the Tournament and the Rose Bowl Operating Company (RBOC) will use commercially reasonable efforts to prepare for operations related to the Rose Bowl Game.

With regards to expenses, the RBOC and the Tournament have agreed on a revised cost sharing structure for COVID-19 preparations and game-day expenses, regardless of whether or not the Rose Bowl Game is canceled. The MLA also requires an additional payment from the Tournament in the form of an Association Gift of \$100,000 to the City/Stadium. It is anticipated that the Tournament will continue to provide the Association Gift if the Rose Bowl Game occurs. Following Tournament Year 2021, the City Expense Fee and other payments will revert to the terms stipulated in the MLA, unless subsequent amendments are needed.

The exclusive use periods, as defined by the MLA, will be adjusted as a result of any negotiated amendment for Tournament Year 2021. The RBOC's commitments to its other tenant, UCLA, will require flexibility due to its pandemic-modified collegiate football schedule. The Tournament and RBOC continue to work cooperatively on scheduling as well as the preparation of staging and operations plans that are consistent with COVID-19 protocols released by the Pasadena Public Health Officer and the California Department of Public Health.

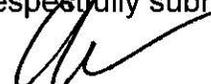
**ENVIRONMENTAL ANALYSIS:**

The action proposed herein is exempt from environmental review pursuant to State CEQA Guidelines Section 15061(b)(3), the Common Sense Exemption that CEQA only applies to projects that may have an effect on the environment . This exemption applies where it can be seen with certainty that there is no possibility that the activity in question may have a significant effect on the environment. The action proposed herein, amendments to an existing license agreement for public facilities necessary to cancel the Parade for one year, does not have the possibility of causing a significant effect on the environment. The action proposed herein does not constitute approval of any replacement event, and any such replacement event will be subject to CEQA review at the appropriate time.

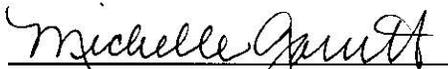
**FISCAL IMPACT:**

With the occupancy of Rosemont Pavilion reverting back to a 6 month schedule, the Annual Base Fee for FY21 will decrease by \$71,780 for a revised total of \$543,663. The City Expense Fee will effectively be zeroed out for Fiscal Year 2021, with a special notation that the City will not have costs related to the staging of the parade. Additional payments that will be negotiated as part of the amendment to the MLA include requirements for the Community Support Gift (\$28,000) as well as the Association Gift (\$100,000) for Tournament Year 2021.

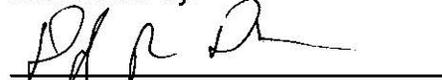
Respectfully submitted,

  
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Prepared by:

  
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Rose Bowl Stadium