

# Rose Bowl Operating Company

Rose Bowl Stadium

Revenue Enhancement Opportunities

Phase 1 Findings

June 8, 2021

**CAA**ICON  
STRATEGIC ADVISORY

**This report has been prepared for the Rose Bowl Operating Company (RBOC) and is subject to the attached Limiting Conditions and Assumptions.**

Our reports may not be used, in whole or in part, in any financing or marketing documents.

Although the findings included herein appear reasonable based on the current and anticipated market conditions, actual results depend on the actions of management and other factors both internal and external to the RBOC.

It is important to note that because events and circumstances may not occur as expected, there may be significant differences between the actual results and those estimated in the analysis, and those differences may be material.

Without limiting the foregoing, the findings included in this report specifically do not account for, assess, or include consideration of recent global events, including, without limitation, the short- and long-term impacts of the Coronavirus Disease 2019 (COVID-19) pandemic and the related political, financial, and economic crises—all of which are unknown.

This report is valid only when presented in its entirety and only for the purpose stated therein.

Our performance of the tasks completed does not constitute an opinion of value or appraisal or a projection of financial performance or audit in accordance with generally accepted audit standards. Estimates of value (ranges) have been prepared to illustrate current and possible future market conditions.

Our work has been based in part on review and analysis of information provided by unrelated sources that are believed accurate, but cannot be assured to be accurate. No audit or other verification has been completed.

Portions of this document include intellectual property of Esri and its licensors and are under license.  
Copyright © 2020 Esri and its licensors. All rights reserved.



# Table of Contents

---

I. Introduction

II. Potential Opportunities / Projects

Appendix A – RBOC Overview

Appendix B – Other Development Opportunities

Appendix C – Other Event-Related Opportunities

Limiting Conditions and Assumptions

# I. Introduction

---

# I. Introduction

---

## Engagement Overview

- CAA ICON is pleased to present our observations to the Rose Bowl Operating Company (RBOC)
- As the RBOC faces unprecedented challenges resulting from COVID-19, as well as increased competition in the regional and national markets, consideration must be given to potential opportunities to limit / minimize the financial impacts on the City of Pasadena (City), while also allowing for the continued operation of one of the world's most iconic venues, the Rose Bowl Stadium – a source of community pride and significant economic impact locally and regionally
  - Please see **Appendix A** for RBOC overview
- CAA ICON was retained by the RBOC to assist in identifying potential revenue opportunities in and around the Rose Bowl Stadium, including Brookside Golf Course and the Arroyo
  - The goal of Phase 1 was to identify as many opportunities as possible, without regard to initial feasibility / viability
  - It is understood that certain projects may not be viable or meet the key considerations, but have been listed as examples of projects that have been completed in comparable situations or could potentially generate substantial revenues to offset financial obligations
- This study is intended to be completed in two major phases
  - Phase 1 is intended to identify revenue opportunities that could potentially address the RBOC's operating and financial challenges
    - Identification of key considerations
    - Identification of potential projects
    - Identification of potential projects for further study in Phase 2 (to be completed in cooperation with RBOC Board/Staff)
  - Phase 2 will include an in-depth analysis of the opportunities identified in Phase 1 – scope of services will be determined once the list of opportunities is determined at the conclusion of Phase 1

# I. Introduction

---

## Key Considerations – Overview

- CAA ICON, in collaboration with RBOC staff and RBOC Board Leadership, developed a comprehensive list of key considerations that should be addressed when evaluating the potential opportunities
- Evaluation of the key considerations will be utilized to refine the list of opportunities for further study in Phase 2
- Key considerations have been organized by the following groupings:
  1. Financial feasibility
  2. Legal feasibility
  3. Political / stakeholder feasibility
  4. Operational feasibility
  5. Other
- Key considerations within each grouping are included on the following slides
- For Phase 1, we have highlighted most significant key considerations – not all key considerations are discussed herein, though all have been evaluated
- There are a number of key considerations that we have identified as “red lights” that would appear to make certain opportunities not feasible – refer to opportunities discussion

# I. Introduction

---

## Key Considerations – Detail

### ▪ Financial Feasibility

- Impact on operating cash flow
- Capital investment required
- Return on investment
- Potential financial impact
  - Revenue generation
  - Expense reduction
- Short-term solution
- Long-term solution
- Level of risk (variability of revenue)

### ▪ Legal Feasibility

- Municipal code amendment
- Charter amendment
- Initiative measure
- Litigation risk
- ADA requirements
- Historic designation
- Environmental impact
- Contractual obligations / restrictions

# I. Introduction

---

## Key Considerations – Detail

- **Operational Feasibility**
  - Alignment with RBOC goals
  - Impact on RBOC brand (exposure / profile)
  - Opportunities / challenges
    - Hosting events
    - Golf course
    - Neighborhood
    - Community
    - Parking
    - Recreational users
    - Ingress / egress

# I. Introduction

## Key Considerations – Detail

### ▪ Political / Stakeholder Feasibility

- Tenants
  - City
  - RBOC
  - UCLA
  - Tournament of Roses
  - Music festival
  - Flea market
  - Other events
- Neighborhood
- Community
- Golfers
- Legacy Foundation / Donors
- Chamber of Commerce
- Pasadena Center Operating Company (PCOC)
- Hospitality industry (hoteliers / restaurateurs / etc.)
- Rose Bowl Institute
- Community recreation
  - Aquatics
  - Joggers
  - Cyclist
  - Kidspace Children’s Museum
  - Youth soccer / lacrosse / other area H users

# I. Introduction

---

## Potential Opportunities / Projects – Overview

- CAA ICON, in collaboration with RBOC staff and RBOC Board Leadership, developed a comprehensive list of potential opportunities (approximately 130+)
  - In some instances, certain opportunities were selected for further study despite presenting potential significant legal and / or political challenges, given the potential revenue generation
- We have also considered previous studies completed by Jerde, Urban Land Institute (ULI), and others
- Additionally, we have considered potential opportunities proposed by Gensler, the architecture firm that has been recently engaged by the RBOC to study potential modifications to the stadium and surrounding area

**As a reminder, the goal of Phase 1 was to identify as many opportunities as possible, without regard to initial feasibility / viability**

**Identified opportunities may not meet key considerations and have been included for illustrative purposes only**

# I. Introduction

## Potential Opportunities / Projects – Overview

- Potential opportunities have been organized by the following groupings:

### Rose Bowl – Potential Opportunities / Projects

A. Physical Modifications	F. Fiscal Opportunities
B. Ancillary Development	G. Financial / Capital Support
C. Naming Rights / Sponsorship Opportunities	H. Financing Options
D. Tenant / Partner / Stakeholder Contracts	I. Sale / Lease
E. Consolidate Operating Companies	J. Event-Related Opportunities



# I. Introduction

## Phase 2 Recommended Study List

- CAA ICON, in collaboration with RBOC staff and RBOC Board Leadership, considered the comprehensive list of potential opportunities and has recommended the following opportunities for further study in Phase 2:

### Opportunity

- Limited Suite Conversions (Gensler)
- Sky Bar / Rooftop Opportunity
- South Endzone (Gensler) Loge Boxes
- Capacity Reduction (Seat Replacement / Additional Aisles / Etc.)
- Concourse Extension (Food and Beverage Plaza)
- 2028 Olympics
- 2026 World Cup (FIFA)
- Turf Conversion (Field Edge)
- Redeveloped Club House
- Driving Range Expansion
- Mini Golf
- Compost Facility (State)
- Hall-of-Fame – High School / California
- Ice Skating Rink

### Primary Party

- CAA ICON
- CAA ICON
- CAA ICON
- CAA ICON
- Other Consultant
- RBOC
- CAA ICON

# I. Introduction

## Phase 2 Recommended Study List (Continued)

- CAA ICON, in collaboration with RBOC staff and RBOC Board Leadership, considered the comprehensive list of potential opportunities and has recommended the following opportunities for further study in Phase 2:

<u>Opportunity</u>	<u>Primary Party</u>
▪ Naming Rights – Campus	CAA ICON
▪ Sponsorship – I-210 Signage	CAA ICON
▪ Tenant / Partner / Stakeholder Contracts	CAA ICON
▪ Establish Pasadena Sports, Convention, and Hospitality Authority	CAA ICON
▪ Save America's Treasures	RBOC
▪ Shuttered Venue Operators Grant	RBOC
▪ Non-Profit Securities Grant	RBOC
▪ Urban Area Securities Initiatives	RBOC
▪ Donor Recognition / Additional Fundraising	RBOC
▪ Rose Bowl Institute	RBOC
▪ Debt Relief / Refinancing	RBOC
▪ Sale / Lease – Property / Stadium / Golf Course	CAA ICON
▪ Non-Event Day Parking	RBOC

# I. Introduction

---

## Other Opportunities to be Considered

- Depending upon the evaluation of the aforementioned opportunities, additional research could be conducted on the following potentially high revenue impact opportunities – comprehensive consideration must be given to key criteria identified herein
  - Hotel
  - Performing Arts Stage
  - Naming Rights – Stadium
  - Sponsorship – TV Corner (Parade Route)
  - Wellness Center
  
- Additional consideration should be given to:
  - Direct City financial support – City staff to recommend options
  - Approaching the County about potential financial support
  - Other revenue enhancing opportunities (after evaluation of opportunities in Phase 2)
    - Bunker Suite
    - SRO Platforms (Gensler)
    - Esports (Community / LAN Gaming Center)
    - Sports Betting Lounge (pending legalization)

## **II. Potential Opportunities / Projects**

---

## **A. Physical Modifications**

# A. Physical Modifications

---

## Physical Modifications – Overview

- This section focuses on the following potential physical modifications:
  - Stadium
  - Parking Lot
  - Golf Course
  - New Spaces
  - Requirements for Potential New Events
  - Sustainability / Energy Efficiency Enhancements
  - Lunch Club in Pavilion / City Club Rose Bowl (Restaurant Concept)
  - Pop-Up Soccer Stadium

# A. Physical Modifications

---

## Stadium

- Overview
  - As described earlier, the stadium was renovated in 2014 – most significant improvement was the addition of new premium seating in the pavilion
  - CAA ICON and Gensler have preliminarily identified a number of potential physical modifications including, but not limited to:
    - Premium seating
      - Limited suite conversions (Gensler)
      - Sky bar / rooftop opportunity
      - Bunker suite
      - South endzone loge boxes (Gensler)
      - East side suites
      - East sideline loge platform (Gensler)
    - Seating bowl
      - Capacity reduction – seat replacement / additional aisles / etc.
      - Standing room only (SRO) platforms (Gensler)
    - Concourse extension
    - Common areas (food and beverage plaza) (Gensler)
    - New spaces
    - Turf conversion (field edge)

# A. Physical Modifications

## Stadium – Premium Seating

- Overview
  - Gensler has provided high level renderings of potential physical modifications
    - Feasibility has not been determined
    - Provided for illustrative purposes only
  - Renderings to the right include:
    - East sideline loge platform
    - South end zone loge boxes



# A. Physical Modifications

---

## Stadium – Premium Seating

- Key considerations
  - Financial feasibility
    - Potential new significant revenue opportunities
    - Significant capital investment may be required
    - Consideration must be given to the current Surplus Revenue Distribution calculation – UCLA and Tournament of Roses share in incremental revenue (subject to adjustments)
  - Legal feasibility
    - Environmental impact laws must be considered
    - Contractual obligations with tenants must be considered
    - Historic designation of Rose Bowl must be considered
  - Political / stakeholder feasibility
    - Political and community may voice opposition given the scope of renovations that occurred in 2014
  
- Key observations
  - Consideration should be given to conducting a limited market analysis of the physical modifications listed earlier to understand the potential demand / feasibility – CAA ICON should collaborate with Gensler to identify other potential improvements
  - Other initial observations
    - Limited suite conversions – current demand issues
    - Sky bar / rooftop opportunity – maximize views
    - Bunker suite – originally contemplated as part of 2014 renovation
    - South endzone loge boxes (Gensler) – unique seating option
    - East side suites – potential issues with sun / ADA / historic designation
    - East sideline loge platform – potential issues with sun / ADA / historic designation

# A. Physical Modifications

## Stadium – Seating Bowl

- Overview
  - CAA ICON and Gensler have preliminarily identified a number of potential seating bowl modifications including, but not limited to:
    - Capacity reduction – seat replacement / additional aisles / etc.
    - Standing room only platforms (Gensler) (see rendering to the right)
- Key considerations
  - Financial feasibility
    - Consideration must be given to potential capacity reduction
    - Significant capital investment may be required
  - Legal feasibility
    - Environmental impact laws must be considered
    - Contractual obligations with tenants must be considered
    - Historic designation of Rose Bowl must be considered
  - Political / stakeholder feasibility
    - UCLA and Tournament of Roses may have concerns regarding loss of seating – preliminary indications are that each party may be in favor of reduced capacity
    - Community recreation users may likely support the conversion
    - Political and community may voice opposition given the scope of renovations that occurred in 2014
- Key observations
  - Consideration should be given to conducting a limited market analysis of the physical modifications listed earlier to understand the potential demand / feasibility
  - Potential capacity reductions could potentially have an impact on large scale events (2026 FIFA World Cup efforts, etc.)
  - CAA ICON should collaborate with Gensler to identify other potential improvements



# A. Physical Modifications

## Stadium – Concourse Extension (Food and Beverage Plaza)

- Overview
  - A plaza could be developed to serve as a community gathering area, concert space, watch parties, etc.
  - Many stadiums / arenas utilize plaza space to function as game day or non-game day event space
  - Rendering provided to the right
    - Plaza aerial



# A. Physical Modifications

---

## Stadium – Concourse Extension (Food and Beverage Plaza)

- Key considerations
  - Financial feasibility
    - Plaza could potentially generate additional revenue from event rentals, food and beverage, etc.
    - Plaza may also represent a new sponsorship opportunity
    - A significant capital investment may be required
  - Legal feasibility
    - Such development will require further analysis as to whether a Charter and / or Municipal Code amendment may be required
  - Operational feasibility
    - Plaza may potentially create new opportunities for events and users
    - Plaza could potentially include ancillary development, such as a restaurants, bars, coffee house, etc.
- Key observations
  - Consideration should be given to further evaluating the potential demand for a plaza

# A. Physical Modifications

---

## Stadium – New Spaces – Esports (Community / LAN Gaming Center)

- Overview
  - Consideration could be given to creating an esports space within the stadium for competition purposes or for shared community recreational use
  - Golden 1 Center’s Esports and Content Studio (Sacramento, CA) is a recent example of an esports space sports facility built within a major sports venue
    - This facility also contains a full-service production studio and green room for livestreams, content production, and music recording – rental opportunity
    - Other facilities such as Esports Stadium Arlington (Arlington, TX) contain a public gaming center that hosts weekly tournaments, meet-ups, and other events
- Key considerations
  - Financial feasibility
    - Creation of this space may yield nominal increased revenue and may require a capital investment
  - Operational feasibility
    - Space may potentially create new opportunities for hosting events and recreational users – consideration should be given to use by UCLA Esports
- Key observations
  - Based on our preliminary research, the creation of an esports space could be a potential opportunity, though the return on investment may be nominal

# A. Physical Modifications

---

## Stadium – New Spaces – Sports Betting Lounge

- Overview
  - With the recent rise of the sports betting industry in the U.S., consideration could be given to creating a sports betting lounge within the stadium (if sports betting is legalized in the State of California)
  - As sports betting has become legalized in certain states throughout the U.S., sports betting lounges have been integrated into a number of major sports venues, including Empower Field at Mile High (NFL – Denver, CO), Allegiant Stadium (NFL – Las Vegas, NV), Capital One Arena (NBA / NHL – Washington, D.C.), and Wells Fargo Center (NBA / NHL – Philadelphia, PA), among others
  - In November 2020, PointsBet and the University of Colorado (CU) agreed to the first major sports betting partnership in college sports
    - As part of the five-year agreement, CU will receive a minimum total of at least \$1.625 million plus additional incentives
- Key considerations
  - Financial feasibility
    - Creation of this space may yield nominal increased revenue and may require a capital investment – a sports betting partnership may also generate additional revenue
  - Operational feasibility
    - Space may potentially create new opportunities for hosting events and recreational users – consideration should be given to use by UCLA Esports
  - Legal feasibility
    - The feasibility of this project would require the legalization of sports betting in the State of California
    - Other rules and regulations related to the NCAA and UCLA must be considered
- Key observations
  - Based on our preliminary research, a sports betting lounge / space or a sports betting partnership agreement would not likely be feasible until sports betting is legalized, but both could be potential opportunities in the future and should be considered

# A. Physical Modifications

---

## Stadium – New Spaces – Lunch Club in Pavilion / City Club Rose Bowl (Restaurant Concept)

- Overview
  - In order to generate new year-round revenue streams, consideration could be given to constructing a restaurant / restaurant club at the Rose Bowl (Pavilion or stand-alone restaurant)
    - Restaurant could potentially contain a membership component (exclusivity)
- Key considerations
  - Financial feasibility
    - Construction of a restaurant may yield nominal increased revenue and may require a capital investment
  - Operational feasibility
    - Space may potentially create new opportunities for hosting events and recreational users – rental opportunity
- Key observations
  - Based on our preliminary research, constructing a new restaurant space could be a potential revenue-generating opportunity

# A. Physical Modifications

---

## Stadium – New Spaces – Pop-Up Soccer Stadium

- Overview
  - Consideration could be given to constructing a pop-up soccer stadium for potential use by local schools, club teams, semi-professional teams, and professional teams, among others
  - The 6,200-seat Casino Arizona Field (Scottsdale, AZ) is a pop-up stadium that hosts Phoenix Rising FC (USL Championship)
    - The privately-funded pop-up stadium was reportedly built in two months at a cost of \$7.5 million
    - Naming rights for the stadium were sold to Casino Arizona (terms not disclosed)
- Key considerations
  - Financial feasibility
    - Pop-up stadium may likely yield nominal increased revenue and may require a significant capital investment
    - Additional revenue could be generated via a naming rights agreement
  - Operational feasibility
    - Pop-up stadium may potentially create new opportunities for hosting sporting events, tournaments, and other rentals
  - Political / stakeholder feasibility
    - UCLA, Tournament of Roses, and other stakeholders may have concerns regarding loss of space (if any) from the construction of a pop-up stadium
      - Potential increased noise and number of event days may also be concerns to neighbors
- Key observations
  - Based on our preliminary research, the construction of a pop-up stadium could be a potential opportunity, though return on investment may be nominal due to potential significant capital investment
  - It is important to note that Angel City FC is seeking a practice facility, which could be integrated as part of pop-up soccer stadium

# A. Physical Modifications

---

## Stadium – Requirements for Potential New Events – 2028 Olympics (LA 2028 Olympic Organizing Committee)

- Overview
  - Consideration should be given to facility upgrades related to satisfying IOC and International Sports Federation (ISF) venue requirements for the 2028 Summer Olympics in Los Angeles
- Key considerations
  - Financial feasibility
    - Hosting multiple Olympic events may generate significant revenue in 2028
    - Facility upgrades may require capital investment – level of capital investment depends on the necessary upgrades and must be explored further
    - Total capital investment dependent upon deal structure
  - Operational feasibility
    - Upgrades may likely benefit additional future events
- Key observations
  - A comprehensive facility evaluation should be completed in order to gauge the level of investment required to comply with IOC and ISF venue requirements

# A. Physical Modifications

---

## Stadium – Requirements for Potential New Events – 2026 FIFA World Cup

- Overview
  - SoFi Stadium and the Rose Bowl are being considered as potential stadiums to host matches at the 2026 FIFA World Cup – reports indicate that only one of the two stadiums will be chosen
  - Consideration should be given to facility upgrades related to satisfying FIFA venue requirements for the 2026 FIFA World Cup
- Key considerations
  - Financial feasibility
    - Hosting multiple FIFA World Cup matches may generate significant revenue in 2026
    - Facility upgrades may require capital investment – level of capital investment depends on the necessary upgrades and must be explored further
  - Operational feasibility
    - Upgrades may likely benefit additional future events – consideration should be given to upgrades that satisfy the venue requirements for the 2026 FIFA World Cup and the 2028 Summer Olympics
- Key observations
  - A comprehensive facility evaluation should be completed in order to gauge the level of investment required to comply with FIFA venue requirements
  - Potential capacity reductions could potentially have an impact on 2026 FIFA World Cup efforts

# A. Physical Modifications

---

## Stadium – Turf Conversion (Field Edge)

- Overview
  - Consideration could be given to converting the grass field to synthetic turf
  - Alternatively, consideration could be given to converting edges of the grass field to synthetic turf
- Key considerations
  - Financial feasibility
    - Conversion would require a capital investment
    - Conversion may allow more efficient event turnover, decrease water expense, field maintenance, etc.
  - Operational feasibility
    - Full conversion may compromise ability to attract soccer matches (potential financial impact)
    - Full conversion may potentially create new opportunities for attracting non-sport events
  - Political / stakeholder feasibility
    - UCLA and Tournament of Roses may have concerns regarding full conversion
- Key observations
  - Based on our preliminary research, a full turf conversion is not recommended; however, a limited conversion could be considered to potentially reduce ongoing operating expenses and event conversion costs

# A. Physical Modifications

---

## Parking Lot

- Overview
  - Consideration could be given to converting paved parking lots into turf (synthetic or natural) for shared recreational use
  - Lots would continue to be available for parking, but would also function as additional spaces for other uses (soccer, lacrosse, festivals, etc.) – recreational and / or pay-to-play users
- Key considerations
  - Financial feasibility
    - Conversion may likely yield nominal increased revenue and require a capital investment
  - Legal feasibility
    - UCLA has contractual rights to minimum number of paved parking spaces
  - Operational feasibility
    - Conversion may potentially create new opportunities for hosting events and recreational users
  - Political / stakeholder feasibility
    - UCLA and Tournament of Roses may have concerns regarding loss of parking spaces (if any)
      - However, each could also evaluate the possibility of increased green-space hospitality offerings
    - Community recreation users may likely support the conversion
- Key observations
  - Based on our preliminary research, parking lot conversion could be a potential opportunity, though the return on investment may be nominal

# A. Physical Modifications

---

## Golf Course

- Overview
  - The golf industry has experienced an increase in interest during the COVID-19 pandemic – affords an outdoor socially distant activity
  - Usage of Brookside Golf Club, a 36-hole golf complex, has increased during the COVID-19 pandemic
    - Average rounds per day are up approximately 10% over FY 2021 projections
  - Consideration could be given to a number of potential golf course physical modifications:
    - Redeveloped club house
    - Driving range expansion
    - Mini golf
    - Membership model
  - RBOC has preliminarily studied a number of course layout changes including mini golf and driving range expansion

# A. Physical Modifications

---

## Golf Course – Redeveloped Club House

- Key considerations
  - Financial feasibility
    - A redeveloped club house could increase ancillary revenue from event rentals (banquets, meetings, etc.), food and beverage sales, and merchandise sales
    - A capital investment may be required (figure to be determined)
  - Operational feasibility
    - Redeveloped club house may potentially create new opportunities for hosting events
    - Redeveloped club house may offer golf users an improved amenity
    - Recreational users may also utilize the redeveloped club house for dining purposes
- Key observations
  - Based on our preliminary research, a redeveloped club house be a potential opportunity
  - Further, if the redeveloped club house is part of a larger golf improvement project (mini golf, driving range, etc.), the revenue potential of the club house could potentially increase

# A. Physical Modifications

---

## Golf Course – New Concepts

- Overview
  - RBOC is currently evaluating a number of potential new concepts
    - Driving range expansion
    - Mini golf
    - Other
  
- Key considerations
  - Financial feasibility
    - New concepts may potentially generate a moderate new revenue stream
    - A capital investment may be required (figure to be determined)
  - Operational feasibility
    - New concepts may require course layout changes
    - Course layout changes may offer golf users and recreation users improved amenities
  
- Key observations
  - It is our understanding that the cost estimate associated with the concepts above is approximately \$7.0 million
  - Management has estimated new revenue from the driving range at \$810,000 and mini golf at \$550,000
  - Additional revenue from activations and food and beverage have been estimated at \$345,000 by Management

# A. Physical Modifications

---

## Golf Course – Membership Model

- Overview
  - There are a number of various types of membership models associated with golf courses
    - Public – a public (or semi-private) model may provide benefits and amenities to members such as preferred tee times, dedicated storage, food and beverage credits, etc.
    - Private – a private model may provide more “Country Club” type-benefits with a limited number of memberships. Only members may be permitted to utilize the course.
  
- Key considerations
  - Financial feasibility
    - Membership model may potentially generate a moderate new revenue stream
  - Legal feasibility
    - Further analysis would be required regarding private membership and potential conflict with Charter and / or Municipal Code
  - Operational feasibility
    - Use of the courses by casual golfers would be impacted
  
- Key observations
  - It is highly unlikely that the City (and residents) would support turning a public asset into an asset that can only be used by select individuals / members

# A. Physical Modifications

---

## Sustainability / Energy Efficiency Enhancements – Solar Farm / Panels

- Overview
  - Consideration could be given to installing solar panels at the Rose Bowl to power the stadium and surrounding facilities
  - Across the world, a number of sports stadiums have installed solar panels, including Levi’s Stadium (Santa Clara, CA), Mercedes-Benz Stadium (Atlanta, GA), and Lincoln Financial Field (Philadelphia, PA), among others
  - Oracle Park (San Francisco, CA – MLB) reportedly installed 590 solar panels at a cost of approximately \$1 million to \$1.5 million – team was not required to pay for the solar panels
- Key considerations
  - Financial feasibility
    - Installation of solar panels may yield significant long-term energy cost savings and may require a significant capital investment
    - Potential funding from state and federal grants must be explored
  - Political / stakeholder feasibility
    - “Green” initiatives, such as the installation of solar panels, may likely be supported by the community and the wider area and may have a positive impact on the general perception of the facility
- Key observations
  - Based on our preliminary research, installing solar panels to power the Rose Bowl could be an opportunity that potentially leads to long-term energy cost savings and other benefits

# A. Physical Modifications

---

## Sustainability / Energy Efficiency Enhancements – Compost Facility (State)

- Overview
  - Consideration could be given to constructing a composting facility at the Rose Bowl
  - According to reports, constructing and operating a composting facility (including purchasing the required equipment) can be an expensive and involved process, though revenue can be generated from processing fees, compost and soil sales, and other related services
- Key considerations
  - Financial feasibility
    - Both the capital costs of constructing and annual costs of operating a composting facility may be significant
    - Facility may yield nominal increased revenue
  - Operational feasibility
    - Composting facilities contains several operational challenges including odor, toxic emissions, fires, and contamination, among others
  - Legal feasibility
    - In order to construct and operate a composting facility in the State of California, an operator must obtain a permit and satisfy a series of regulations
  - Political / stakeholder feasibility
    - UCLA, Tournament of Roses, and the local community may have concerns regarding loss of land (if any), odors and toxins emitted by the facility, and many other potential issues
- Key observations
  - Based on our preliminary research, constructing a commercial composting facility at the Rose Bowl could be an opportunity, though there appears to be a wide array of potential operational challenges and risks involved

# A. Physical Modifications

---

## Sustainability / Energy Efficiency Enhancements – LEED Designation

- Overview
  - Consideration could be given to making upgrades to the Rose Bowl in order to help the facility receive LEED certification
    - Developed by the U.S. Green Buildings Council, “LEED (Leadership in Energy and Environmental Design) is an internationally recognized green building certification system, providing third-party verification that a building or community was designed and built using strategies aimed at improving performance across all the metrics that matter most: energy savings, water efficiency, CO2 emissions reduction, improved indoor environmental quality, and stewardship of resources and sensitivity to their impacts.”
  - According to reports, integrating sustainable features utilized in LEED-certified stadiums may lead to lower overall utility costs and consumption levels, as well as potential tax benefits, among others
- Key considerations
  - Financial feasibility
    - Taking steps to receive LEED certification may yield long-term utility cost savings, though at a potentially significant capital investment
    - Level of required capital investment and potential funding from state and federal grants should be explored further
  - Political / stakeholder feasibility
    - LEED certification may likely be supported by the community and the wider area and may have a positive impact on the general perception of the facility
- Key observations
  - Based on our preliminary research, achieving LEED certification at the Rose Bowl could be an opportunity that potentially leads to long-term utility cost savings and other benefits

## **B. Ancillary Development**

## B. Ancillary Development

---

### Ancillary Development – Overview

- This section focuses on the following potential ancillary development opportunities:
  - Traditional real estate development
  - Arts and entertainment
  - Recreational
  - Community

## B. Ancillary Development

---

### Traditional Real Estate Development

- Overview
  - This section focuses on the following potential ancillary development opportunities:
    - Traditional real estate development
      - Residential
      - Commercial / retail
        - Offices
        - Retail
        - Restaurant / brewery / coffee shop
      - Hotel
      - Destination-based development
        - Example: LA Live!

## B. Ancillary Development

---

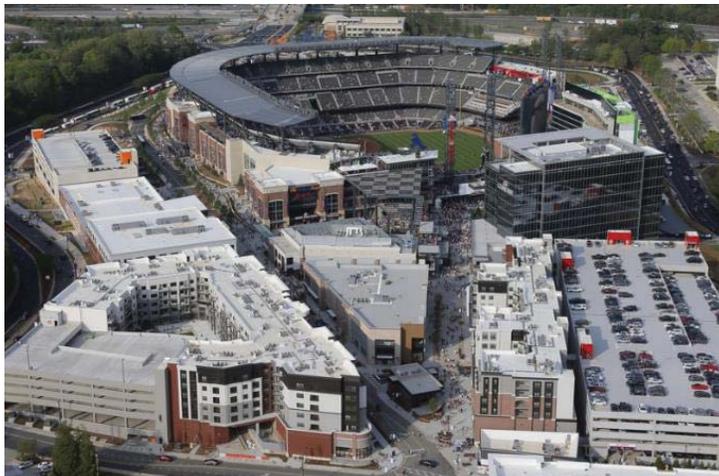
### Traditional Real Estate Development

- Overview
  - In recent years, stadium / arena owners and operators have utilized ancillary developments to fund capital and / or operating needs
  - Examples include, but are not limited to:
    - Athletics Facilities – Arizona State University
    - SDSU Mission Valley Stadium – San Diego State University
    - Wrigleyville Development – Chicago Cubs
    - The Battery Atlanta – Atlanta Braves (*see case study on following slides*)
    - Ballpark District – San Diego Padres
    - McGregor Square – Colorado Rockies
    - Deer District – Milwaukee Bucks
    - Downtown Commons – Sacramento Kings
    - ICE District – Edmonton Oilers
    - Texas Live! – Texas Rangers / Dallas Cowboys
    - Victory Park (PNC Plaza) – Dallas Mavericks / Dallas Stars (*see case study on following slides*)

## B. Ancillary Development

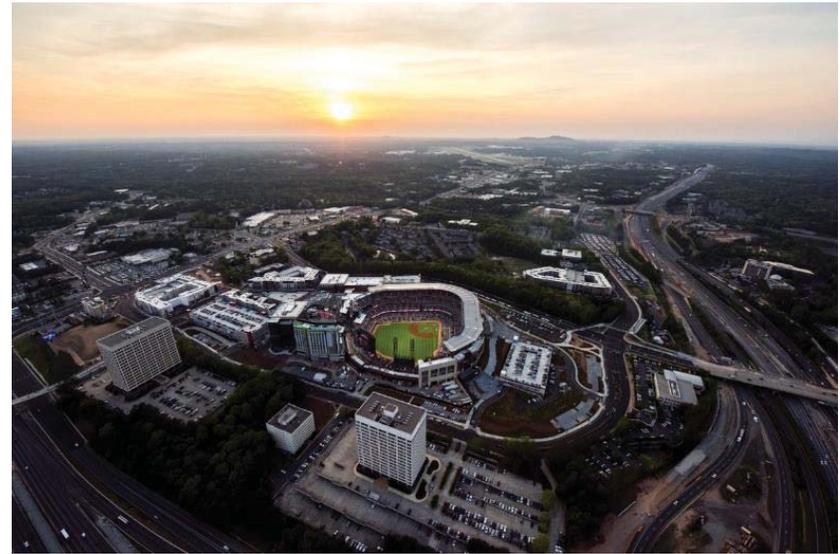
### Traditional Real Estate Development – The Battery Atlanta (Atlanta Braves)

Prior to relocating to Cobb County, the City of Atlanta and the Atlanta Braves were in discussions to renovate Turner Field and extend the lease which was set to expire after the 2016 season. The Braves reportedly requested that the City fund a portion of the repairs and renovation costs, which were estimated at over \$200 million. The Braves reportedly grew frustrated with the pace and progress of discussions with the City and abruptly announced in 2013 the team would relocate to Cobb County, which agreed to provide \$300 million (public investment ultimately exceeded amount) in public funding toward the development of a new stadium (Truist Park). The project includes a \$452 million mixed-use development called The Battery Atlanta, which was primarily funded by Liberty Media (Braves). The 74-acre development contains 1.25 million square feet of office space, 575,000 square feet of retail / dining space, 1,250 hotel rooms, and 4,000 residential units.



## B. Ancillary Development

### Traditional Real Estate Development – The Battery Atlanta (Atlanta Braves)



## B. Ancillary Development

### Traditional Real Estate Development – Victory Park (Dallas Mavericks / Dallas Stars)

The original \$1.5 billion development plan for Victory Park included retail, offices, dining, and a hotel. The initial phase, which included two main buildings to the east and west of the American Airlines Center plaza area, included mostly high-end restaurants. The project experienced significant financial difficulties and was taken over by US Treuhand in 2009 after the prior developer defaulted. Problems included poor traffic and pedestrian circulation, a lack of appealing and affordable retail / restaurant space, and empty areas surrounding the development. In 2019, Asana Partners acquired 421,000 square feet of the project, including two office and retail buildings. The 75-acre development now includes 3,000 apartments, 225,000 square feet of retail, and 600,000 square feet of offices in total. Total investment has reportedly exceeded \$3 billion. In 2020, naming rights to Victory Plaza (displayed below and left) were reportedly sold to PNC Bank (now called PNC Plaza).



## B. Ancillary Development

---

### Traditional Real Estate Development

- Key considerations
  - Financial feasibility
    - Potential revenue streams include, but are not limited to:
      - Development rights
      - Lease revenue
      - Property / parcel tax
      - Other taxes
    - Potential revenue from ancillary development is highly dependent on the scope of projects
    - Ancillary development may require a significant capital investment (though, third-party developer may be expected to absorb capital investment)
  - Legal feasibility
    - Ancillary development in the Arroyo Seco may require a Charter amendment, may potentially be at risk of litigation, and may likely require environmental mitigation
  - Operational feasibility
    - Depending on the scope of projects, ancillary development could impact parking, ingress / egress, and recreational users
    - Ancillary development could also impact space needed for the Music Festival and pre-event functions for UCLA and the Tournament of Roses
  - Political / stakeholder feasibility
    - Tenants, neighborhood, golfers, recreational users, etc. may all be, potentially, impacted
    - Ancillary development would require political support
- Key observations
  - While ancillary development may create additional activity in the area and may yield, potentially, a significant new revenue source, the capital investment, Charter amendment, operational issues, and stakeholder support requirements make such development likely not feasible

## B. Ancillary Development

---

### Arts and Entertainment

- Overview
  - This section focuses on the following potential ancillary development opportunities:
    - Performing arts stage
    - Hall-of-fame
      - High school / California
    - Museum
    - Holiday light show
    - Food park (Jerde)
      - Example: food trucks, Eataly, etc.

## B. Ancillary Development

---

### Arts and Entertainment

- Overview
  - There are a number of arts and entertainment developments in the Arroyo Seco currently, including:
    - Kidspace Children’s Museum
    - Rose Bowl Aquatics Center
- Key considerations
  - Financial feasibility
    - Other than a performing arts stage, the majority of the arts and entertainment development options may yield minimal new revenue and may require significant capital investment
  - Legal feasibility
    - The development of arts and entertainment development could potentially require a Charter amendment, though an argument could be made that such development is consistent with “park and recreational purposes”
  - Operational feasibility
    - Depending on the scope of projects, arts and entertainment projects could impact parking, ingress / egress, and recreational users
    - Arts and entertainment could also impact space needed for the Music Festival and pre-event functions for UCLA and the Tournament of Roses
  - Political / stakeholder feasibility
    - Tenants, neighborhood, golfers, recreational users, etc. may all be, potentially, impacted
    - Arts and entertainment development would require political support
- Key observations
  - The development of additional arts and entertainment spaces may add to the entertainment options in the City, but may require a capital investment and, outside of the performing arts stage, may require an operating subsidy

## **B. Ancillary Development**

---

### **Recreational**

- Overview
  - This section focuses on the following potential ancillary development opportunities:
    - Ice skating rink
    - Amateur sports fields
    - Accessible park
    - Tennis club / additional courts

## B. Ancillary Development

### Recreational – Ice Skating Rink

- City currently operates Pasadena Ice Skating Center
  - Generated approximately \$980,000 in 2019 – excludes CIP, debt service, etc.
  - Based on conversations with City representatives and the RBOC, it is our understanding that the current facility is nearing the end of its useful life
- City has previously evaluated the development of an ice rink (2009)
  - In 2009, a proposed ice skating rink center was brought to City Council and not approved
  - Total construction costs were estimated at approximately \$20.0 million
  - Year 1 cash flow was estimated at \$914,000 before debt service and a loss of \$525,000 after debt service
- Consideration should be given to re-use of the existing site if new facility is developed – potential opportunity





## B. Ancillary Development

---

### Recreational

- Overview
  - There are a number of recreational developments in the Arroyo Seco currently, including:
    - Rose Bowl Children Playground
    - Hiking trails
    - Tennis courts
- Key considerations
  - Financial feasibility
    - The majority of recreational development options may yield minimal new revenue and may require some level of capital investment
    - Other options, such as an ice rink, may yield new revenue, but may require significant capital investment
  - Legal feasibility
    - The development of recreational development is consistent with “park and recreational purposes” of the City Charter
  - Operational feasibility
    - Depending on the scope of projects, recreational projects could impact parking, ingress / egress, and recreational users
    - Recreational projects could also impact space needed for the Music Festival and pre-event functions for UCLA and the Tournament of Roses
  - Political / stakeholder feasibility
    - Tenants, neighborhood, golfers, recreational users, etc. may all be, potentially, impacted
- Key observations
  - The development of additional recreational spaces would add to the recreational options in the City, but may require a capital investment
    - Ice skating rink and amateur fields may generate new revenue (see previous pages for case studies)
    - Recreational spaces such as an accessible park or additional tennis courts would yield limited to no revenue
    - Consideration could be given to local high schools potential demand

## B. Ancillary Development

---

### Community

- Overview
  - This section focuses on the following potential ancillary development opportunities:
    - Physical therapy center
    - Wellness center
    - Wedding venue
    - Community / meeting / classrooms / multi-purpose center

## B. Ancillary Development

---

### Community

- Overview
  - We have identified a number of community related developments
  - Certain community activities, such as weddings, community meetings, etc. currently take place in the Arroyo Seco
  - Other community-related options include, but are not limited to, developments such as a gym, physical therapy center, or wellness center (e.g., St. James Wellness and Entertainment Complex *(see case study on following slide)*)
  
- Key considerations
  - Financial feasibility
    - The majority of community development options may yield minimal new revenue and may require some level of capital investment
  - Legal feasibility
    - Community related developments are generally consistent with the Charter and Municipal Code, but depending on the option selected, may require further analysis
  - Operational feasibility
    - Depending on the scope of projects, projects could impact parking, ingress / egress, and recreational users
    - Projects could also impact space needed for the Music Festival and pre-event functions for UCLA and the Tournament of Roses
  - Political / stakeholder feasibility
    - Tenants, neighborhood, golfers, recreational users, etc. may all be, potentially, impacted
  
- Key observations
  - The development of community related spaces would add to the options in the City, but may not yield significant revenue and may require a capital investment

## B. Ancillary Development

### Community – St. James Wellness and Entertainment Complex

The St. James Wellness and Entertainment Complex, located in Springfield, Virginia, opened in 2018. The St. James is a 450,000 square foot sports and entertainment complex. The facility includes sports, lifestyle, and wellness options and activities. Among the facilities on the campus are a field house, turf field, ice rink (2), Olympic-size swimming pool, hardwood courts, golf practice facilities, rock climbing, gym, and other health and fitness options. In addition, St. James offers members sports medicine therapy, spa services, a restaurant, and child-care.



## **C. Naming Rights / Sponsorship Opportunities**

## C. Naming Rights / Sponsorship Opportunities

---

### Naming Rights / Sponsorship Opportunities – Overview

- This section focuses on the following naming rights / sponsorship opportunities:
  - Naming rights
  - New Sponsorship Inventory
  - Off-Site Sponsorship

## C. Naming Rights / Sponsorship Opportunities

### Naming Rights – Stadium

- Overview

- While not as common as in professional sports, there are a number of college football stadiums with corporate naming rights deals
  - In addition to corporate naming rights deals, many other stadiums have naming rights based on major philanthropic gifts from donors
- Included to the right are 14 examples of current corporate naming rights deals for college football stadiums
- In 2018, Los Angeles Memorial Coliseum reportedly agreed to a stadium naming rights agreement with United Airlines (16 years / \$69 million – approximately \$4.3 million per year)
  - Deal was amended in 2019 to only include naming rights for the field (financial terms not disclosed)

College Football Stadium Corporate Naming Rights Agreements (2021)					
University	Stadium	Total Value (\$ Millions)	# of Years	Avg. Annual Value (\$ Millions)	Expiration
Colorado State University	Canvas Stadium	\$37.7	15	\$2.51	2032
University of Kentucky	Kroger Field	\$22.2	12	\$1.85	2028
Rutgers University	SHI Stadium	\$10.9	7	\$1.55	2026
University of Houston	TDECU Stadium	\$15.0	10	\$1.50	2024
Georgia State University	Center Parc Stadium	\$21.5	15	\$1.43	2034
University of Minnesota	TCF Bank Stadium	\$35.0	25	\$1.40	2034
University of North Texas	Apogee Stadium	\$20.0	20	\$1.00	2030
University of Alabama at Birmingham	Protective Stadium	\$15.0	15	\$1.00	2036
Boise State University	Albertsons Stadium	\$12.5	15	\$0.83	2028
Texas Tech University	Jones AT&T Stadium	\$20.0	25	\$0.80	2024
San Jose State University	CEFCU Stadium	\$8.7	15	\$0.58	2031
University of Akron	InfoCision Stadium	\$10.0	20	\$0.50	2028
Utah State University	Maverik Stadium	\$6.3	18	\$0.35	2037
Arkansas State University	Centennial Bank Stadium	\$5.0	15	\$0.33	2027
Average		\$17.1	16.2	\$1.12	

Sources: Sports Business Journal, industry research.

## C. Naming Rights / Sponsorship Opportunities

---

### Naming Rights – Stadium

- Key considerations
  - Financial feasibility
    - Revenue generated by the sale of stadium naming rights may have a positive impact on RBOC cash flow
    - Depending on the terms of the agreement, the deal could be a long-term
    - Consideration must be given to financial implication related to current field naming rights agreement (Spieker Field)
  - Legal feasibility
    - Potential tenant restrictions on naming rights
  - Political / stakeholder feasibility
    - The sale of naming rights has long been an issue in the City – political support will be required
- Key observations
  - Consideration should be given to potential impacts of naming rights on the Rose Bowl brand and Legacy Foundation (including Spieker rights)

## C. Naming Rights / Sponsorship Opportunities

---

### Naming Rights – Parking Lots / Tailgating / Campus / District

- Overview
  - Naming rights can also be sold for sports and entertainment districts surrounding major sports venues
    - Examples of these mixed-use ancillary developments with naming rights include Xfinity Live! (Philadelphia, PA), PNC Plaza (Dallas, TX), and SoFi Stadium and Hollywood Park (Inglewood, CA), among others
    - If a mixed-use sports and entertainment district were to be constructed at the Rose Bowl, the sale of naming rights to the district could be a viable opportunity
  - In certain instances, naming rights have been purchased for certain amenities and areas within college football stadiums
    - For example, New Belgium Brewing Company (located in Fort Collins, CO) donated \$4.3 million for the naming rights to and construction of a hospitality area in the north end zone of Canvas Stadium – area is now called the “New Belgium Porch”
- Key considerations
  - Financial feasibility
    - Revenue generated by the sale of naming rights may have a positive impact on RBOC cash flow
    - Depending on the terms of the agreement, the deal could be a long-term
  - Legal feasibility
    - Amendments to the Municipal Code may potentially be necessary
  - Political / stakeholder feasibility
    - The sale of naming rights has long been an issue in the City – political support will be required
    - Non-stadium naming rights would appear to be less of an issue than sale of the stadium naming rights – to be further evaluated
    - Consideration must be given to public perception
- Key observations
  - Based on our preliminary research, the sale of naming rights could be considered as a potential opportunity
    - Further evaluation of type/scope of signage would be required

## C. Naming Rights / Sponsorship Opportunities

---

### New Sponsorship Inventory

- Overview
  - RBOC has an agreement with IMG which governs sponsorship sales
  - RBOC may have ability to identify new signage opportunities in the interior or exterior of the stadium
- Key considerations
  - Financial feasibility
    - New sponsorship could be a long-term solution
    - Minimal capital investment may be required – expense likely could be passed to the signage partner
  - Legal feasibility
    - IMG agreement governs sponsorship sales
- Key observations
  - Further consideration should be given to evaluating IMG inventory rights
  - Consideration should be given to an evaluation of potential new sponsorship opportunities – third party evaluation

## C. Naming Rights / Sponsorship Opportunities

---

### Off-Site Sponsorship

- Overview
  - Off-site sponsorship could potentially include freeway signage of the I-210, downtown Pasadena signage (flagpole), Old Town Pasadena, or the TV corner for the Rose Bowl Parade, among others
  - It is our understanding that the City of West Hollywood is evaluating a digital signage district to generate revenue
- Key considerations
  - Financial feasibility
    - Off-site sponsorship could be a long-term solution
    - Minimal capital investment may be required – expense likely could be passed to the signage partner
  - Legal feasibility
    - Amendments to the Municipal Code likely necessary for off-site sponsorship
- Key observations
  - Off-site sponsorship represents an under-utilized revenue source for the City (and RBOC)
  - Consideration should be given to an evaluation of off-site sponsorship inventory – third party evaluation

## **D. Tenant / Partner / Stakeholder Contracts**

# D. Tenant / Partner / Stakeholder Contracts

## Tenant / Partner / Stakeholder Contracts – Overview

- Overview
  - RBOC has entered into strategic partnerships that are customary in the industry (tenants, promoters, ticketing, concessions)
    - UCLA
    - Tournament of Roses
    - Goldenvoice
    - IMG
    - Legends
    - Ticketmaster
    - Levy
    - Other
- Key considerations
  - Financial feasibility
    - By aligning goals / objectives, sales approach, etc., RBOC and tenants may potentially be able to improve short-term and long-term cash flow
  - Legal feasibility
    - Current agreements have contractual obligations / restrictions – any amendments would require cooperation
  - Political / stakeholder feasibility
    - Based on initial discussions with UCLA and the Tournament of Roses, the parties indicated an initial openness to evaluating agreements
- Key observations
  - A comprehensive review of key contracts should be completed in Phase 2
    - Identify potential opportunities to restructure contracts
      - Improve alignment of interests of the parties
      - Maximize opportunities

## **E. Consolidate Operating Companies**

## E. Consolidate Operating Companies

---

### Consolidate Operating Companies

- This section focuses on the consolidation of operating companies with RBOC (PCOC, etc.)
  - Establish Pasadena Sports, Convention, & Hospitality Authority
    - Public entities
    - Private entities
      - Hospitality industry
      - Others
  - There are currently three operating companies that serve as City agencies:
    - PCOC
    - RBOC
    - Pasadena Community Access Corporation
  - The goals of the PCOC and RBOC are in relative alignment, as both promote the City as a travel destination and economic driver through events (sports, concerts, meetings, conferences, etc.)
  - As described herein, PCOC receives funding from the TOT and TBID – approximately \$15.0 million annually (total operating expense budget, including debt service, of approximately \$24.6 million (excludes capital improvement program – \$1.9 million))

# E. Consolidate Operating Companies

## Consolidate Operating Companies

- Overview
  - One of the more common goals of a public assembly facilities authority is to reduce the burden on local municipalities and improve the efficiency of development, operations, and maintenance of local facilities
  - Communities have realized that sports and entertainment events and conventions, meetings, etc. can contribute to economic development
  - A key consideration is the need to operate the authority as a semi-private or private entity to avoid minimize politics and bureaucracy
  - Authority should be considered a neutral party that seeks to benefit local stakeholders
  - An effective link with the destination marketing organization / convention and visitors bureau (DMO / CVB) is important for efficiency and the coordination of efforts
  - It is important to encourage involvement from the entire community
    - Public sector
    - Private sector (hospitality industry)
  - Examples of convention center and sports facilities under a unified authority are numerous and include, among others:
    - Orlando Venues – Orlando, FL
    - Nashville Metropolitan Sports Authority – Nashville, TN
    - Tampa Sports Authority – Tampa, FL
    - Wisconsin Center District – Milwaukee, WI
    - Metropolitan Entertainment and Convention Authority – Omaha, NE
    - Maryland Stadium Authority – Baltimore, MD

## E. Consolidate Operating Companies

---

### Consolidate Operating Companies

- Key considerations
  - Financial feasibility
    - Potential expense savings due to consolidation of companies and elimination / reduction of redundant expenses
    - Limited (no) new revenue opportunities
    - Limited (no) capital investment may be required
    - Consolidation may represent a potential long-term solution
  - Legal feasibility
    - Consolidation may require a Municipal Code amendment, as well as amendments to / dissolution of either organizations Articles of Incorporation, as well as other legal matters
  - Operational feasibility
    - Consolidation would appear to align with RBOC goals and may further enhance its exposure / profile
  - Political / stakeholder feasibility
    - Consolidation would require support from the City, PCOC, and hospitality industry
      - Hospitality industry has supported PCOC via TBID
  - Other
    - It is our understanding that among the challenges to consolidate the operating companies may be the accounting of retirement accounts – RBOC participates in CALPERS / PCOC does not
- Key observations
  - Based on our preliminary research further consideration should be given to evaluating a potential opportunity through the consolidation of the PCOC and RBOC

## **F. Fiscal Opportunities**

## F. Fiscal Opportunities

---

### Fiscal Opportunities – Overview

- Below is a list of potential fiscal opportunities:
  - Hotel occupancy tax
    - Hotel occupancy tax increase
    - Hotel occupancy tax rebate for Rose Bowl events
  - Sales tax
    - Sales tax increase (at statutory limit)
    - Sales tax rebate for Rose Bowl events
  - New Years Day Grandstand Tax
  - Special food and beverage tax increase
  - Other special taxes (sin, utility, earnings, etc.)
- Based on discussions with City representatives and RBOC, we have limited the discussion of fiscal opportunities
  - Overview of opportunities provided on following pages; key considerations and observations have been omitted

## F. Fiscal Opportunities

---

### Fiscal Opportunities – Hotel Occupancy Tax

- Overview
  - Hotel rates in the City are subject to a total 15.0% hotel occupancy tax
    - City imposes a 12.11% transient occupancy tax (TOT)
    - Hoteliers self-impose a 2.89% tourism business improvement district (TBID) hotel tax
  - City TOT
    - Generates approximately \$16.9 million (FY 2019 – pre-COVID-19) – approximately \$1.4 million per 1.0%
    - PCOC is the most significant recipient of TOT collections
      - Per the City and PCOC operating agreement, PCOC was to receive 60% of first 10.18% and 100% of remaining 1.93%. However, agreement was amended in FY 2017 to limit PCOC’s receipts to debt service plus \$500,000 – approximately \$11.2 million.
      - Remaining balance of City TOT accrues to the general fund – approximately \$5.7 million
  - TBID
    - Generates approximately \$3.8 million (FY 2019 – pre-COVID) – approximately \$1.3 million per 1.0%
    - TBID collections are dedicated to the Convention and Visitors Bureau (CVB)
    - TBID must be renewed every five years – next renewal in 2023 (to be confirmed)

# F. Fiscal Opportunities

---

## Fiscal Opportunities – Sales Tax

- Overview
  - City is currently at the statutory limit sales tax (10.25%)

▪ State / County	9.50%
▪ City (Measure I)	<u>0.75%</u>
▪ Total	10.25%
  - City receives approximately 1.0% of the 9.5% State / County portion
  - City dedicates 1/3 (Measure J) of Measure I collections to Pasadena Unified School District (PUSD) (\$8.0 million of \$24.0 million collected in FY 2021 (projected))

# F. Fiscal Opportunities

## Fiscal Opportunities – New Years Day Grandstand Tax

- Overview
  - City of Pasadena currently imposes a New Years Day Grandstand Tax of \$0.75 per seat (was \$0.73 per seat in FY 2020)
    - Generates approximately \$275,000 (FY 2020 – pre-COVID) – implies approximately 381,000 seats are subject to tax

## F. Fiscal Opportunities

---

### Fiscal Opportunities – Special Food and Beverage Tax

- Overview
  - Food and beverage taxes (or restaurant tax) are taxes on restaurant sales
  - Examples of restaurant taxes for sports facility funding include, among others:
    - State of Washington – T-Mobile Park
    - Marion County (Indiana) – Lucas Oil Stadium

## F. Fiscal Opportunities

---

### Fiscal Opportunities – Other Special Taxes

- Additional sources were considered but not included:
  - Property Tax / Parcel Tax
    - Library Special Tax – November 2022 ballot
  - Utility Users' Tax
  - Construction Tax
  - Sin Tax (Cigarettes, Beer, Liquor, Wine, etc.)
  - Cannabis Tax
  - Street Light and Traffic Tax
  - Parking Tax

## **G. Financial / Capital Support**

## G. Financial / Capital Support

---

### Financial / Capital Support – Overview

- This section focuses on potential financial / capital support from the following entities:
  - City of Pasadena
  - Los Angeles County
  - State of California
  - Legacy Foundation
  - Federal
  - Other
    - LA Sports and Entertainment Commission

## G. Financial / Capital Support

---

### Financial / Capital Support – Overview

- During 2020 (pre-pandemic), CAA ICON was retained to prepare a situational analysis report for the RBOC
- The goal of the report was to evaluate industry and market trends and competitive landscape on a regional and national basis to assist the RBOC in its ongoing strategic planning efforts
- As part of that engagement, we identified 15 case studies of “comparable” stadium facilities
- Based on our research completed to date, the Rose Bowl is the only facility (pre-pandemic) of the identified comparable facilities that is currently not receiving an operating and / or construction / renovation subsidy (excluding contributions from the Legacy Foundation)
- Operating subsidies ranged from \$580,000 (Camping World Stadium) to \$5.6 million (Aloha Stadium)
- Direct support comes in the form of direct cash contributions from municipal general fund (or other funds, including dedicated tax funds, etc.)
  - Both new facility construction projects and facility renovation projects are typically funded by the public through dedicated tax sources such as hotel taxes and car rental taxes, among others
- City expects to fund debt service payment for RBOC in FY 2021 (approximately \$11.5 million) – first time RBOC has required assistance related to debt service payments

# G. Financial / Capital Support

## Financial / Capital Support – City of Pasadena

- Based on discussions with City representatives and RBOC, we have limited the discussion of City financial / capital support opportunities
  - Overview of opportunities provided on following pages; key considerations and observations have been omitted
- Direct support
  - As described earlier, the City is directly funding the RBOC in FY 2021
- Redirect sales / hotel / other taxes
  - City's general fund is primarily funded by property tax / parcel tax, sales tax, and utility users' tax
- Resources
  - The City currently provides limited resources / support to the RBOC from City departments such as legal support
- Services / responsibilities / rates
  - RBOC is generally responsible for the event day expenses, including those outside of the stadium such as security, neighborhood cleaning, etc.
  - In addition, RBOC pays for utilities (e.g., water) in contrast to other City assets (e.g., Rose Bowl Aquatics Center) which are supported by the City

## G. Financial / Capital Support

---

### Financial / Capital Support – Los Angeles County

- Overview
  - County is a significant beneficiary of the Rose Bowl operations through economic and fiscal impacts, national exposure, and resident / visitor quality of life activities, among others
    - Rose Bowl has also been the site of COVID-19 testing and may, potentially, be a regional vaccination site
  - County owns the Hollywood Bowl
    - Funded by event income and philanthropic donations
  - City, Counties, and States often form partnerships to fund operations / capital investments – examples include, but are not limited:
    - City of Arlington, Tarrant County – AT&T Stadium
    - City of Indianapolis, Marion County, State of Indiana – Lucas Oil Stadium
    - City of Glendale, Maricopa County, State of Arizona – State Farm Stadium
    - City of Birmingham, Jefferson County – Protective Stadium
    - City of Grand Rapids, Kent County, State of Michigan – Van Andel Arena
    - City of Lexington, Fayette County, State of Kentucky – Rupp Arena
  - Smaller communities that own stadiums / ballparks / arenas often rely on municipalities with a greater tax base / resource base to help fund operations / capital investment (e.g., Grapefruit League Spring Training (tourist taxes))
  - This section focuses on potential County support opportunities:
    - Direct support
    - Redirect sales / hotel / car rental / other tax

## G. Financial / Capital Support

---

### Financial / Capital Support – Los Angeles County

- Key considerations
  - Financial feasibility
    - Support from the County may have a positive impact on RBOC cash flow
    - Limited (no) capital investment may be required
    - Support could be a short-term solution, long-term solution, or both
    - Direct support (or contractually obligated support) may potentially have less risk / variability than a tax-dependent source
  - Legal feasibility
    - Further consideration must be given to the legal feasibility of the County financially supporting an asset(s) (stadium, golf, recreation) it does not own
  - Political / stakeholder feasibility
    - Support from the County would require political support
    - Given the County's current financial challenges, direct support and redirecting tax revenue are likely sensitive topics
    - Further consideration / research should be given to County economic development programs (e.g., Los Angeles Economic Development Corporation)
- Key observations
  - Given that the County is a significant beneficiary of the Rose Bowl operations, consideration could be given to approaching the County to provide financial support
  - Also, given the potential precedent County support may set, we believe it is unlikely that the County will provide support
  - However, it is our understanding that the City pays the Los Angeles County Sheriff's Office approximately \$1.0 million annually related to Tournament of Rose Parade policing / traffic control / etc.

## G. Financial / Capital Support

---

### Financial / Capital Support – State of California

- Overview
  - State is a significant beneficiary of the Rose Bowl operations through economic and fiscal impacts, national exposure, and resident / visitor quality of life activities, among others
    - Rose Bowl has also been the site of COVID-19 testing and will, potentially, be a regional vaccination site
  - State of Texas offers a number of state-wide programs to support events and facilities
    - Events
      - State of Texas Major Event Trust Fund, Major Events Reimbursement Program, and Motor Sports Racing Fund
    - Facilities
      - Chapter 334, Texas Local Government Code (Sports and Community Venues)
      - Provides for planning, acquisition, establishment, development, construction / renovation of sports and community venue projects by a city or county – sales tax/car rental tax/hotel tax/admissions tax/parking tax/etc.
  - This section focuses on potential State support opportunities:
    - Direct support
      - State provided \$3.5 million in FY20 (budget) for the Lower Arroyo Stream Restoration project
    - Redirect sales / hotel / car rental / other tax
    - State economic incentive program

## G. Financial / Capital Support

---

### Financial / Capital Support – State of California

- Key considerations
  - Financial feasibility
    - Support from the State may have a positive impact on RBOC cash flow
    - Limited (no) capital investment may be required
    - Support could be a short-term solution, long-term solution, or both
    - Direct support (or contractually obligated support) may potentially have less risk / variability than a tax-dependent source
  - Legal feasibility
    - Further consideration must be given to the legal feasibility of the State financially supporting an asset(s) (stadium, golf, recreation) it does not own
    - Smaller communities that own stadiums / ballparks / arenas often rely on municipalities with a greater tax base / resource base to help fund operations / capital investment
  - Political / stakeholder feasibility
    - Support from the State would require political support
      - State of Hawaii subsidizes operations of Aloha Stadium (\$5.6 million annually)
      - Further consideration / research should be given to State economic development programs
- Key observations
  - Based on our preliminary research completed to date, we have not identified a specific State program that could support the RBOC
  - In addition, given the potential precedent State support may set, we believe it is unlikely that the State will provide support

## G. Financial / Capital Support

---

### Financial / Capital Support – Federal

- Overview
  - Consideration could be given to obtaining Federal financial support from the following sources:
    - U.S. Army Corps of Engineers (Corps)
      - Corps previously undertook study to restore the Arroyo Seco Canyon
        - Improve nature-based recreation
        - Improve access to the stream and green space
    - National Park Designation / Rim of the Valley
      - Representative Adam Schiff led the passage of The Rim of the Valley Corridor Preservation Act
        - Add 191,000+ acres of the Rim of the Valley Corridor to the Santa Monica Mountains National Recreation Area
    - Pandemic Relief
      - Shuttered Venue Operators Grant (SVOG)
        - On December 27, 2020, U.S. Congress approved the SVOG program, which included \$15.0 billion in COVID-19 relief grants for shuttered venues – the disbursement date for these grants has not been announced
        - On March 11, 2021, the \$1.9 trillion American Rescue Plan was signed into law – as part of this COVID-19 relief package, an additional \$1.25 billion was allocated to the SVOG program (now \$16.25 billion in total)
          - The updated program also allows venues to apply for additional federal aid until SVOG funds are disbursed
        - Maximum grant of \$5.35M
      - Save America’s Treasures Act
        - Established in 1998 to preserve national culturally significant assets
        - Maximum grant of \$500,000
    - Other
      - Non-Profit Securities Grant
        - Maximum grant of \$250,000
      - Urban Area Securities Initiatives
        - Maximum grant of \$100,000

## G. Financial / Capital Support

---

### Financial / Capital Support – Federal

- Key considerations
  - Financial feasibility
    - Federal support from options such as the Corps or national park designation may likely have a nominal impact on operating cash flow (if any) – likely more significant (if any) impact on capital improvements
    - Federal support from COVID-19 related source such as Shuttered Venue Operators Grant are limited to a short-term impact on cash flow
    - Additionally, grants from others, such as Save America’s Treasures, are restricted uses (e.g., preservation and enhancement)
  - Legal feasibility
    - Historic designation and environmental impact, among other issues, must be evaluated if any change to the Federal designation to the Arroyo Seco were to occur
  - Operational feasibility
    - If the Arroyo were designated a national park, there may likely be challenges associated with the operations of the golf course and recreational uses (issue identified by the Corps)
  - Political / stakeholder feasibility
    - Any change to the designation of the Arroyo would require political support from the City
    - Support / opposition from users such as golfer and recreational users must be considered

## G. Financial / Capital Support

---

### Financial / Capital Support – Federal

- Key observations
  - RBOC has applied (or will apply) for a number of COVID-19-related grants
    - Save America’s Treasures – applied in January 2021
    - Shuttered Venue Operators Grant (SVOG) – likely to apply February / March 2021
  - RBOC expects to apply for a number of security-related grants
    - Non-Profit Securities Grant – March / April 2021
    - Urban Area Securities Initiatives – July / August 2021
  - Based on our initial research to date, Federal support from options appear to be short-term and / or capital improvement (preservation / security) focused

## G. Financial / Capital Support

---

### Financial / Capital Support – Legacy Foundation

- Overview
  - Legacy Foundation is a 501c3 non-profit
  - Legacy Foundation “protects, preserves and enhances the Rose Bowl Stadium” and “is the sole capital funding source of the protection, preservation and enhancement of the National Historic Landmark known as America’s Stadium” – unique and uncommon in the industry to have significant fundraising arm for publicly owned stadium/arena
  - Legacy Foundation has secured approximately \$37.0 million in gross signed gifts / pledges and transferred approximately \$16.5 to the RBOC since 2010
  - Current campaigns
    - Inspire (Centennial Campaign)
      - \$40.0 million goal
        - Educational programming / institute
        - Capital improvement projects
        - Heritage recognition
        - Establishment of an endowment
      - America’s Stadium Needs America
        - COVID-19 / revenue shortfall funding
  - Potential Legacy Foundation opportunities include
    - Donor recognition / additional fundraising
    - Rose Bowl Institute

## G. Financial / Capital Support

---

### Financial / Capital Support – Legacy Foundation

- Key considerations
  - Financial feasibility
    - Donor recognition / additional fundraising may continue to have a positive impact on RBOC capital projects (or, potentially, cash flow)
      - Limited (no) capital investment may be required
      - Support could be a short-term solution, long-term solution, or both
    - Opportunities associated with the Rose Bowl Institute may be more limited as the Rose Bowl Institute is primarily focused on educational programming
  - Further consideration should be given to the impact of a new campaign on the Inspire and America's Stadium Needs America campaign
  - Political / stakeholder feasibility
    - Other than continued support from Legacy Foundation (including the Rose Bowl Institute), we are not aware of additional political / stakeholder feasibility concerns
  - Other feasibility
    - As Legacy Foundation has (and continues) to support the Rose Bowl, we are not aware of any tax or donor feasibility issues
- Key observations
  - Legacy Foundation continues to be a significant supporter of the Rose Bowl
  - Management should continue to pursue fundraising opportunities and focus on Legacy Foundation

## G. Financial / Capital Support

---

### Financial / Capital Support – LA Sports and Entertainment Commission

- Overview
  - LA Sports and Entertainment Commission (LASEC) is a 501c3 non-profit
  - LASEC goal is “to attract, secure and support high-profile sports and entertainment events in Los Angeles”
  - LASEC hosts annual events and is a resource for high-profile events
    - 2021 MLS All-Star Game
    - 2022 Super Bowl
    - 2022 MLB All-Star Game
    - 2023 College Football Playoff
    - 2023 U.S. Open Championship
    - 2023 WrestleMania
    - 2024 NCAA Basketball Regional Championship
    - 2026 FIFA World Cup (Candidate City)
    - 2028 Olympics and Paralympics

## G. Financial / Capital Support

---

### Financial / Capital Support – LA Sports and Entertainment Commission

- Key considerations
  - Financial feasibility
    - Further consideration should be given to potential funding sources available (if any) – LASEC is a nonprofit and relies on donations / campaigns
  - Operational feasibility
    - As the host of the high-profile sports and entertainment events, the Rose Bowl meets the LASEC vision
- Key observations
  - While LASEC is potential partner and supporter of the RBOC, there are limited (if any) revenue streams that may directly impact the RBOC

## **H. Financing Options**

# H. Financing Options

---

## Financing Options

- This section focuses on potential debt relief options:
  - Debt relief / refinancing
  - Historic tax credits
  
- Overview
  - City has previously (2018) refunded a portion of the renovation debt
    - Debt is not eligible for refunding
  - According to City staff, it is not feasible to refinance current RBOC debt
    - Build America Bonds are non-callable
      - Issuer of non-callable bonds cannot call (or pay out) the bond prior to maturity (2043)
    - Additionally, other RBOC bonds include a make-whole provision
      - Issuer cannot retire bonds early without paying the creditor the remaining coupon payments and principal – significant penalty (reportedly \$100+ million ) to refinance debt
  - RBOC does not pay taxes and, therefore, there are no historic tax credits available – if there were a change in ownership (private), the Federal Historic Preservation Incentives program could be considered
  
- Key observations
  - Based on our initial conversations with the City, there does not appear to be an opportunity for debt relief – further discussions with bond counsel could be considered
  - Debt relief (Build America Bonds) would likely require Federal cooperation / legislation / other

# **I. Sale / Lease**

# I. Sale / Lease

---

## Property / Stadium / Golf Course

- Overview
  - Consideration could be given to a sale / lease of all (or part) of the RBOC property, stadium, and / or golf course
  - Examples include:
    - City of Anaheim sold Angel Stadium and land sale to the MLB Los Angeles Angels of Anaheim for approximately \$150.0 million (after credits / adjustments)
    - MLB Oakland A's purchased Alameda County's 50% share of the Oakland Coliseum and land for \$85.0 million
  - Additionally, consideration could be given to a purchase and lease-back of the RBOC property
  - Examples include:
    - Mesrow Financial completed a sale leaseback acquisition of the NFL Las Vegas Raiders football practice and operations facility

# I. Sale / Lease

---

## Property / Stadium / Golf Course

- Key considerations
  - Financial feasibility
    - Transaction may generate upfront, one-time revenue
    - In a sale-lease back transaction, may generate upfront, one-time revenue, but RBOC may incur annual lease payments
    - If any portion sold to a private party, the property would most likely be enrolled into the State / County / City property tax roll and would generate annual revenue
    - Additionally, a lease of the land (or part of the land) would generate annual revenue
  - Legal feasibility
    - RBOC transaction would likely require a Charter Amendment
    - Further consideration must be given to contractual obligations / restrictions including with tenants and debt restrictions
  - Operational feasibility
    - If the RBOC no longer controls (owns, leases), there will be limitations to aligning the property / facilities with current RBOC goals / objectives
    - Additionally, the RBOC would no longer control the type of exposure in terms of branding
  - Political / stakeholder feasibility
    - Support for a transaction would require political support from the City – potential high sensitivity to transacting on a major City asset
    - Consideration must be given to the potential opposition from the neighborhood / community and users depending upon the use after a transaction
    - Support from UCLA and Tournament of Roses (among other tenant stakeholders) must be considered
- Key observations
  - Based on our initial research, the legal feasibility issues and political / stakeholder feasibility issues are significant hurdles to overcome

# I. Sale / Lease

---

## Shareholder / Public Ownership Model

- Overview
  - Consideration could be given to selling ownership shares of the Rose Bowl Stadium
  - Example – Green Bay Packers, Inc. is a publicly held non-profit corporation that owns the NFL Green Bay Packers
    - Corporation formed August 18, 1923
    - It is believed that the community support and ownership structure has enabled the team to remain in the smallest market in the NFL (among other factors)
    - No individual shareholder can own more than 200,000 shares
    - Stock ownership includes voting rights
    - Stock ownership does not include ticket rights
    - Shares do not appreciate in value
    - Shareholders have limited transfer rights
    - Shares do not pay dividends
    - Since 1923, there have been five stock issues
      - Most recent was in 2011 to fund a portion of the \$143.0 million expansion / renovation of Lambeau Field – approximately \$64.0 million was raised as part of the stock issuance

# I. Sale / Lease

---

## Shareholder / Public Ownership Model

- Key considerations
  - Financial feasibility
    - Rose Bowl shareholder / public ownership model could generate upfront, one-time revenue for each stock issuance
  - Legal feasibility
    - Rose Bowl ownership model transaction would likely require a Charter Amendment
    - Further consideration must be given to contractual obligations / restrictions including with tenants and debt restrictions
  - Operational feasibility
    - Public ownership would appear to fit the narrative of “America’s Stadium”
  - Political / stakeholder feasibility
    - Support for a transaction would require political support from the City – high sensitivity to transacting on a major City asset
- Key observations
  - Based on our initial research, the legal feasibility issues and political / stakeholder feasibility issues may be significant hurdles to overcome

## **J. Event-Related Opportunities**

# J. Event-Related Opportunities

---

## Event-Related Opportunities – Overview

- This section focuses on the following event-related opportunities:
  - Ticketing Fees
  - Parking Fees
  - Personal Seat Licenses
  - Concert Club Membership
- Please see **Appendix C** for a list of other event-related opportunities

# J. Event-Related Opportunities

---

## Ticketing Fees

- Overview
  - Ticketing fees / taxes / surcharges are a common source of revenue for facilities – most often imposed on paid tickets
    - Alamodome generates approximately \$3.0 million annually from combined ticketing and parking fees
  - Tickets at the Rose Bowl are subject to the City Admissions Tax (generated approximately \$812,000 in FY 2019)
    - \$1.70 per ticket (subject to CPI adjustment)
  - Tickets for the Tournament of Roses are subject to the capital maintenance user fee (generated approximately \$838,000 in FY 2019)
    - 2012 through 2021            \$10.00 per paid ticket
    - 2022 through 2031            \$15.00 per paid ticket
    - 2032 through 2043            \$20.00 per paid ticket

# J. Event-Related Opportunities

## Ticketing Fees

- Key considerations
  - Financial feasibility
    - Limited (no) capital investment may be required
    - Ticketing fees could be a short-term solution, long-term solution, or both
    - Ticketing fee revenue are typically variable based on attendance (tickets sold)
  - Legal feasibility
    - City imposed ticket tax / surcharge may require a public vote
    - RBOC imposed ticketing fee may require amendment to contracts with UCLA and Tournament of Roses
  - Operational feasibility
    - Additional taxes / fees on tickets impact (negatively) facilities ability to attract events
  - Political / stakeholder feasibility
    - Tenants may oppose additional ticketing fees
- Key observations
  - Based on our preliminary research, additional ticketing fees are likely not a feasible opportunity

# J. Event-Related Opportunities

---

## Parking Fees – Event Day

- Overview
  - Parking fees are a common source of revenue for facilities
    - Alamodome generates approximately \$3.0 million annually from combined ticketing and parking fees
  - Parking at the Rose Bowl for UCLA and Tournament of Roses is subject to a Parking User Fee
    - Parking for UCLA is subject to \$5.00 per car fee (increases \$1.00 every fifth year – currently at \$6.00)
      - Fee does not apply to approximately 1,200 complimentary spaces
    - Parking for Tournament of Roses is subject \$5.00 per car fee (increases \$1.00 every fifth year – currently at \$6.00)
      - Fee applies to approximately 1,500 spaces (pre-paid)
  - It is important to note that the RBOC does not add a parking user fee to parking price – treated as parking revenue, not fee (impacts revenue surplus calculation)

# J. Event-Related Opportunities

## Parking Fees – Event Day

- Key considerations
  - Financial feasibility
    - Limited (no) capital investment may be required
    - Parking fees could be a short-term solution, long-term solution, or both
    - Parking fee revenues are typically variable based on attendance (turnstile / parked cars)
  - Legal feasibility
    - RBOC increased parking fee may require amendment to contracts with UCLA and Tournament of Roses
  - Political / stakeholder feasibility
    - Tenants would likely oppose additional parking fees
- Key observations
  - Based on our preliminary research and current rates, additional parking fees are likely not a feasible opportunity

# J. Event-Related Opportunities

## Parking Fees – Non-Event Day

- Overview
  - The Rose Bowl parking lots could also be subjected to parking fees on non-event days
- Key considerations
  - Financial feasibility
    - Limited capital investment may be required
    - Non-event day parking fees could be a short-term solution, long-term solution, or both
    - Parking fee revenues would vary significantly based on the number of individuals visiting the Rose Bowl on non-event days
  - Political / stakeholder feasibility
    - The local community may likely oppose the implementation of parking fees on non-event days
- Key observations
  - Based on our preliminary research, further consideration could be given to imposing parking fees at the Rose Bowl on non-event days
  - Management has estimated non-event day net parking revenue at approximately \$503,000 – capital investment estimated at \$575,000 (one-time)

# J. Event-Related Opportunities

---

## Personal Seat Licenses

- Overview
  - Personal seat licenses (PSL) / seat option bonds (SOB) are often used for major league facilities
    - PSLs typically are equity payments
    - SOBs typically are interest-free loans
    - Gives patrons right to purchase tickets for selected seats for defined period of time
    - Most common as a potential source of revenue available for construction
      - More common for NFL projects compared to other professional sports
    - Private donations or donor contributions (typical for collegiate facilities)

# J. Event-Related Opportunities

## Personal Seat Licenses

- Key considerations
  - Financial feasibility
    - Limited (no) capital investment may be required
    - Depending upon the payment schedule, PSL's could be a short-term solution, long-term solution, or both
    - PSL revenue will be impacted by market demand
      - UCLA – current team performance / attendance levels (poor) may impact demand
      - Tournament of Roses – participating team variability may impact demand
  - Legal feasibility
    - PSL program may require amendment to contracts with UCLA and Tournament of Roses
  - Political / stakeholder feasibility
    - UCLA and Tournament of Roses cooperation would be required
    - Consideration must be given to public perception / affordability of seats
  - Other feasibility
    - Must consider tax implications (public sector or non-profit agent)
- Key observations
  - Based on our preliminary research, PSLs are likely not a feasible opportunity

# J. Event-Related Opportunities

## Concert Club Membership

- Overview
  - A concert club membership is an opportunity for patrons to have access to tickets (or specific seats) for all (or limited number) of concerts at the facility
  - Examples include:
    - Sprint Center (Kansas City, MO) – Konica Minolta Founders Club
      - Priority access to purchase seats for concerts
      - Access to club lounge
      - VIP parking / access
    - State Farm Arena (Atlanta, GA) – Concert Club access
      - All-concerts in the arena included
      - High-end concert experience
      - VIP parking / access
      - Exclusive club is stage-facing
  - We are not aware of a concert club-type membership at an outdoor stadium

# J. Event-Related Opportunities

---

## Concert Club Membership

- Key considerations
  - Financial feasibility
    - Limited capital investment may be required
    - Depending upon the payment schedule, memberships could be a short-term solution, long-term solution, or both
    - Membership revenue will be impacted by concert schedule and commitments, as well as in-market competition
  - Political / stakeholder feasibility
    - Concert promoters may be concerned about potential impact on ticket revenue if concert club membership imposed
    - Consideration must be given to public perception / affordability to seats
- Key observations
  - Based on our preliminary research, concert club memberships are likely not a feasible opportunity

# Appendix A – RBOC Overview

---

# Appendix A – RBOC Overview

---

## RBOC Overview

- RBOC was incorporated in January 1994
- RBOC is a component unit of the City of Pasadena (City)
- RBOC manages the Rose Bowl and Brookside Golf Courses (36 holes)
- Primary mission of the RBOC is to “return economic and civic value to the City by managing a world-class stadium and a professional quality golf course complex in a residential open-space environment” (source: annual report)
- Rose Bowl is recognized as a National Historic Landmark and a California Historic Civil Engineering Landmark
- Rose Bowl underwent a major renovation in 2014
  - City issued \$231.7 million in bonds for renovation and past projects (source: City CAFR)
  - RBOC has historically operated with financial independence and serviced debt without support from the City general fund

# Appendix A – RBOC Overview

## RBOC Overview

- It is important to note that the number of events at the Rose Bowl Stadium is limited by the Arroyo Seco Public Lands Ordinance of the City of Pasadena Municipal Code (Ordinance)
  - Maximum of 15 displacement events (attendance over 20,000) annually per **calendar year** (increased from 12 in April 2016)
  - The Ordinance can be amended from time-to-time to allow for additional displacement events – requires City Council approval
- Additionally, it is important to note Article XVI, related to park preservation (including the Arroyo Seco), of the City Charter
  - *“All dedicated park land owned by the City shall be used only for park and recreational purposes, and shall not be sold, transferred or used for other purposes, except upon the approval of a majority of the voters at an election held for such purpose.”*

# Appendix A – RBOC Overview

## Traditional Public Assembly Facility Ownership / Operator Structures and Responsibilities

- Rose Bowl Stadium is considered to be a well managed and, historically, a financially successful facility
  - Strong anchor tenants and other high-profile events (concerts / soccer matches)
- Rose Bowl Stadium has been one of the more successful non-professional stadiums due in part to the RBOC's management and local / regional / national relationships
- RBOC operates similar to traditional third-party management firms
  - In contrast to traditional third-party management firms, RBOC is singularly dedicated to the Rose Bowl Stadium (and golf course)
  - More significantly, in contrast to traditional third-party management firms, RBOC has historically been responsible for capital projects, debt service payments, and operating losses (if any)
  - Limited number of municipally-owned stadiums are operated by traditional third-party private management firms (e.g. ASM Global / Spectra)

# Appendix A – RBOC Overview

---

## Traditional Public Assembly Facility Ownership / Operator Structures and Responsibilities

- There are circumstances where traditional third-party management can provide synergies / benefits (primarily applies to the arena industry)
  - Event booking and routing synergies
  - Buying power
  - Insurance
  - Supplies
  - Ticket rebate revenue
  - Corporate overhead support / national resources
  
- RBOC has entered into strategic partnerships that are customary in the industry (promoters, ticketing, concessions)

# Appendix A – RBOC Overview

---

## Situational Analysis Report – Recap

- During 2020 (pre-pandemic), CAA ICON was retained to prepare a situational analysis report for the RBOC
- The goal of the report was to evaluate industry and market trends and competitive landscape on a regional and national basis to assist the RBOC in its ongoing strategic planning efforts
- As part of that engagement, we compiled 15 case studies on “comparable” stadium facilities
- These facilities were identified as comparable to the Rose Bowl based on a number of factors
  - Size / capacity
    - 40,000 seats (minimum)
  - Public ownership
  - Facility uses / events
    - College football games
      - Bowl games
    - International soccer
    - Other sporting events
    - Concerts
    - Other shows

# Appendix A – RBOC Overview

## Situational Analysis Report – Recap

- CAA ICON selected 15 facilities comparable to the Rose Bowl (organized by seating capacity)

Stadium	City	Year Built/ Renovated	Owner	Operator	Capacity	Luxury Suites	Loge Boxes	Club Seats	Type	2019 CSA Population (000s)
<b>Rose Bowl</b>	<b>Pasadena, CA</b>	<b>1922/2014</b>	<b>City of Pasadena</b>	<b>Rose Bowl Operating Co.</b>	<b>91,136</b>	<b>54</b>	<b>48</b>	<b>1,180</b>	<b>Open-air</b>	<b>19,006.9</b>
Cotton Bowl	Dallas, TX	1930/2008	City of Dallas	Spectra	92,100	0	0	0	Open-air	8,143.7
Los Angeles Memorial Coliseum	Los Angeles, CA	1923/2019	LA Memorial Coliseum Commission	University of Southern California	77,500	46	24	1,090	Open-air	19,006.9
SDCCU Stadium	San Diego, CA	1965/2022	City of San Diego	City of San Diego	70,561	113	0	7,882	Open-air	3,334.0
Legion Field	Birmingham, AL	1927/2018	City of Birmingham	Parks and Recreation Board	70,459	15	0	TBC	Open-air	1,355.9
Montreal Olympic Stadium	Montreal, QC	1976/1998	Government of Quebec	Government of Quebec	67,822	34	0	517	Dome	4,302.3
The Dome at America's Center	St. Louis, MO	1995/2010	St. Louis Regional Sports Authority	Explore St. Louis	67,224	120	0	6,773	Dome	2,971.2
Alamodome - (1)	San Antonio, TX	1993/2017	City of San Antonio	City of San Antonio	63,682	52	0	6,232	Dome	2,566.9
Camping World Stadium - (2)	Orlando, FL	1936/2015	City of Orlando	Orlando Venues	60,219	34	20	5,264	Open-air	4,078.5
Liberty Bowl Memorial Stadium	Memphis, TN	1965/2019	City of Memphis	Spectra	58,325	47	0	175	Open-air	1,398.4
War Memorial Stadium	Little Rock, AR	1948/2019	State of Arkansas	Dept. of Parks and Tourism	54,120	TBC	0	TBC	Open-air	924.7
Independence Stadium	Shreveport, LA	1924/2001	City of Shreveport	City of Shreveport	50,459	TBC	0	TBC	Open-air	452.6
Aloha Stadium - (3)	Honolulu, HI	1975/2011	State of Hawaii	Hawaii Stadium Authority	50,419	8	0	200	Open-air	1,006.1
RFK Stadium - (4)	Washington, D.C.	1961/2005	District of Columbia	Events DC	45,423	27	0	363	Open-air	9,822.9
Rentschler Field	Hartford, CT	2003	State of Connecticut	Spectra/CRDA	40,642	38	0	5,300	Open-air	1,501.0
Ladd-Peebles Stadium	Mobile, AL	1948/2009	City of Mobile	The Mishkin Group	40,000	11	0	120	Open-air	644.5
<b>Minimum</b>					<b>40,000</b>	<b>0</b>	<b>0</b>	<b>0</b>		<b>452.6</b>
<b>Average</b>					<b>60,597</b>	<b>42</b>	<b>3</b>	<b>2,826</b>		<b>4,100.7</b>
<b>Maximum</b>					<b>92,100</b>	<b>120</b>	<b>24</b>	<b>7,882</b>		<b>19,006.9</b>

(1) - The facility will undergo a \$25 million renovation, expected to be completed prior to the 2025 NCAA Men's Final Four.

(2) - The facility will undergo a \$60 million renovation, expected to be completed in 2020.

(3) - New \$350 million stadium expected to be completed in 2023.

(4) - Stadium reportedly to be demolished by 2021.

Sources: Esri 2019, industry research.

# Appendix A – RBOC Overview

## Situational Analysis Report – Recap

- The table below summarizes the type and amount (if available) of subsidy provided to each of the comparable stadiums
- Based on our research completed to date, the Rose Bowl is the only facility that is currently not receiving an operating or construction / renovation subsidy (pre-pandemic)
  - Excludes transfer from golf course
- We are not aware of a situation from the list below in which construction or renovation project was financed via stadium net income

	Owner	Type of Subsidy		Amount of Subsidy			Comments
		Operating	Construction / Renovation	Operating	Construction / Renovation		
<b>Rose Bowl Stadium</b>	<b>City of Pasadena</b>	<b>No</b>	<b>No</b>	<b>No</b>	<b>No</b>	<b>Renovation</b>	
Cotton Bowl	City of Dallas	Yes	Yes	NA	\$30,000,000	Renovation	Part of Fair Park Complex
SDDCU Stadium	City of San Diego	Yes	Yes	\$4,400,000	\$92,200,000	Renovation	Renovated for NFL (\$4.7m Annual Debt Service)
Legion Field	City of Birmingham	Yes	Yes	\$1,000,000	\$1,000,000	Renovation	
Montreal Olympic Stadium	Government of Quebec	Yes	Yes	NA	\$250,000,000	Renovation - (1)	Part of Parc Olympique Complex
The Dome at America's Center	St. Louis Regional Sports Autho	NA	Yes	NA	\$280,000,000	New Construction	Constructed for NFL
Alamodome	City of San Antonio	Yes	Yes	\$3,000,000	\$85,000,000	Renovation	Two Projects
Camping World Stadium	City of Orlando	Yes	Yes	\$580,000	\$267,700,000	Renovation	Two Projects
Liberty Bowl Stadium	City of Memphis	Yes	Yes	NA	NA	NA	
War Memorial Stadium	State of Arkansas	Yes	Yes	\$800,000	\$2,100,000	Renovation	
Independence Stadium	City of Shreveport	Yes	Yes	NA	\$32,000,000	Renovation	
Aloha Stadium	State of Hawaii	Yes	Yes	\$5,600,000	\$71,000,000	Renovation	Stadium to be Replaced
RFK Stadium	District of Columbia	Yes	Yes	Confidential	\$18,000,000	Renovation	Renovation for MLB
Rentschler Stadium	State of Connecticut	Yes	Yes	\$260,000	\$91,200,000	New Construction	Constructed for UConn
Ladd-Peebles Stadium	City of Mobile	NA	Yes	NA	\$2,200,000	Renovation	

(1) - Planned.

Note: Los Angeles Memorial Coliseum not included.

# **Appendix B – Other Development Opportunities**

---

# Appendix B – Other Development Opportunities

## Other Development Opportunities – Overview

- Included below are a list of potential other development opportunities – note: opportunities below are not likely to generate significant revenue and / or may require operating subsidies / donations:
  - Arts and entertainment
    - Inflatable concert hall (Jerde)
    - Science center
    - Aquarium
    - Butterfly exhibit
    - County fair (Jerde)
  - Community
    - Gym
    - Community garden
    - Work pods
  - Recreational
    - Kids’ world (Jerde)
    - Ninja course (Jerde)
    - Adventure theme park (Jerde)
    - LED running track (Jerde)
    - Extreme inflatables (Jerde)
    - Dog park / pet run
    - Softball fields / little league fields
    - Batting cages
    - Disc golf
    - Pickle ball
    - Bocce ball
    - Drone course
    - Skate park

# **Appendix C – Other Event-Related Opportunities**

---

# Appendix C – Other Event-Related Opportunities

---

## Continued Growth of Enterprise Events – Overview

- This section focuses on the following event-related opportunities related to the continued growth of enterprise events:
  - Drive-In Movies
  - Traveling Theatrical Shows
    - Cirque du Soleil Tent (Jerde)
    - Other
  - NHL Winter Classic
  - International Soccer
  - WrestleMania
  - Tennis Exhibition Match

# Appendix C – Other Event-Related Opportunities

## Continued Growth of Enterprise Events – Drive-In Movies

- Overview
  - The Rose Bowl has been hosting drive-in movies, both in the stadium and in the surrounding parking lots
  - Other stadiums that have begun hosting drive-in movies include Yankee Stadium (Bronx, NY), RFK Stadium (Washington, D.C.), and Hard Rock Stadium (Miami, FL), among others
  - Hard Rock Stadium’s drive-in experience features two theater areas, one inside the stadium with capacity for 175 vehicles and one outside the stadium with capacity for 400 people – all proceeds are donated to the Miami Dolphins Foundation Food Relief Program
    - The in-stadium theater area features food and beverage service that can be ordered online and is delivered directly to each guest’s vehicle (tickets start at \$39 per vehicle)
    - The open-air outdoor theater features private couches and restaurant-style dining (adult tickets start at \$49 price and include a three-course meal and a beverage)

# Appendix C – Other Event-Related Opportunities

## Continued Growth of Enterprise Events – Drive-In Movies

- Key considerations
  - Financial feasibility
    - Revenue generated by continuing to host drive-in movies will have a minimal positive impact on RBOC cash flow
    - Not an impactful short-term or long-solution
    - Requires minimal capital investment
  - Political / stakeholder feasibility
    - Post-pandemic, consideration must be given to key stakeholders (neighborhood, community) and any interruption to recreational users
- Key observations
  - Drive-in movies are estimated to generate \$1.5 million in FY 2021 (extraordinary year - \$700,000 to \$1.0 million likely more typical)
  - Consideration should be given to the continued operation of drive-in movies post pandemic

# Appendix C – Other Event-Related Opportunities

## Continued Growth of Enterprise Events – Traveling Theatrical Shows

- Overview
  - The Rose Bowl has previously hosted a number of traveling theatrical shows including, Apollo and Cirque du Soleil
    - Due to the impacts of the COVID-19 pandemic, Cirque du Soleil Entertainment Group reportedly cancelled all remaining shows in 2020, cut approximately 95% of its workforce, and filed for bankruptcy – the future of the company is uncertain
  - The feasibility for the Rose Bowl to schedule and host more similar events in the future remains uncertain
- Key considerations
  - Financial feasibility
    - Revenue generated by hosting traveling theatrical shows may have a minimal positive impact on cash flow
    - Not an impactful short-term or long-solution
    - Total capital investment dependent upon deal structure
- Key observations
  - Based on our preliminary research it is unlikely that traveling theatrical shows present a material opportunity

# Appendix C – Other Event-Related Opportunities

## Continued Growth of Enterprise Events – NHL Winter Classic

- Overview
  - The NHL Winter Classic is an annual outdoor regular season hockey game between two NHL teams typically held at the beginning of January
    - Each Winter Classic is held in a major football or baseball stadium in the U.S. – typically close to an NHL team home arena
    - College football stadiums (primary use) have accounted for 25% of the 12 stadiums that have hosted the Winter Classic
  - Since the inaugural NHL Winter Classic in 2008, attendance has ranged from 38,112 (Fenway Park – 2010) to 105,491 (Michigan Stadium – 2014), with an average of 60,911
  - According to SeatGeek, average secondary market ticket prices for the Winter Classic range from \$161 to \$227 – novelty of outdoor hockey event is reportedly a significant factor
  - As part of the NHL Stadium Series, the Anaheim Ducks and Los Angeles Kings played an outdoor NHL game at Dodger Stadium on January 25, 2014
    - According to reports, announced attendance was 54,099 and the temperature was approximately 62°F

# Appendix C – Other Event-Related Opportunities

## Continued Growth of Enterprise Events – NHL Winter Classic

- Key considerations
  - Financial feasibility
    - Revenue generated by an NHL Winter Classic may have a one-time positive impact on RBOC cash flow
    - Capital investment may be required (playing surface / ice)
    - Likely be a short-term solution, though consideration could be given to an annual game (potential long-term solution – Ducks vs. Kings)
  - Legal feasibility
    - We are not aware of any legal feasibility issues, though consideration must be given to displacement event limitations
  - Operational feasibility
    - Since the game is typically played in early January, playing surface (ice) preparation may be a potential concern considering the timing of the Tournament of Roses
    - Consideration should be given to potential weather concerns, though NHL teams have previously played outdoor games in temperatures above 60°F
      - Temperatures reached 65°F for Avalanche vs. Red Wings at Coors Field in 2016 and 62°F for Ducks vs. Kings at Dodger Stadium in 2014
- Key observations
  - Based on our preliminary research, further consideration should be given to hosting the event
  - Estimated net revenue may be in the \$300,000 to \$500,000 range – similar to a soccer match

# Appendix C – Other Event-Related Opportunities

## Continued Growth of Enterprise Events – International Soccer

- Overview
  - The Rose Bowl has hosted a number of international soccer matches, including eight 1994 FIFA World Cup matches (Final), four 1999 FIFA Women’s World Cup matches (Final), as well as several others from the 1984 Summer Olympics, the 2016 Copa América Centenario, and multiple CONCACAF Gold Cups, among others (also hosted a number of international and club friendlies / exhibition matches)
  - The venue has also hosted several international club friendlies, including International Champions Cup matches such as LA Galaxy vs. FC Barcelona in 2015 (93,226 attendance), Liverpool FC vs. Chelsea FC in 2016 (53,117 reported attendance), and FC Barcelona vs. Tottenham Hotspur FC in 2018 (66,805 reported attendance), among others
  - Management has indicated that it intends to pursue a number matches / events in the upcoming 2026 FIFA World Cup and 2028 Summer Olympics

# Appendix C – Other Event-Related Opportunities

## Continued Growth of Enterprise Events – International Soccer

- Key considerations
  - Financial feasibility
    - Revenue generated by hosting current and additional international soccer matches (both competitive and friendly) may have a positive impact on RBOC cash flow
    - Minimal (no) capital investment may be required
    - Each additional international match could be a short-term solution, though scheduling multiple additional matches per year may potentially be a long-term solution
  - Legal feasibility
    - We are not aware of any legal feasibility issues, though consideration must be given to displacement event limitations
- Key observations
  - Based on our preliminary research, further consideration should be given to continued growth in such enterprise events
  - Estimated net revenue may be in the \$300,000 to \$500,000 range, based on historical performance
  - Consideration must be given to the impact of increased competition from Banc of California Stadium, SoFi Stadium, Los Angeles Memorial Coliseum, and Dignity Health Sports Park on the Rose Bowl's ability to attract these events

# Appendix C – Other Event-Related Opportunities

## Continued Growth of Enterprise Events – WrestleMania

- Overview
  - First held in 1985 at Madison Square Garden (New York, NY) in 1985, WrestleMania is a major annual professional wrestling event produced by World Wrestling Entertainment, Inc. (WWE)
    - 34 of the 36 editions of WrestleMania have been held in the U.S. (two in Canada) – the Rose Bowl has never hosted WrestleMania
  - Since 2007, every edition of WrestleMania has been held at a major U.S. football stadium with a capacity over 70,000 – due to COVID-19, the 2020 event was hosted at the WWE Performance Center without spectators
    - Average WrestleMania reported attendance during that period ranged from 71,617 in 2011 (Georgia Dome – Atlanta, GA) to 101,763 in 2016 (AT&T Stadium – Arlington, TX)
  - Camping World Stadium hosted the event in 2008 (74,635 reported attendance) and 2017 (75,245 reported attendance – highest in venue’s history, breaking record set by 2008 edition)
    - Tickets to the 2017 event reportedly ranged in price from \$38 to \$10,675 (average of \$272) and generated \$14.5 million in gross ticket sales and \$181.5 million in economic impact for the City of Orlando

# Appendix C – Other Event-Related Opportunities

## Continued Growth of Enterprise Events – WrestleMania

- Key considerations
  - Financial feasibility
    - Revenue generated by a WrestleMania event may have a significant one-time positive impact on RBOC cash flow
    - Minimal (no) capital investment may be required
    - Event could be a short-term solution
  - Legal feasibility
    - We are not aware of any legal feasibility issues, though consideration must be given to displacement event limitations
- Key observations
  - While further consideration should be given to continued growth in such enterprise events, WrestleMania will be hosted at SoFi Stadium in 2023 – likely not an opportunity for further consideration

# Appendix C – Other Event-Related Opportunities

## Continued Growth of Enterprise Events – Tennis Exhibition Match

- Overview
  - Many major sports stadiums across the world have hosted tennis exhibition matches that feature the world’s top players and other celebrities
    - Recent examples include “The Greatest Match” in 2019 at Plaza de Toros in Mexico City, MX (Federer vs. Zverev – 42,517 reported attendance) and “Match for Africa” in 2020 at Cape Town Stadium in Cape Town, SA (Nadal and Trevor Noah vs. Federer and Bill Gates – 51,954 reported attendance)
    - The match in Mexico City reportedly generated over \$2 million in ticket revenue, with tickets ranging in price from \$20 to \$470
  - Despite some tennis exhibitions containing a charity component, the matches also generate revenue via other sources such as sponsorships, concessions, and parking, among others

# Appendix C – Other Event-Related Opportunities

## Continued Growth of Enterprise Events – Tennis Exhibition Match

- Key considerations
  - Financial feasibility
    - Revenue generated by a major tennis exhibition event may have a significant one-time positive impact on RBOC cash flow
    - Moderate capital investment may be required (court preparation)
  - Legal feasibility
    - We are not aware of any legal feasibility issues, though consideration must be given to displacement event limitations
  - Political / stakeholder feasibility
    - Logistics related to playing surface preparation (temporary tennis court installation) must be considered and any potential scheduling impacts on tenant events
- Key observations
  - Based on our preliminary research, further consideration should be given to continued growth in such enterprise events
  - Estimated net revenue may be in the \$100,000 to \$300,000 range
  - Consideration should be given to shared risk structure (RBOC / City / promoter / other) to limit exposure

# Appendix C – Other Event-Related Opportunities

---

## Recurring Special Events or Other Content Creation – Overview

- This section focuses on the following event-related opportunities:
  - Sports
    - Second Bowl Game (Week 1 Neutral Site)
    - MLS Match (LAFC vs. LA Galaxy)
    - NBA Outdoor Game (Clippers vs. Lakers)
    - MLB (Dodgers vs. Angels)
  - Music
  - Exhibitions (Car / RV Shows, etc.)

# Appendix C – Other Event-Related Opportunities

## Recurring Special Events or Other Content Creation – Second Bowl Game (Week 1 Neutral Site)

- Overview
  - Many stadiums across the U.S. annually host multiple college football bowl games, as well as additional neutral site games
  - Camping World Stadium (Orlando, FL) annually hosts three bowl games and two additional neutral site college football games
    - Average attendances since 2015 ranging from a low of 21,100 (Cure Bowl) to a high of 62,228 (Camping World Kickoff)
  - Other examples of stadiums that host multiple college football bowl games and / or neutral site games include, among others:
    - Mercedes-Benz Stadium (Atlanta, GA)
    - Mercedes-Benz Superdome (New Orleans, LA)
    - AT&T Stadium (Arlington, TX)

# Appendix C – Other Event-Related Opportunities

## Recurring Special Events or Other Content Creation – Second Bowl Game (Week 1 Neutral Site)

- Key considerations
  - Financial feasibility
    - Revenue generated by an annual second bowl game and / or neutral site game may likely have a positive impact on RBOC cash flow
    - One-off game may be a short-term solution, though additional annual games may be a long-term solution
  - Legal feasibility
    - We are not aware of any legal feasibility issues, though consideration must be given to displacement event limitations
    - Potential issues related to UCLA and Tournament of Roses contracts
  - Political / stakeholder feasibility
    - Hosting a second bowl game would likely need support from the Tournament of Roses
    - Scheduling and agreements for participating teams may present a challenge
- Key observations
  - Based on our preliminary research, further consideration should be given to continued growth in such content creation
  - Estimated net revenue may be in the \$500,000 to \$1.0 million range, depending upon the participating teams, conference affiliation, etc.

# Appendix C – Other Event-Related Opportunities

## Recurring Special Events or Other Content Creation – MLS Match (LAFC vs. LA Galaxy)

- Overview
  - As mentioned previously, Rose Bowl has hosted a number of club friendlies featuring an MLS team vs. a foreign soccer club, including the 2009 match between LA Galaxy and FC Barcelona and the 2014 match between LA Galaxy and Manchester United FC (86,432 reported attendance)
  - Since LAFC joined MLS in 2018, each of the six (pre-COVID-19) “El Tráfico” matches have been completely sold out – high demand event
    - According to SeatGeek, the average secondary market ticket prices for the 2019 MLS Cup Playoff El Tráfico match was approximately \$307, which eclipsed the 2019 MLS season-high of \$214 that was set in the previous regular season matchup between the two teams

# Appendix C – Other Event-Related Opportunities

## Recurring Special Events or Other Content Creation – MLS Match (LAFC vs. LA Galaxy)

- Key considerations
  - Financial feasibility
    - Revenue generated by an annual neutral-site MLS match between LAFC and LA Galaxy may have a positive impact on RBOC cash flow
    - Performance of past editions of El Tráfico indicates significant attendance and demand – Rose Bowl’s increased capacity would allow for fans that may not have previously been able to attend matchups (due to affordability and capacity issues) to attend
    - Recurring event may be a long-term solution, requiring minimal capital investment
  - Legal feasibility
    - We are not aware of any legal feasibility issues, though consideration must be given to displacement event limitations
- Key observations
  - Based on our preliminary research, further consideration should be given to continued growth in such content creation
  - Estimated net revenue may be in the \$300,000 to \$500,000 range, based on historical performance of exhibition matches

# Appendix C – Other Event-Related Opportunities

## Recurring Special Events or Other Content Creation – NBA Outdoor Game (Clippers vs. Lakers)

- Overview
  - Since 2008, there have been three outdoor NBA preseason games and one outdoor WNBA regular season game
    - Between 2008 and 2010, the three outdoor NBA games were played in early October at Indian Wells Tennis Garden (Indian Wells, CA) and the WNBA game was played at Arthur Ashe Stadium in Flushing, NY in 2008
  - All three NBA games at Indian Wells featured the Phoenix Suns, with ticket prices reportedly ranging from \$10 to \$100 – in addition to the outdoor NBA game, the event featured other activities such as local high school games and interactive family-friendly activities
    - The 2008 game featured temperatures below 70°F and high winds, which negatively impacted the team performances
  - The Rose Bowl could utilize a similar concept by hosting an outdoor preseason game featuring the Los Angeles Lakers vs. the Los Angeles Clippers, giving local fans of each team the opportunity to experience a live NBA game held outdoors – unique experience

# Appendix C – Other Event-Related Opportunities

## Recurring Special Events or Other Content Creation – NBA Outdoor Game (Clippers vs. Lakers)

- Key considerations
  - Financial feasibility
    - Revenue generated by an annual outdoor NBA preseason game may have a positive impact on RBOC cash flow
    - The capacity of the Rose Bowl would potentially allow for low ticket prices (in relation to NBA regular season prices), which may be an attractive proposition for local fans
    - Recurring event may be a long-term solution, requiring minimal capital investment (NBA regulation court)
  - Legal feasibility
    - We are not aware of any legal feasibility issues, though consideration must be given to displacement event limitations
- Key observations
  - Based on our preliminary research, further consideration should be given to continued growth in such content creation
  - Estimated net revenue may be in the \$300,000 to \$500,000 range

# Appendix C – Other Event-Related Opportunities

## Recurring Special Events or Other Content Creation – MLB (Dodgers vs. Angels)

- Overview
  - MLB teams have played a limited number of regular season and exhibition games in non-baseball stadiums, typically taking place outside the U.S. in countries such as the U.K. and Australia, among others
    - In order to be suitable for baseball, non-baseball stadiums must satisfy certain dimension requirements and MLB minimum standards
  - In June 2019, the New York Yankees and the Boston Red Sox played a two-game series at London Stadium in London, U.K. (baseball capacity of approximately 59,000) – average attendance was approximately 59,000 for both games
    - Costs to convert London Stadium for the MLB London Series reportedly reached approximately £1.9 million (\$2.4 million) – stadium is primarily used for soccer, but contains an athletics track, which allows for more space than a typical soccer stadium
    - According to reports, tickets for the sold-out games ranged from \$38 to \$493
  - The Rose Bowl could utilize a similar concept by hosting an MLB series featuring the Los Angeles Dodgers vs. the Los Angeles Angels, giving local fans of each team the opportunity to experience an MLB game held in a venue with a significantly larger capacity than all current MLB stadiums – unique experience

# Appendix C – Other Event-Related Opportunities

## Recurring Special Events or Other Content Creation – MLB (Dodgers vs. Angels)

- Key considerations
  - Financial feasibility
    - Revenue generated by an annual MLB series between the Dodgers and Angels may have a positive impact on RBOC cash flow
    - Significant capital investment may be required (approximately \$2.0 million) to convert the Rose Bowl for an MLB game (playing surface, dugouts, outfield fences, foul poles, etc.) – further analysis required to determine viability as a long-term solution
  - Legal feasibility
    - We are not aware of any legal feasibility issues, though consideration must be given to displacement event limitations
- Key observations
  - Given the capacity and amenities of Dodger Stadium, a potential MLB game at the Rose Bowl is unlikely

# Appendix C – Other Event-Related Opportunities

---

## Recurring Special Events or Other Content Creation – Music

- Overview
  - Historically, the Rose Bowl has hosted concerts and, recently music festivals, with a general increase in the number of concerts since the major renovation in 2014
    - Major concerts held since 2014 include: One Direction (2014), Beyoncé (2016), Coldplay (2016), U2 (2017), Metallica (2017), Taylor Swift (2018), BTS (2019), and The Rolling Stones (2019), among others
  - Since 2014, Rose Bowl has hosted more concerts than each of the following comparable stadiums: Camping World Stadium (Orlando, FL), Los Angeles Memorial Coliseum (Los Angeles, CA), SDCCU Stadium (San Diego, CA), and Alamodome (San Antonio, TX), among others

# Appendix C – Other Event-Related Opportunities

## Recurring Special Events or Other Content Creation – Music

- Key considerations
  - Financial feasibility
    - Revenue generated by continuing to host and hosting additional concerts may have a positive impact on RBOC cash flow
    - Each additional concert may provide short-term assistance
  - Legal feasibility
    - We are not aware of any legal feasibility issues, though consideration must be given to displacement event limitations
  - Political / stakeholder feasibility
    - Consideration must be given to music festival agreement with Goldenvoice
    - Impact from sound, light, etc. must considered and the potential reception from surrounding neighborhood
- Key observations
  - Based on our preliminary research, further consideration should be given to continued growth in such enterprise events
  - Estimated net revenue may be in the \$300,000 to \$750,000 range, based on historical performance of concerts

# Appendix C – Other Event-Related Opportunities

## Recurring Special Events or Other Content Creation – Exhibitions (Car / RV Shows, etc.)

- Overview
  - The Rose Bowl has previously hosted a number of car shows, RV shows, and other similar exhibitions
- Key considerations
  - Financial feasibility
    - Revenue generated by hosting additional car shows, RV shows, and other related exhibitions may have a minimal positive impact on RBOC cash flow
    - This may not likely be an impactful short-term or long-term solution
  - Legal feasibility
    - We are not aware of any legal feasibility issues, though consideration must be given to displacement event limitations
- Key observations
  - Based on our preliminary research, further consideration could be given to continued growth in such content creation – though net incremental revenue may likely not be material

# **Limiting Conditions And Assumptions**

---

# Limiting Conditions and Assumptions

**This analysis is subject to our contractual terms, as well as the following limiting conditions and assumptions:**

- The analysis has been prepared for internal decision making purposes of the Client only and shall not be used for any other purposes without the prior written permission of CAA ICON.
- The analysis includes findings and recommendations; however, all decisions in connection with the implementation of such findings and recommendations shall be Client's responsibility.
- Ownership and management of the facility are assumed to be in competent and responsible hands. Ownership and management can materially impact the findings of this analysis.
- Any estimates of historical or future prices, revenues, rents, expenses, occupancy, net operating income, mortgage debt service, capital outlays, cash flows, inflation, capitalization rates, yield rates or interest rates are intended solely for analytical purposes and are not to be construed as predictions of the analysts. They represent only the judgment of the authors based on information provided by operators and owners active in the market place, and their accuracy is in no way guaranteed.
- Our work has been based in part on review and analysis of information provided by unrelated sources which are believed accurate, but cannot be assured to be accurate. No audit or other verification has been completed.
- Current and anticipated market conditions are influenced by a large number of external factors. We have not knowingly withheld any pertinent facts, but we do not guarantee that we have knowledge of all factors which might influence the operating potential of the facility. Due to rapid changes in the external factors, the actual results may vary significantly from estimates presented in this report.
- The analysts reserve the right to make such adjustments to the analyses, opinions, and conclusions set forth in this report as may be required by consideration of additional data or more reliable data which may become available.
- The analysis is intended to be read and used as a whole and not in parts. Separation of any section or page from the main body of the report is expressly forbidden and invalidates the analysis.
- Possession of the analysis does not carry with it the right of publication. It shall be used for its intended purpose only and by the parties to whom it is addressed. Other parties should not rely on the findings of this report for any purpose and should perform their own due diligence.
- Our performance of the tasks completed does not constitute an opinion of value or appraisal, or a projection of financial performance or audit of the facility in accordance with generally accepted audit standards. Estimates of value (ranges) have been prepared to illustrate current and possible future market conditions.
- The analysis shall not be used in any matters pertaining to any financing, or real estate or other securities offering, registration, or exemption with any state or with the federal Securities and Exchange Commission.
- No liability is assumed for matters which are legal or environmental in nature.