

CITY OF PASADENA
City Council Minutes
June 6, 2022 – 2:30 P.M.
City Hall Council Chamber

The special meeting was convened and held virtually by videoconference/teleconference.

OPENING:

Mayor Gordo called the special meeting to order at 2:34 p.m. The pledge of allegiance was led by Steve Haderlein, President of the Rose Bowl Operating Company President.

ROLL CALL:

Councilmembers:

Mayor Victor M. Gordo
Vice Mayor Andy Wilson
Councilmember Tyron Hampton
Councilmember John J. Kennedy (Arrived at 2:37 p.m.)
Councilmember Steve Madison
Councilmember Gene Masuda
Councilmember Jessica Rivas
Councilmember Felicia Williams

Staff:

Interim City Manager Cynthia Kurtz
City Attorney/City Prosecutor Michele Beal Bagneris
City Clerk Mark Jomsky

CONSENT CALENDAR

RECOMMENDED FISCAL YEAR 2023 ROSE BOWL OPERATING COMPANY OPERATING BUDGET

Recommendation of the Rose Bowl Operating Company (RBOC): It is recommended that the City Council authorize the inclusion of the proposed Fiscal Year 2023 Rose Bowl Operating Company Operating Budget in the City Manager's Recommended Operating Budget for Fiscal Year 2023.

Steve Haderlein, RBOC President, provided introductory comments. Darryl Dun, Chief Executive Officer & General Manager, introduced Jens Weiden, Chief Revenue Officer, and Mo Salama, Controller, who presented a PowerPoint presentation on the item; and responded to questions.

City Clerk Jomsky reported that seven letters advocating for a complete analysis of the Rose Bowl Stadium revenue model, including its relationship to the convention center and broader civic marketing revenue streams, as well as direct income brought in by the stadium; opposing the use of City General Funds or reserve funds to pay Rose Bowl debt; and providing comments on the matter; and twenty-three letters in support of the Rose Bowl Stadium's economic, cultural, and community importance to Pasadena, including that the Rose Bowl Stadium is an important City asset and a vital source of opportunities for small businesses, with all correspondence received by the City Clerk's Office, distributed to the City Council, posted on-line, and made part of the public record.

Following discussion, it was moved by Councilmember Madison, seconded by Councilmember Masuda, to approve the staff recommendation to include the RBOC's Fiscal Year (FY) 2023 Operating Budget as part of the City Manager's FY 2023 Recommended Operating Budget:

AYES: Councilmembers Hampton, Kennedy, Madison, Masuda, Rivas, Williams, Vice Mayor Wilson, Mayor Gordo

NOES: None

ABSENT: None

ABSTAIN: None

CONSIDERATION OF ROSE BOWL OPERATING COMPANY (RBOC) FIVE-YEAR STRATEGIC INITIATIVES

Recommendation of the Rose Bowl Operating Company

(RBOC): It is recommended that the City Council:

- (1) Authorize the General Manager, on behalf of the City Council, to:
 - a. Diligently pursue the following revenue generating opportunities in a pre-development phase:
 - i. Family Golf Center;
 - ii. Campus Marque/Sponsorship Program;
 - iii. Sponsorship 210 freeway signage;
 - iv. Alignment of interests in contracts with UCLA and Tournament of Roses;
 - v. South End Zone seating project;
 - vi. Analysis of a potential citywide parking tax on paid parking spaces;
 - vii. A potential increase of Transient Occupancy Tax (TOT);
 - viii. Third-party funding opportunities related to future capital improvements;
 - b. Explore additional opportunities in the Rose Bowl area that would broaden the monetization opportunities while being cognizant of acceptable use within the Arroyo Seco; and
- (2) Direct the Interim City Manager to work together with the Rose Bowl Operating Company (RBOC) General Manager, and report to the RBOC and City Council (or designated City Council Committee) quarterly with updates on progress.

Mayor Gordo and General Manager Darryl Dunn, provided introductory comments, Dan Barrett, President, CAA ICON Strategic Advisory, Jens Weiden, Chief Revenue Officer, and Michael Ross, CEO, Pasadena Center Operating Company (PCOC), presented a PowerPoint presentation on the item; and all responded to questions.

City Clerk Jomsky reported that four letters advocating for the Rose Bowl Operating Company to sell the naming rights of the Rose Bowl Stadium to raise money; insisting that the City Council and RBOC have a thorough public discussion on various suggested options for increasing the RBOC revenues; urging that the City and RBOC to

consider options for additional tax revenue streams to stabilize and fund the stadium, and noting that solutions must take into account the importance of preserving the Arroyo Seco and surrounding open space, including the Central Arroyo, as protected resources of the City; as well expressing concerns with RBOC hiring a new General Manager without conducting a national search; with one letter received in opposition to RBOC significantly altering the Rose Bowl Stadium, which is a Historic Landmark; and twelve letters advocating for additional City funding for the Arroyo Link in the Measure R project list, which were received by the City Clerk's Office, distributed to the City Council, posted on-line, and made part of the public record.

The following individuals provided comments on the agenda item:

Sonja Berndt, Pasadena resident
Nina Chomsky, Linda Vista-Annandale Association

Vice Mayor Wilson spoke in support of pursuing a holistic approach in energizing the Arroyo Seco and Rose Bowl stadium more aggressively by allocating additional resources and funding towards conceptual designs and plans, as well as the need for collaboration between the RBOC and One Arroyo Foundation in pursuing a restructuring and reimagining of the Rose Bowl and the Arroyo Seco area as a world class destination for wellness, recreation and entertainment. Vice Mayor Wilson expressed concerns with a piecemeal approach that only addresses the capital needs assessment related to improvements and repairs of the stadium.

Councilmember Williams thanked staff for presentation and the additional fiscal detail regarding the Rose Bowl subsidy payments made from the General Fund. She noted her concerns with the suggested revenue enhancements as presented in the strategic plan, stating she is more in support of long-term solutions, such as a new tenant relationship, infusion of tax revenue, and/or a restructuring of the bond debt as a way to provide fiscal stability to the Rose Bowl. Councilmember Williams advocated for accountability and transparency in terms of stadium revenue and expenditure reporting given that the money invested in the Rose Bowl is public funds. She also spoke on the need for a community benefits plan and subsequent reporting from the Rose Bowl, to illustrate the number of local jobs generated, the number of high school graduations hosted, and what other stadium programs occurred that Pasadena residents are served by and benefit from as a City resource. She recommended that staff return with an evaluation of various structures that will allow the City to put taxpayer money into the stadium in a way that is transparent and provides stability, as opposed to pursuing riskier options (i.e. mini golf), and suggested that the Rose Bowl Ad Hoc Committee review the proposed options and provide a recommendation to the City Council prior to the expiration of the current operating agreement between the City and RBOC.

Councilmember Hampton thanked staff for the presentation, stating that the economic impact report was much needed; suggested consideration be given to opening the Ad Hoc Committee meeting and discussion to the public, and expressed support for further discussion on the proposed revenue generating opportunities presented in the report, stating each matter should be vetted one by one to determine how and/or if to move forward with the each item as part of the overall strategic plan initiative.

Councilmember Masuda thanked the members of the RBOC and PCOC for the presentation; stated that structural improvements to the stadium should be a priority, and expressed support to further discuss the potential to increase the number of music events, development around the stadium, potential increases to Transit Occupancy Tax (TOT) and/or a city-wide parking tax to provide additional sources of revenue to support the stadium.

Councilmember Kennedy requested information on the creation of the City's operating companies, including why they were formed, noting that the Legacy Foundation and its relationship to the RBOC have not been revisited in recent public discussions, specifically in light of the City's General Fund payments made in support of the Rose Bowl bond debt and compensation issues related to the highest paid employees. He asked staff to provide a clear understanding regarding the feasibility of refinancing the Rose Bowl bonds, as well as the viability of the proposed development opportunities around the Rose Bowl (as suggested in the strategic plan), requesting the City Attorney provide a determination on the conflicting viewpoints related to development of open space (what can and cannot be done), prior to pursuing such revenue opportunities as potential models to pay debt and/or reinvest in the iconic Rose Bowl. Councilmember Kennedy thanked staff and the consultants for the presentation, expressed his appreciation and gratitude to Daryl Dunn for his long-serving leadership and dedication to the success of the Rose Bowl and benefits provided to the community.

Councilmember Madison spoke on the Rose Bowl New Year's Day legacy, the consensus of the City Council to preserve the iconic Rose Bowl Stadium by supporting the renovation project, commented on the unique nature of the Rose Bowl being nestled between beautiful neighborhoods and being municipally owned, and spoke on increased competition from local facilities such as SoFi Stadium in Inglewood, stating given the special needs of the Rose Bowl, he feels the RBOC structure has worked well, and commended the RBOC for their tremendous work and transparency. Councilmember Madison touched upon the Vice Mayor's comments related to pursuing a strategic review, stating he would support some sort of contribution or enhancement to the RBOC's budget as a way to move forward with the holistic strategic initiative/review of the Rose Bowl and Arroyo Seco.

Councilmember Rivas spoke in support of the sentiment that the City Council needs to keep an open mind and keep everything on the table, stating it is not clear at this point, that the structure of the RBOC is the issue but is open to further discussion on the matter.

Mayor Gordo spoke on the history of the Rose Bowl, stating that the initial intent of the stadium as an economic development asset to bring tourism to Pasadena continues today. The Mayor stated the City has the responsibility to protect the stadium as an economic engine, which supports local businesses, and in turn the City's General Fund, by generating incremental tax dollars throughout the year, and on January 1st the Rose Bowl captures the world's attention, noting the City has a responsibility to act deliberately and thoughtfully. He also acknowledged the City must maintain a delicate balance given that the Rose Bowl is located in the middle of parkland and neighborhoods. The Mayor stated he would work with the City Manager and the RBOC General Manager to determine the next steps, and suggested hosting a City Council workshop, asking the Rose Bowl Ad Hoc Committee to help staff craft the agenda for the workshop.

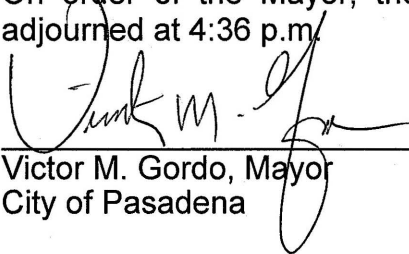
Vice Mayor Wilson expressed his support for a workshop, stating topics of discussion should include whether there is consensus to generate revenue for the Rose Bowl by tapping into City tax streams (potential increases to Transit Occupancy Tax (TOT) and/or a city-wide parking tax), and/or by increasing revenue through the introduction of enhancing and creating more activities in and around the Rose Bowl.

Mayor Gordo and Vice Mayor Wilson expressed thanks to Councilmember William's for requesting a report on the economic impact of the Rose Bowl and requested that staff post the report on the City's website.

By consensus of the City Council, and on order of the Mayor, the information was received and filed.

ADJOURNMENT

On order of the Mayor, the special meeting of the City Council adjourned at 4:36 p.m.



Victor M. Gordo, Mayor
City of Pasadena

ATTEST:



City Clerk