



Office of the City Manager

# Rose Bowl Operating Agreement Extension

Pasadena City Council Meeting  
Monday, April 3, 2023

Item 7





# Background

## Office of the City Manager

- City of Pasadena and the Rose Bowl Operating Company entered into Operating Agreement for the management of the Rose Bowl Stadium and Brookside Golf Course May 19, 1995.
- The Agreement establishes legal authority for the RBOC to conduct business, as well as act City's agent:
  - > Entering into agreements with promoters, tenants, & vendors
  - > Spending authority within annual budgets approved by City Council
- 2013 Analysis by City Manager confirmed that Agreement worked well for goals of the City.



# Background

## Office of the City Manager

- In June 2020, Operating Agreement extended through June 1, 2023 due to impacts and uncertainties related to COVID-19.
- Important factors facing the RBOC:
  - > Changing economics of stadium events and sports
  - > Improved long-term financial outlook for the RBOC
  - > Uncertainties surrounding college football
  - > Need to identify long term capital funding sources for the campus and Stadium



# June 2022 Proforma

Office of the City Manager

<b>FY2023 Operating Pro-Forma 06/2022 report</b>	<b>FY2022 Forecast</b>	<b>FY2023 Pro-Forma</b>	<b>FY2024 Pro-Forma</b>	<b>FY2025 Pro-Forma</b>	<b>FY2026 Pro-Forma</b>	<b>FY2027 Pro-Forma</b>
Operating Reserves Balance - Beginning	12,583	12,386	6,533	984	(5,159)	(11,726)
Net Operating Income / (Loss)	3,302	(4,605)	(5,549)	(6,142)	(6,567)	(7,644)
RBOC Reserve Policy	(3,500)	(1,247)	-	-	-	-
Ending Operating Amount Available	12,386	6,533	984	(5,159)	(11,726)	(19,370)



# April 2023 Proforma

Office of the City Manager

<b>FY2023 Operating Pro-Forma 03/2023 report</b>	<b>FY2022 Actual</b>	<b>FY2023 Forecast</b>	<b>FY2024 Recommended</b>	<b>FY2025 Pro-Forma</b>	<b>FY2026 Pro-Forma</b>	<b>FY2027 Pro-Forma</b>
Operating Reserves Balance - Beginning	12,583	14,531	9,853	6,558	4,575	3,770
Net Operating Income / (Loss)	5,448	(3,431)	(3,063)	(1,982)	(806)	544
Less: RBOC Reserve Policy	(3,500)	(1,247)	(232)	-	-	-
Ending Operating Amount Available	14,531	9,853	6,558	4,575	3,770	4,313



# Key Factors

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- Key factors that led to improved fiscal turnaround include:
  - > Increased interest in golf and revenues from Brookside Golf Course
  - > Increased revenues from music festival activities
  - > UCLA's pending move to the Big Ten Conference
  - > New ticketing agreements
  - > TBID event acquisition funds
  - > Flea Market performance and new agreement
  - > Potential revenues from Family Golf
  - > The ability of the Stadium to attract top level soccer and concert programming in a competitive market



# Upcoming Negotiation

Office of the City Manager

- RBOC Board of Directors unanimously approved RBOC Staff Recommendation to extend current agreement to July 1, 2025.
- Recommendation for City Council to support extension of current operating agreement.
- RBOC to work closely with City staff to determine what changes may be necessary to existing contract framework and report back to City Council and RBOC Board prior to the 2025 expiration date.