

# Agenda Report

April 3, 2023

**TO:** Honorable Mayor and City Council  
**FROM:** City Manager and Rose Bowl General Manager  
**SUBJECT: Rose Bowl Operating Agreement Extension**

## **RECOMMENDATION:**

It is recommended that the City Council:

1. Find that the action proposed herein is exempt from the California Environmental Quality Act pursuant to CEQA Guidelines Sections 15061 (b)(3), the common sense exemption; and
2. Extend the Operating Agreement between the Rose Bowl Operating Company (RBOC) and City of Pasadena from the current expiration date of July 1, 2023, to and through July 1, 2025, on the same terms and conditions.

## **EXECUTIVE SUMMARY:**

The Rose Bowl Operating Company Operating Agreement is currently set to expire on July 1, 2023. The General Manager of the RBOC and the City Manager are recommending to the City Council that the Operating Agreement between the City and RBOC be extended from its current expiration of July 1, 2023, to July 1, 2025, to allow for continued management of the Rose Bowl Stadium and Brookside Golf Course by the RBOC. During the two-year extension period, the City and RBOC will revise and modernize the contractual framework of the original contract to address capital funding needs, insurance and liability issues, and the changing nature of events and sports, including future changes to college football.

The RBOC Board of Directors unanimously approved a report recommending a two-year contract extension at its March 2, 2023 meeting.

## **BACKGROUND:**

The action proposed herein extends the unique and vital relationship between the RBOC and the City of Pasadena in managing the Rose Bowl Stadium and Brookside Golf Course. Both the stadium and golf course are public facilities regarded as community assets that should be maintained and operated in a manner consistent with the City's broad economic and social goals. Accordingly, in 1994 the City created the RBOC as a California Nonprofit Public Benefit Corporation whose purpose, under its Articles of Incorporation, is "to return economic and civic value to the City of Pasadena by managing a world-class stadium and a professional quality golf course complex in a residential open-space environment." The Rose Bowl Stadium is a National Historic Landmark that delivers important economic and social impact to the city and region. Its success over the last century makes it not only an iconic symbol of the City, but also bears national and international recognition as America's Stadium.

The City of Pasadena entered into an Operating Agreement with the RBOC for the management of the Rose Bowl Stadium and Brookside Golf Course effective May 19, 1995. The Agreement establishes the legal authority for the RBOC to conduct business and gives the RBOC authority to act as the City's agent and bind the City contractually within the framework set forth in the Agreement. Examples of this authority include but are not limited to: spending authority within annual budgets approved by the City Council; entering into agreements with event promoters, tenants, and vendors; and authorization to enter into agreements with third parties who act as representatives of the RBOC for various purposes. The Agreement also establishes policies and rules by which the RBOC must conduct its business. An analysis prepared by the City Manager's Office in 2013 found that the relationship set forth in the Operating Agreement has worked well to further the stated goals of the City Council. In June 2020, the RBOC's contract term was extended through July 1, 2023, on account of impacts and uncertainties related to COVID-19.

Since the June 2020 contract extension, the RBOC business model has endured significant challenges as a result of COVID-19-related health orders and the changing economics of stadium events such as concerts and sports. Challenges have included decreased attendance for key Rose Bowl tenants and increased competition from other stadium venues in Southern California. On the immediate horizon, uncertainties surrounding broader changes in college football (including the evolution of the Rose Bowl Game and its place in the College Football Playoff) will need to be reviewed and addressed in the longer-term. The two-year extension will allow time for these issues to play out and to be more fully considered prior to revising and modernizing the original Operating Agreement.

The RBOC Board of Directors unanimously approved a report recommending an Operating Agreement extension at its March 2, 2023 meeting. RBOC staff will work closely with City staff to determine what changes may be necessary to the existing contract framework and will report back to the RBOC Board and City Council to present a unified recommendation prior to the 2025 expiration date.

**ENVIRONMENTAL ANALYSIS:**

The action proposed herein is not subject to the California Environmental Quality Act (CEQA) in accordance with Section 21065 of CEQA and State CEQA Guidelines Sections 15061 (b)(3), the “common sense” exemption as it does not have the potential to cause a significant environmental effect.

**FISCAL IMPACT:**

There is no immediate fiscal impact associated with the proposed extension of the Operating Agreement. It should be noted that the RBOC intends to provide regular updates to the Council with fiscal impact projections of the RBOC business model.

Respectfully submitted,


  
MICHELLE GARRETT  
Assistant to the City Manager

Concurred by:



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Jens Weiden  
Chief Executive Officer / General Manager  
Rose Bowl Operating Company

Approved by:

  
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MIGUEL MARQUEZ  
City Manager