

Agenda Report

July 10, 2023

TO: Honorable Mayor and City Council
FROM: Rose Bowl Operating Company (RBOC)
SUBJECT: Brookside Golf Course Improvements Project

RECOMMENDATION:

It is recommended that the City Council:

1. Adopt the Mitigated Negative Declaration and Mitigation Monitoring and Reporting Program for the Brookside Golf Course Improvement Project, and direct staff to file a Notice of Determination within five days; and
2. Grant financial assistance of up to a \$1,000,000 loan to the Rose Bowl Operating Company toward further development of the Brookside Golf Course Improvement Project.

BACKGROUND

The RBOC's financial future is dependent on City support for its programming and facilities. Accordingly, the RBOC has appeared before the City Council multiple times since the start of the COVID pandemic in early 2020 to discuss in detail its financial future and how best to partner with the City Council to benefit every City resident. The City Council tasked the RBOC with identifying alternative revenue sources other than its traditional football, soccer and concert revenues, as those collective revenues were simply not enough to keep up with changing economic challenges facing the RBOC. Those challenges include an increase in stadium competitors in the region, increased expenses in insurance, labor and materials, and critical capital needs of City-owned assets, specifically the iconic Rose Bowl Stadium.

Among the potential revenue-generating projects that has been shared with the City Council and the public numerous times is the Brookside Golf Course Improvement Project ("Project"). The Project is comprised of two key "Family Golf" elements: modern miniature golf and a driving range expansion. Momentum surrounding the Project is building, and thus the RBOC is now before the City Council to ask for a substantial commitment of funds to spearhead the Project.

The RBOC depends heavily on golf revenue to carry out its core duties of running a world-class stadium and municipal golf courses for the benefit of all of Pasadena and

surrounding communities. The RBOC has a fiduciary duty to ensure that revenues continue to grow so that these facilities can remain vibrant for generations to come. Family Golf (an interactive driving range and modern miniature golf) represents two of the fastest growing segments in golf, due to the shorter time commitment, the lower cost of entry, the interactive nature of the activities, and the entry level skill required to participate. These activities are not just profitable for operators, but they also help grow the game of golf by engaging future generations of players, from all walks of life across Pasadena which, in turn, is beneficial for the long-term stability of the Brookside Golf Courses.

THE BROOKSIDE GOLF COURSE IMPROVEMENT PROJECT

Currently, on any given day, there can be a line of up to thirty people waiting to hit golf balls at the current driving range and staff receives daily complaints from customers who wait more than an hour in the hot sun to hit practice balls. The Project alleviates the concern by taking the existing driving range from its current twenty stalls to sixty, simply by re-orienting its direction and efficiently using all of the available driving range space. The new range would also provide shade for all stalls and the latest in technology to enhance the golfer experience regardless of ability. For comparison, around the Pasadena area golf facilities with two golf courses typically have between fifty to seventy driving range stalls. The RBOC's tournament sales staff has also been told that larger tournament groups will not book Brookside because the driving range cannot allow their groups to warm up prior to playing. In the time since Family Golf was first presented over four years ago, California went from zero to twenty-four entertainment driving ranges, with five of those within twenty-five miles of Brookside. This truly is the future of golf course driving ranges.

Adjacent to the enhanced driving range is roughly an acre of voided space intended to be the home of two eighteen-hole modern miniature golf courses. Modern miniature golf is best described as regular golf in a miniature form. It features artificial turf that resembles a golf course, with bunkers, rough and plants throughout the course. What is unique is that the undulations bring those features into play during the golfing experience. Missing are the traditional miniature golf course features such as windmills, stone borders, and other various obstacles on the holes. Many facilities have identified miniature golf as a key driver toward getting non-golfers to visit a golf facility. At Brookside, the intention is that the Project, including the enhanced driving range and the miniature golf courses, will introduce people to the game of golf.

The RBOC's Music Festival partner, Goldenvoice, has sent a letter in support of the Project, in addition to The First Tee of Greater Pasadena. The First Tee program will benefit from additional driving range stalls, technology to interact with students, modern miniature golf that is friendly to all ages and abilities, and the overall appeal of having more exposure through new customers visiting the facility.

Finally, and perhaps most importantly, golf facilities in general can struggle from various stereotypes that they are exclusive, expensive, private and have written or unwritten rules for behavior. Brookside is a City asset that can provide access to anyone,

including residents from across the City of all ages, persuasions, and abilities. The Arroyo is a public park and should be as open as any other City facility. Currently the public can utilize this wonderful asset while tailgating before a Rose Bowl event, going to a music festival, and playing golf. Family Golf will add another way that the community can benefit and interact with this wonderful space.

REQUEST FOR APPROVAL OF FUNDS

The RBOC has completed a Mitigated Negative Declaration (“MND”) for the Project pursuant to the California Environmental Quality Act (“CEQA”), which analyzes, discloses, and mitigates all potentially significant effects of the Project. The MND is discussed in more detail below.

The RBOC prepared the MND at this time, as opposed to waiting until seeking approval of a conditional use permit for the Project from the City at a later, undetermined date, because now is the time for the RBOC and City to commit themselves to a definite action plan toward the Project. The funds requested of the City herein constitute a substantial allocation of public funds to further the Project. The funds would be spent on actions that create momentum behind the Project, including additional design and engineering drawings, and any necessary retention of architectural and financial consultants. Most importantly, the funds will help the RBOC seek out additional funding sources for construction of the Project, such as directed donations from Legacy, outside third-party investments, and/or applications for grant funding, if possible. Many of those funding sources will require the type of commitment toward the Project shown herein, and some may even require submission of the certified MND.

Not all of the Project design features or operational characteristics have been determined, nor is it required prior to completion of the CEQA process. The MND was prepared as early as feasible in the planning process to enable environmental considerations to influence Project programming and design, yet late enough in the development process to contain meaningful information so that the information can help shape the analysis and decision-making process. The Project’s physical or operational characteristics may be modified as it moves forward, so long as they do not go beyond the parameters studied in the MND (or so long as they are studied in further environmental review as may be necessary).

Accordingly, the discretionary actions requested of the Council at this time, seeking City financial assistance of a \$1 million loan toward further development of the Project, constitute commitment toward the Project.

ENVIRONMENTAL

In accordance with the requirements of CEQA, an Initial Study was prepared to identify and analyze the project’s potential impacts on the environment. Based on the analysis in the Initial Study, the only potential significant impacts were found to be in the areas of Aesthetics (light and glare specifically), Biological Resources, Cultural Resources, and Tribal Cultural Resources. However, all potentially significant impacts would be reduced to a less than significant level by incorporating mitigation measures into the project. A

Mitigated Negative Declaration (MND) (Attachment A) and Mitigation Monitoring Reporting Program (MMRP) (Attachment B) have, therefore, been prepared for the Project.

During preparation of the IS/MND, the RBOC led 14 community informational meetings. In addition, over 42,000 emails were sent to golfers and residents in the Rose Bowl campus databases. A Notice of Intent (NOI) and Notice of Public Informational Meeting were published for public review from January 17, 2023 through March 3, 2023 (45 day review period). The NOI was posted at the Los Angeles County Registrar-Recorder/County Clerk Office and to the Office of Planning and Research (OPR) State Clearinghouse website. It was distributed to owners and occupants within a 500-foot radius of the project site (531 recipients); to a list of agencies, organizations, tribes, and interested parties who have previously requested such notifications (76 parties); and was emailed to a RBOC database of over 1,200 recipients. During the public review period, the IS/MND was available for review on the RBOC's website at <https://rosebowlstadium.com/public-notice> and a printed copy was available for review at the Rose Bowl Administration Office at 1001 Rose Bowl Drive, Pasadena, CA 91103. A public informational meeting was held as part of the CEQA process at the Brookside Golf Course on February 13, 2023, from 6:00 p.m. to 7:30 p.m. On March 2, 2023 (and also during the public comment period), the Project was presented as an informational item at the publicly noticed RBOC board meeting. Four individuals provided verbal comments during this meeting.

Approximately 71 people attended the public informational meeting with 17 individuals making verbal comments, and two submitting comment cards during the meeting. During the public review period, 41 letters and emails were received from local residents and organizations providing comments on the Project and the IS/MND. All comments received and the corresponding responses are attached hereto (Attachment C).

At the RBOC Board meetings on May 4, 2023 and May 16, 2023, additional public comments were submitted. Comments generally focused on the Project impacts to trees, concern regarding lack of Project information, lighting, noise, parking, changes to play on the golf courses, and financial concerns.

On the basis of the whole record, including but not limited to the Project's Initial Study and responses to comments, there is no substantial evidence that the Project would have a significant effect on the environment after the implementation of mitigation measures. Therefore, RBOC staff and its environmental consultant recommend that the Council adopt a MND and corresponding MMRP for the Project.

As the RBOC looks at the Brookside Golf Course Improvements Project, it is important that we examine the process that brought us to this point, as well as the perspectives that have been shared. The RBOC has been considering Family Golf since before the pandemic. Included on the original list of "revenue opportunities" for the RBOC, it has been discussed for years in meetings with golfers, tenants, neighbors, the RBOC Board, and in multiple City Council meetings. This is important because there are many

different uses and users of the property and many stakeholders that care about what takes place on the campus. This process has productively influenced the Project and allowed the user groups and stakeholders to help make the Project that is proposed useable for all.

Just some of the feedback that has been integrated and/or compromised include: minimal impacts to Brookside Course #1, the placement of youth activations like modern miniature golf away from core golf activities yet close enough to be served by the existing clubhouse and its existing employees, a layout that significantly improves facilities and access for the First Tee of Greater Pasadena, and a layout that our Music Festival partner and other tenants have reviewed and support. Specifically, the Music Festival has always occupied the driving range area and will continue to do so under the proposed reorientation. The proposed layout has been developed with input from our Music Festival partner and was modified due to their feedback (modern miniature golf moved from the putting green area to the current location). There will be no adverse impacts to the Music Festival because of the Project.

Integrating the feedback also helps as the RBOC continues to solicit and receive feedback from the community now. During the environmental process, RBOC staff have continued to meet and discuss compromises with stakeholders, including those regarding trees and lighting on the site. As staff has met with groups like UFAC, limiting the number of trees impacted by the Project and having a plan in place for the replanting of native trees is a priority. The RBOC shared with the community that there are 47 trees in the Project footprint that could be impacted because the MND must disclose the “worst case” scenario regarding all potential environmental effects. However, staff believes that the number of trees that will eventually be impacted will likely be as low as 27, and none of the trees that could be removed are native (25 pepper trees, 1 ash tree, and 1 pine tree). It should be noted that modern miniature golf impacts zero trees, and that all tree impacts are associated with the reorientation of the driving range. The RBOC has also committed to a 2-1 native tree replanting program for any healthy trees impacted by this Project, if so directed by UFAC and the City Manager through the process.

Lighting is also an aspect of the Project that the RBOC has focused on and as a result of technology evolutions over the years, the RBOC can now position the facilities to do more with less. The RBOC team continues to travel throughout North America to understand both advancements in lighting products and in ball tracing technology that operate with less lighting. Based on what the RBOC staff has seen, it is confident that the lighting levels studied and outlined in the reports provided will have the “worst case” impacts possible (which are still below City-established thresholds for lighting) as required for disclosure under CEQA, and that there will be great opportunities in the coming months and years ahead to further improve the lighting. One such design feature that is described in the MND is the placement of the lights further down the poles (lighting at 60 feet in height on 90-foot poles), to better control for light direction and impact. But again, the MND discloses the “worst case” impacts so that staff has

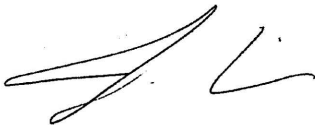
room to refine Project elements, and such refinement does not destabilize the Project description.

In conclusion, the Project that is described and studied in the MND remains the one under consideration. The RBOC looks forward to working with consultants and the community to refine and improve the Project, as allowed under CEQA. Accordingly, the recommendations are set forth above.

FISCAL IMPACT

Family Golf is anticipated to net roughly \$1.2 million annually during debt service and \$2.4 million annually after ten years when the debt service is anticipated to be paid off. The increased revenues will come from servicing demand at the driving range, the modern miniature golf courses, the implementation of technology, and expanded food and beverage offerings. Given Brookside's current infrastructure, many of the expenses will be reduced from a standalone Family Golf facility, improving net profits for the organization. Brookside already has a driving range that is approaching end of life, and the structural poles would need to be replaced in the near future, so a portion of the Project cost would be a capital expense for the RBOC regardless of the addition of Family Golf.

Respectfully Submitted,



Jens Weiden
Chief Executive Officer / General Manager