



**Delegate To The RBOC Board The Making Of Findings To
Temporarily Increase The Number Of
Displacement Events**

**Review of RBOC and EdTech Recommendations
to City Council**

August 19, 2024

Displacement Event Background

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- Number of Displacement Events: Arroyo Seco Ordinance allows 15, any more required findings by Council; request that Council direct the City Attorney to return with an Ordinance delegating the findings to the RBOC for the next 10 years
- Provides direct support to RBOC's ability to pay bond debt, perform preventative maintenance and undertake capital improvement projects
 - Allows for certainty in next iteration of music festival and soccer agreements, and allows the RBOC to further relationships with event promoters

Ed Tech Recommendation

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- Recommended changes were moved forward by the EdTech Committee on 3.19.24
- Recommendation is to
“Direct the City Attorney to prepare and return with an ordinance within 60 days to amend PMC 3.32.270.A to delegate to the RBOC Board the making of findings required for the RBOC to host up to 25 displacement events per calendar year until December 31, 2033 (ten-year period).”

Why 25 Displacement Events

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- City opportunity to provide certainty regarding revenue streams:
 - Ensure RBOC will be able to pay the City's bond debt on the 2012 renovation project and undertake capital improvements
 - 25 events is the best way to ensure the financial stability of the complex and allow focus to shift to capital investment on the campus
 - 18 of these Events are currently long-term contracts between the RBOC and Tenants

□ Significant Annual Overhead Expense increases

<u>Fiscal year</u>	<u>2017 to 2025</u>	<u>Increase</u>
□ Annual Debt Svc (Net)	\$9.9M to \$13.4M	\$3.50M
■ Increasing \$400K/Year thru 2032 (then down approx. 50%)		
□ Insurance	\$160K to \$1.3M	\$1.17M
□ Professional Services	\$680K to \$1.5M	\$820K
□ Utilities	\$1.2M to \$1.8M	\$600K

□ Significant Event Expense Increases

- Security Staffing rates increased 18% over 2 years
- Specialty Services increased 45% over the past 3 years
 - Elevator services, HVAC, plumbers, electricians, etc.

Financial Support for 25 Displacement Events

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- RBOC Finances have been strengthened since the Pandemic in part due to increased event activity
 - FY'23 audited financial statements document impact of 24 displacement events
 - FY'24 budget was based on 19 displacement events

- RBOC is expected to beat budget by \$4 million in FY'24 resulting in the first balanced RBOC budget since 2019.

Financial Support for 25 Displacement Events (Fiscal Year)

Fiscal Year	FY2023 Actual	FY2024 Adopted	FY2024 Forecast	FY2025 Adopted	FY2026 Forecast	FY2027 Forecast	FY2028 Forecast	FY2029 Forecast
Event Count								
Displacement Event Count	14	13	15	12	15	15	15	16
Music Festival Event Count	10	7	4	8	10	10	10	9
Total Displacement Events	24	20	19	20	25	25	25	25
Enterprise Events	142	124	130	140	133	137	141	145
() Odd Fiscal years UCLA hosts USC at the Rose Bowl								
UCLA Football ()	8	6	6	6	6	7	6	6
Rose Bowl Game	1	1	1	1	1	1	1	1
Music Festival	10	7	4	8	10	10	10	9
Concerts	2	3	4	3	3	3	3	3
Soccer	2	2	3	1	4	3	4	6
July 4th/Soccer	1	1	1	1	1	1	1	0
Flea Market	12	12	12	12	12	12	12	12
Enterprise Events	142	124	130	140	133	137	141	145

FY23 to FY24 Pro-Forma Assumption Changes

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FY2023 Operating Pro-Forma 06/2022 report	FY2023 Pro Forma	FY2024 Pro Forma	FY2025 Pro Forma	FY2026 Pro Forma	FY2027 Pro Forma	N/A	N/A
Operating Reserves Balance - Beginning	12,386	6,533	984	(5,159)	(11,726)		
Net Operating Income / (Loss)	(4,605)	(5,549)	(6,142)	(6,567)	(7,644)		
RBOC Reserve Policy	(1,247)	-	-	-	-		
Net Operating Income (Loss) less Reserve Policy	(5,852)	(5,549)	(6,142)	(6,567)	(7,644)		
Ending Operating Amount Available	6,533	984	(5,159)	(11,726)	(19,370)		

FY2025 Operating Pro-Forma 05/2024 report	FY2023 Actual	FY2024 Projection	FY2025 Adopted	FY2026 Pro Forma	FY2027 Pro Forma	FY2028 Pro Forma	FY2029 Pro Forma
Operating Reserves Balance - Beginning	14,531	11,718	11,718	10,548	10,548	10,548	10,548
Net Operating Income / (Loss)	(1,855)	864	(917)	1,470	1,665	1,080	827
RBOC Operating Reserve Policy (2)	(958)	(752)	(253)	(848)	(163)	(257)	(277)
RBOC Capital Reserve Policy (3)	-	(112)	-	(622)	(1,501)	(824)	(549)
Net Operating Income (Loss) less Reserve Policy	(2,813)	-	(1,170)	-	-	-	-
Ending Operating Amount Available (1)	11,718	11,718	10,548	10,548	10,548	10,548	10,548

(1) Ending Operating Amount Available improvement since June 2022 presented Pro Forma:

29,918

(2) RBOC Operating Reserve Policy assumed to an aggregate of \$6.9M FY2029 (8% of FY 2029 Expenses)

(3) RBOC Capital Reserve Policy assumed from Net Operating Income (Effective FY2024) and to an aggregate of \$3.6M FY2029

(Family Golf fiscal impacts begins Net Operating Income FY2026; and Capital funding/designations pending project Council approvals)

Other Actions of RBOC to Increase Revenue

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	Est. Cumulative impact Ending FY 2027
Pro Forma Assumption Changes	
<u>Current Actuals/Projections</u>	
Updated: FY22 Actual	\$ 2.1M
Updated: FY23 Actual	3.0M
Updated: FY24 Projection	5.6M
Current Actuals/Projections Subtotal:	\$ 10.7 M
Updated: FY25 to FY27 Projection	
New and updated Revenue Opportunities	
Additional & updated Other Major Events	8.6M
Tourism Business Improvement District (TBID)	8.2M
UCLA Big Ten impact	3.1M
Music Festival	2.5M
Senate Bill 96 operating funding for PM	2.1M
Family Golf	2.0M
Flea Market	1.2M
Golf Complex Operations (Non-Fam. Golf)	1.1M
Rose Bowl Game	40K
Enterprise Events	(920K)
Expenses	
Increased insurance/community/capital/events	(4.7M)
Increased Capital Reserve Policy	(2.2M)
Increased Operating Reserve Policy	(1.7M)
New Contracts / Current Business / Expenses Subtotal:	\$ 19.2 M
Estimated Cumulative Impact Fiscal 2022-2027:	\$ 29.9 M

RBOC Recommendations

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1. Find that the recommended action is exempt from the California Environmental Quality Act (CEQA) pursuant to Section 15061(b)(3)(Common Sense Exemption) of the State CEQA Guidelines, that CEQA only applies to projects that may have an effect on the environment; and
2. Direct the City Attorney to prepare and return with an ordinance within 60 days to amend PMC 3.32.270.A to delegate to the RBOC Board the making of findings required for the RBOC to host up to 25 displacement events per calendar year until December 31, 2033 (ten-year period).

THANK YOU!



Financial Support for 25 Displacement Events (Calendar Year)

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ROSE BOWL DISPLACEMENT EVENTS HISTORICAL SUMMARY

YEAR	DISPLACEMENT	MUSIC FESTIVAL	TOTAL
2023	15	7	22
2022	14	8	22
2021	9	2	11
2020	COVID YEAR		
2019	13	1	14
2018	16	2	18
2017	14	2	16
2016	16	0	16

Pro Forma Event Count Statistics

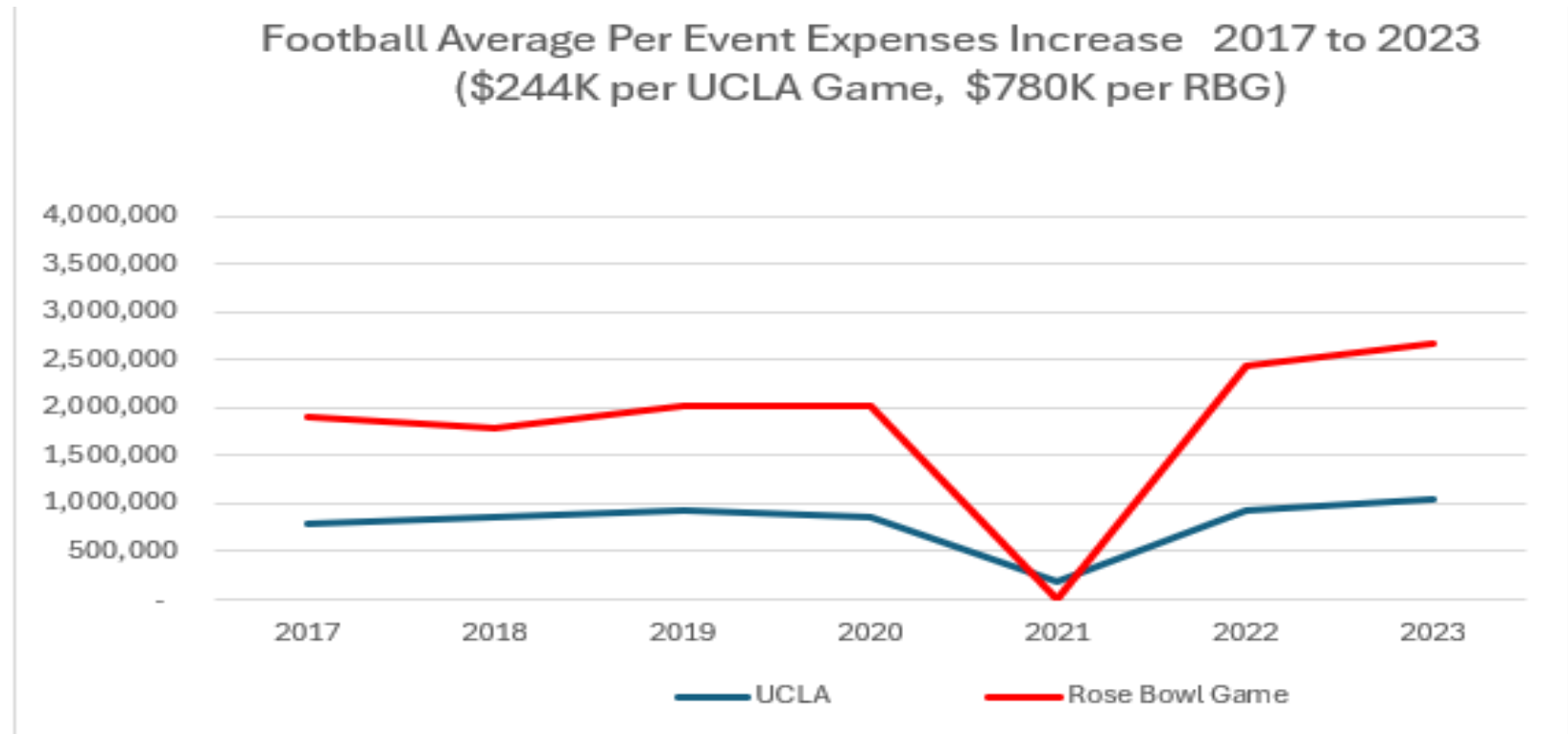
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RBOC Football Event Expenses 2017-2023

Football Average Expenses per Event

Fiscal Year	2017	2018	2019	2020	2021	2022	2023
UCLA	791,503	848,969	940,284	865,694	176,532	927,405	1,036,002
Rose Bowl Game	1,900,456	1,788,747	2,012,918	2,028,500	-	2,442,177	2,680,595

2020-2022 COVID Impact



RBOC Football Event Expenses 2017-2023

UCLA Football Average Per Event by Expense Type:

Fiscal Year	2017	2023	Var '17-'23	
Parking/Traffic/Neighborhood Protection	477,124	533,802	56,678	12%
Production	103,375	215,812	112,437	109%
Public Safety	100,121	121,030	20,909	21%
Janitorial	96,453	129,249	32,796	34%
Staffing Support	14,430	36,109	21,679	150%
2020-2022 COVID Impact	791,503	1,036,002	244,500	

Rose Bowl Game Football Average Per Event by Expense Type:

Fiscal Year	2017	2023	Var '17-'23	
Parking/Traffic/Neighborhood Protection	736,263	1,160,008	423,745	58%
Production	574,245	801,759	227,514	40%
Public Safety	334,779	332,278	(2,501)	-1%
Janitorial	211,880	273,527	61,647	29%
Staffing Support	43,289	113,023	69,734	161%
2020-2022 COVID Impact	1,900,456	2,680,595	780,139	

Pro Forma Event Count and Net Event

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Net Event Income by Event								
	<i>(\$ in thousands)</i>							
UCLA Football	\$3,982	\$4,361	\$3,865	\$5,801	\$6,035	\$6,197	\$5,681	\$6,183
Rose Bowl Game	5,224	4,703	5,347	4,561	4,954	4,818	4,811	4,574
Music Festival	4,335	3,232	2,982	3,280	3,727	3,788	3,896	3,904
Concerts	855	1,764	4,760	2,783	2,894	3,003	3,045	3,171
Soccer	1,233	956	1,415	343	1,389	1,044	1,275	1,200
July 4th/Soccer	(468)	218	412	364	368	374	331	-
Flea Market	1,741	1,587	1,625	1,630	1,675	1,672	1,668	1,494
Enterprise Events	1,724	1,400	1,574	1,700	1,615	1,663	1,713	1,765
PY or Cost of Business	(137)	-	-	-	-	-	-	-
Net Event Income	\$18,488	\$18,222	\$21,980	\$20,461	\$22,657	\$22,560	\$22,421	\$22,290
Other Miscellaneous Revenues *	\$2,263	\$1,979	\$1,961	\$3,888	\$4,487	\$4,612	\$4,741	\$4,839

* FY2025 Full Year TBID(\$2.6-3M), Cell site (\$450-650K), SB96 (\$400-900K), Music Fest (\$160K-240K) and ToR Contributions \$75K

Pro Forma Operating Net Income/Loss

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(Odd Fiscal years UCLA hosts USC at the Rose Bowl)								
(\$ in thousands)								
Net Event Income	\$18,488	\$18,222	\$21,980	\$20,461	\$22,657	\$22,560	\$22,421	\$22,290
Golf Complex Income	\$2,752	\$2,982	\$3,374	\$3,352	\$3,958	\$5,153	\$5,620	\$6,412
Other Miscellaneous Revenues	\$2,263	\$1,979	\$1,961	\$3,888	\$4,487	\$4,612	\$4,741	\$4,839
General Operations Expenses	\$(9,215)	\$(11,486)	\$(11,390)	\$(13,007)	\$(13,544)	\$(14,103)	\$(14,686)	\$(15,293)
Preventative Maint. (Stad/Golf)	See Below Grants and Reserves			\$(1,914)	\$(1,871)	\$(1,917)	\$(1,964)	\$(2,018)
Rose Bowl Operating Income [Before Financing, Contributions, Grants and Reserves]	\$14,289	\$11,697	\$15,924	\$12,781	\$15,688	\$16,305	\$16,132	\$16,230
Less: Financing Net Debt Service	\$(13,332)	\$(12,713)	\$(11,457)	\$(13,116)	\$(13,521)	\$(13,931)	\$(14,338)	\$(14,715)
Income/ (Loss) [After Financing Debt Service]	\$957	(1,016)	\$4,467	(335)	\$2,167	\$2,374	\$1,794	\$1,514
Income / (Loss) [After Non-Operating Contributions]	\$957	(1,016)	\$4,467	(335)	\$2,167	\$2,374	\$1,794	\$1,514
Less: Grants and Reserves (1)	(3,770)	(2,273)	(4,467)	(835)	(2,167)	(2,374)	(1,794)	(1,514)
Rose Bowl Net Income/(Loss) [After Grants and Reserves]	(2,813)	(3,288)	-	(1,170)	-	-	-	-

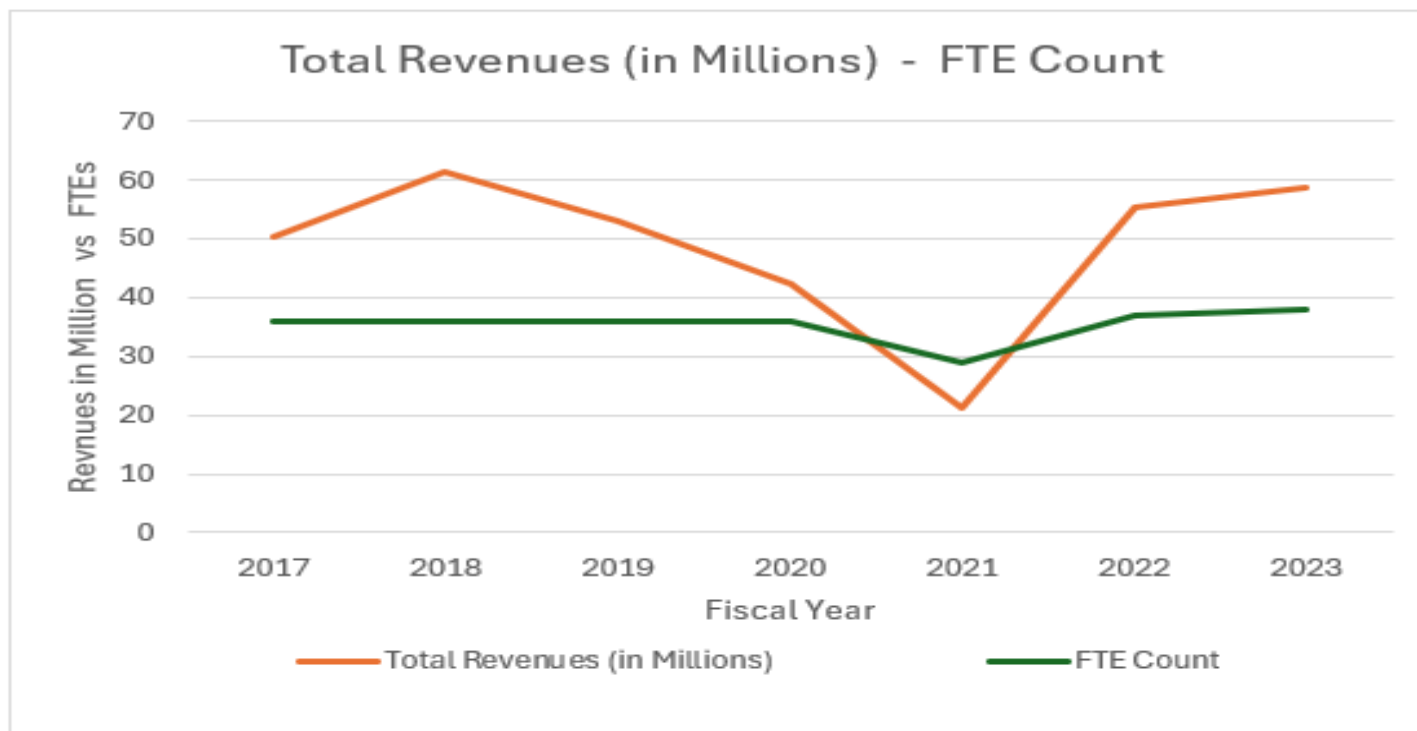
(1) Grants: Legacy generated grants, **Operating Reserves:** Music Fest to Capital, special projects, Operating Reserve Policy, **Capital Reserves:** Net Income RBOC Operating Reserve Policy in Forecast FY2029

6,943

RBOC Revenues – FTE Count 2017-2023

Fiscal Year	2017	2018	2019	2020	2021	2022	2023
Total Revenues (in Millions)	50.41	61.40	52.95	42.44	21.28	55.39	58.69
FTE Count	36	36	36	36	29	37	38

2020-2022 COVID Impact



2020-2022 COVID Impact