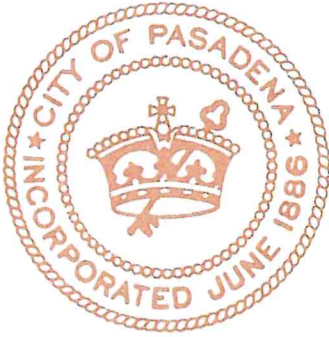




Agenda Report

October 20, 2026

TO: Honorable Mayor and City Council

FROM: Office of the City Manager – Economic Development Division

SUBJECT: **RESCIND THE SEPTEMBER 21, 2026, NOTICE OF TERMINATION OF THE ROSE BOWL RIDERS LEASE, AND AUTHORIZE THE CITY MANAGER TO ISSUE A NOTICE OF LEASE TERMINATION TO ROSE BOWL RIDERS, PROVIDING A DEADLINE TO VACATE BY JANUARY 31, 2027**

RECOMMENDATION:

It is recommended that the City Council:

- 1) Find that the proposed action is categorically exempt from CEQA under “Existing Facilities” exemption (per Title 14, Chapter 3, Article 19, Class 1, Section 15301) there are no features that distinguish this project from others in the exempt classes, and therefore, there are no unusual circumstances;
- 2) In response to an apparent demand to cure or correct the September 21, 2026 Notice of Termination of the Rose Bowl Riders Lease, rescind the September 21, 2026, Notice to Terminate the Lease; and
- 3) Authorize the City Manager to issue a minimum 30-day notice of lease termination to Rose Bowl Riders with a deadline to vacate by January 31, 2027.

EXECUTIVE SUMMARY:

As set forth more fully below, the 10th Amendment to the City’s Lease with Rose Bowl Riders (“RBR”) to operate an equestrian facility on City property located at 4750 Oak Grove Drive expired on December 31, 2023. The 10th Amendment provided that if RBR were to hold over after the expiration date of December 31, 2023, such tenancy shall be from month-to-month only, and may be terminated by either party upon thirty (30) days’ written notice. No cause is required for such termination. The City Manager mailed to RBR a Notice of Termination of their Lease on September 21, 2026. On September 26 2026, the City received an anonymous allegation of a Brown Action violation, which requested the City to cure or correct action taken that resulted in the Termination Notice

sent by the City Manager. The recommendation to rescind such Notice will cure any alleged Brown Action violation. The recommendation also calls for the City Council to authorize sending a notice of termination to RBR with at least 30 days' notice, with an effective termination date of January 31, 2027. Such time frame will give adequate opportunity to completely vacate the leased premises, in recognition of the need to relocate animals and equipment.

BACKGROUND:

The Pasadena Hahamongna Watershed Park in the Arroyo Seco consists of six user areas, which include equestrian and non-equestrian uses such as the Arroyo Seco Foundation nursery, the currently vacant U.S. Forrest Service buildings, and the Los Angeles County Fire helipad station. The equestrian users include RBR, Tom Sawyer Camps, and Ride On Therapeutic Stables.

RBR was founded in 1946 and moved to the current site in 1952, when they began hosting horse shows. The then-owner of the property, the Metropolitan Water District of Southern California ("MWD"), entered the current Lease with RBR in 1970, which included about 12 acres. In 1994, the Lease's 4th Amendment transferred to the tenant all structures and improvements on the property. The City purchased the property in 2005, and assumed MWD's 8th Amendment to the Lease, which had expired in 2004, and RBR was in a holdover, year-to-year tenancy at the time. The "Parties" (City and RBR) entered into a short-term Ninth Amendment to the Lease (which reduced the size of the premises covered by the Lease by removing the subleased area of Tom Sawyer Camps) from January 1, 2020, through December 31, 2021. The Lease expired on December 31, 2021, and thereafter, the Lease became a month-to-month tenancy.

In 2023, the Parties entered into a short-term 10th Amendment to the Lease expiring December 31, 2023, which required RBR to provide additional public benefit uses in the form of riding lessons and scholarships to Pasadena Parks, Recreation and Community Services ("PRCS") Department's summer camp. The City's intent was to review the adequacy of the public benefit provided during a short-term lease before considering a long-term lease to redefine the riding arena's future use and operations.

Since the RBR Lease term expired December 31, 2023, pursuant to the 10th Amendment of the Lease, as agreed upon by RBR, any holdover after the term expired becomes a month-to-month tenancy, subject to termination upon 30 days' notice. Also the Lease, as amended, does not require any cause for termination of the holdover month-to-month tenancy (10th Amendment to the Lease, without exhibits, attached hereto).

Rescinding September 21, 2026 Notice to Terminate

On September 21, 2026, the City Manager issued RBR a Notice of Termination of their Lease. Although the Lease provided for a 30-day notice of termination, the Notice provided RBR a deadline of January 31, 2027, to vacate the property. On September

26, 2026, the City received an anonymous email alleging, among other things, that the City violated the Brown Act during the September 8, 2026, closed session. In addition, over the past three weeks, the City has received numerous emails from RBR combining Public Records Act ("PRA") requests, demands that the City respond to the PRA requests more quickly than as required by law, and threats of litigation. Since the Brown Act allows legislative bodies the opportunity to cure alleged Brown Act violations within 30 days of the demand to cure (even if, as is the situation here, the allegations are unfounded), and since RBR has threatened litigation against the City, it would be prudent to utilize the statutory opportunity to foreclose a potential Brown Act lawsuit. Thus, it is recommended that City Council rescind the Notice of Termination to RBR dated September 21, 2026.

Issuance of Notice of Termination Effective January 31, 2027 and Short Term Management of the Premises

Should City Council rescind the Notice of Termination dated September 21, 2026, it also is recommended that City Council grant authority to the City Manager to issue RBR a Notice to Terminate the Lease with a deadline to vacate by January 31, 2027, which complies with the 10th Amendment to the Lease and provides RBR more than 90 days for its transition. The amended lease does not require any cause to terminate the month-to-month holdover tenancy.

In the event that Council authorizes the issuance of a notice to terminate to RBR, it is recommended that the Council also authorize the City Manager to negotiate short-term emergency management of the stables and arena.

COUNCIL POLICY CONSIDERATION:

The leasing and use of the premises align with the City Council's goal of maintaining fiscal responsibility and stability and supporting and promoting quality of life and the local economy. Future leasing or use of the City of Pasadena's equestrian arena area, will provide the community with future guidelines for use of the City-owned premises.

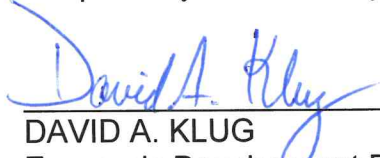
ENVIRONMENTAL ANALYSIS:

The action proposed herein of entering or not entering into a lease at 4750 Oak Grove Drive is categorically exempt from CEQA pursuant to State CEQA Guidelines Title 14, Chapter 3, Article 19, Class 1, Section 15301 (Existing Facilities). Neither the future leasing nor the future operation will result in any expansion of the existing use. Further, there are no features on this property that distinguish this project from others in the exempt classes, and therefore, there are no unusual circumstances

FISCAL IMPACT:

Approving the recommended action will reduce monthly rental income by \$1,250.
Future use of the premises is anticipated to incur the replacement cost of structures and improvements removed by RBR.

Respectfully submitted by,

A handwritten signature in blue ink, reading "David A. Klug", is written over a horizontal line.

DAVID A. KLUG
Economic Development Director

Prepared by:

A handwritten signature in blue ink, reading "David A. Klug For", is written over a horizontal line.

Jeffrey Hernandez
Real Property Manager

Approved by:

A handwritten signature in blue ink, reading "Matt Hawkesworth", is written over a horizontal line.

MATTHEW E. HAWKESWORTH
Interim City Manager