

Agenda Report

August 24, 1998

TO: City Council

FROM: Rose Bowl Operating Company (RBOC)

SUBJECT: Amend Operating Agreement No. 15,703 between the City and the RBOC to provide the RBOC with the Authority to Establish and Govern the Rose Bowl Foundation.

RECOMMENDATION:

It is recommended that the City Council amend the Operating Agreement between the City and the RBOC to enable the RBOC to have the authority to establish and govern the Rose Bowl Foundation. In addition it is recommended to approve the designation of \$97,000, being generated from the sale of the former seating which is being removed in conjunction with the installation of the new thin profile seats, for the Rose Bowl Foundation.

BACKGROUND:

As a leader in Pasadena, the RBOC has an opportunity to provide resources to the local community. The formation of a foundation would be a vehicle to accomplish this goal and would supplement the capital needs of the RBOC. It would be utilized to accept donations from philanthropic organizations and individuals, as well as distribute proceeds to worthy groups and/or scholarships to local youth.

During the past several months, the RBOC, Rose Bowl staff, and its counsel have researched the feasibility of the establishment of a foundation for the Rose Bowl. We have received the commitment of valuable pro bono legal services from the firm of Monteleone & McCrory, LLP to assist in the time consuming process of incorporation and securing tax exempt status for the foundation.

Staff has also researched other foundations within the City of Pasadena. A foundation, which has been very successful is the Library Foundation. The Library Foundation was formed in 1983 and has raised a total of approximately \$3.5 million.

The Rose Bowl Foundation Board would be appointed by, and would serve at the pleasure of the RBOC. The foundation's budget, as well as its distribution of funds would be reviewed annually by the RBOC. All gifts from the foundation would be from revenue generated by the interest of funds accumulated by the foundation, not by its principal.

It is recommended that controls be instituted by the RBOC over the foundation, including the appointment of directors for a two year period. In addition fiscal guidelines should be instituted, whereby the foundation may not expend any funds without RBOC approval. Also, the budget on an annual basis will need to be approved by the RBOC.


The \$97,000 which is being generated from the sale of the former seating, which were taken out due to the Rose Bowl Improvements Project would be to initiate the funding of the foundation.

It is RBOC's opinion that the development of the Rose Bowl Foundation would generate significant positive publicity for the Rose Bowl and the City of Pasadena. Many of the RBOC's current contacts would be excellent candidates to contribute to the Rose Bowl Foundation. By developing a foundation, it would provide the local community with the feeling that they could provide a positive impact into the future of the Rose Bowl. Currently there is not a mechanism, whereby corporations and/or individuals can contribute to the Rose Bowl. The formation of the foundation would provide the opportunity for contributions, which will lead to the betterment of the Rose Bowl and its surrounding community.

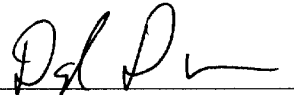
Fiscal Impact:

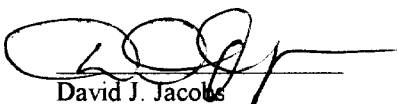
There will be no impact to the Rose Bowl Fund, with pro bono and current staff handling the formation and implementation of the Rose Bowl Foundation.

Respectfully submitted,


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