

Agenda Report

January 27, 2014

TO: City Council

FROM: Rose Bowl Operating Company (RBOC)

SUBJECT: APPROVAL OF FINDINGS RELATED TO THE STAGING OF
ADDITIONAL DISPLACEMENT EVENTS AT THE ROSE BOWL
STADIUM ON AUGUST 7th and 8th, 2014

RECOMMENDATION:

It is recommended that the City Council:

1. Find that the actions herein are categorically exempt under California Environmental Quality Act (CEQA) Guidelines Section 15323 (Normal Operations of Facilities for Public Gatherings);
2. Make the required findings, pursuant to Pasadena Municipal Code Section 3.32.270, to authorize two additional Displacement Events at the Rose Bowl Stadium on August 7th and 8th, 2014; and
3. Direct staff to file a Notice of Exemption by January 31, 2014.

Executive Summary:

The Rose Bowl Operating Company has an opportunity to host up to two major concerts on August 7th and 8th, 2014 by partnering with the world's largest concert promoter, Live Nation.

Pursuant to the Arroyo Seco Public Lands Ordinance, Section 3.32.270(A) of the Pasadena Municipal Code, the Rose Bowl stadium may host up to 12 events per year which displace recreation programs and accessibility to the Arroyo Seco facilities ("Displacement Events"). Additional Displacement Events may be approved by the City Council upon making certain findings. As the proposed concert(s) would represent Displacement Events 13 and 14, the Rose Bowl Operating Company is requesting that the City Council make the requisite findings to allow the additional Displacement Events and approve the related environmental finding. The RBOC Board has approved the

events and permits, but final approval is contingent upon the City Council action proposed herein.

BACKGROUND:

The RBOC has been in discussions with Live Nation, the world's largest concert promoter, regarding the potential of hosting up to two major concerts on August 7th and 8th, 2014. While negotiations with the promoter are still underway, in all likelihood the framework for an agreement would resemble those of recent concert events Live Nation has staged at the Stadium; U2, Justin Timberlake/Jay-Z, and One Direction which will occur in September, 2014. Consequently, the terms are expected to include:

- Flat License Fee
 - o Attendance under 50,000 - \$286,000
 - o Attendance over 50,000 - \$302,500
- Admission tax
 - o \$1.59 per ticket

Both the license fee and admission tax are RBOC revenues. Ticket revenue belongs to the promoter.

- Revenue sharing of ancillary income:
 - o Net concession income
 - o Net parking income (and traffic)
 - o Novelty income
 - o Ticketmaster rebate
 - o Picnic in the Park (a pre-event in area H that is designed to get fans to the stadium sooner in the day in order to help mitigate traffic closer to show time). Revenue streams for Picnic in the Park include concessions and sponsorships.

The promoter would assume responsibility for the following expenses:

- o Facility damages, including Field Damage
- o VIP special requests related expenses
- o Stagehands expenses
- o Permit expenses
- o Pre-coverage, move-in, move out & production expenses

The event(s) would have a stage that is expected to be located in the south end of the stadium, similar to Justin Timberlake/Jay-Z. This configuration would provide capacity of up to approximately 60,000 spectators. The event(s) is anticipated to begin at approximately 7:00 p.m. and end no later than 11:00 p.m. As traditionally occurs for a major concert at the Rose Bowl, amplified noise will exceed non-event day sound levels

originating from the stadium. A sound permit exempting this event(s) from the general standards of the noise ordinance and allowing noise levels up to the limits specified in the noise element of the City's General Plan will be issued pursuant to Section 9.36.170 of the Pasadena Municipal Code. This will permit amplified noise to occur to the following levels: not exceeding a constant of 85 decibels (dba) at the outer limits of the property line and not exceeding a constant of 75 dba at the nearest residential property line. It is not a violation of this permit, however, for noise to intermittently spike above those levels, as the Noise Element of the City's General plan indicates is the historical norm for this permitted activity. The Rose Bowl shall place noise monitors at various locations throughout the area during the sound amplification.

At this time, Live Nation has requested the artists not be named, which is customary, as the tour has a nationwide marketing strategy and the timing of the announcement of the show is very important to the promoter and artists.

It is recognized that this event(s) will occur on a weekday and the promoter and stadium staff have been in discussions on how best to manage traffic for this event. A pre-event will be planned in order to attract fans to come to the stadium early, and other traffic management measures will be put into place. Communication between stadium staff, Pasadena police and neighborhood associations will occur regularly leading up to the event(s). In addition, the promoter has agreed to expend up to \$100,000 to manage traffic and develop an extensive communications plan for these event(s).

The Arroyo Public Lands Ordinance (Pasadena Municipal Code Section 3.32.270) establishes guidelines and policies related to the administration of the Arroyo Seco, including the Rose Bowl. The ordinance states that the City seeks to achieve a balance between the use of the Rose Bowl and impact of such use on surrounding residential areas. To achieve that balance, Section 3.32.370 of the ordinance limits the number of displacement events to no more than 12 in any calendar year except with the approval of the City Council and upon making certain findings.

These concert(s) would be the 13th and potentially 14th displacement events in 2014. The first 11 displacement events are: Rose Bowl Game, BCS Game, six UCLA Football Games, and three One Direction concerts. Additionally, in the event UCLA has the best record in the Pac 12 Conference, the Rose Bowl is contractually obligated to host the Pac 12 Championship Game. Consequently, while it may not occur, for planning purposes that potential is considered the 12th Displacement Event.

Below are the findings and the rationale for making the determination to allow a 13th and 14th Displacement Events.

1. *The additional event represents a unique opportunity that will enhance the stature of the Rose Bowl.* The concert(s) would be similar in terms of artists

and appeal as the Justin Timberlake/Jay-Z concerts held in July, 2013. The event would attract to the Rose Bowl primarily people in their 20's and 30's and would garnish significant publicity for the Rose Bowl and Pasadena leading up to the event(s).

2. *The revenue generating potential from the additional event justifies its consideration.* It is estimated that this event will directly generate approximately \$400,000 for the RBOC per date, indirect revenues for the City in the form of sales tax and transient occupancy tax as well as support local business activity.
3. *It is anticipated that this event will not create undue conflicts with Arroyo Seco activities taking place at the same time.* The event(s) would be planned for during the work-week and would result in minimal conflict with current activities scheduled. Staff will work closely with the Parks and Natural Resources Division of the City of Pasadena, as well as the Pasadena Police Department to best control the displacement of other activities in the Arroyo Seco.
4. *The event does not impose undue adverse impacts on the surrounding residential area.* Planning and preparation will help minimize impact of this event to the surrounding neighborhoods. Although this is a weekday event, and traffic issues will be a major concern, the Police Department and stadium staff have been successful recently hosting mid-week events with minimal disruption, notably the 2014 BCS National Championship Game and the UCLA-Washington game, which was played on Friday, November 15, 2013. As aforementioned, having the \$100,000 traffic management fund will provide additional resources to minimize impacts in the neighborhoods adjacent to the Rose Bowl.

It is very important to recognize that in order to be successful in the long term, the Rose Bowl needs to attract high revenue generating events. The Rose Bowl has hosted more than 12 displacement events in the past, the last time being when the LA Galaxy played at the Rose Bowl (2002). Interest in the stadium is currently high primarily due to the success of the recent BCS Game, and the much anticipated One Direction concerts. The RBOC is hopeful that interest in the stadium will remain high as the renovation finishes and as the economy continues to improve, as that interest is key to the revenue generation that will allow the stadium to continue to live an historic icon of the uniqueness of Pasadena.

In addition, staff has been in discussions concerning other potential high revenue generating displacement events, including an international soccer match, as well as lower revenue generating displacement events including a major walk (Autism Speaks) that would likely have more than 20,000 attendees and the annual July 4th event. These events will need to come before the RBOC Board and City Council for approval in the coming weeks if they are going to occur in 2014.

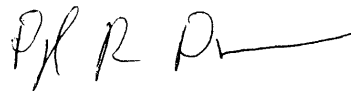
ENVIRONMENTAL

State CEQA Guidelines Section 15323 exempts from CEQA review the "normal operations of facilities for public gatherings for which the facilities were designed, where there is a past history of the facility being used for the same or similar kind of purpose." Stadiums are specifically enumerated as one of the types of activities covered by this exemption. The Rose Bowl Stadium has hosted numerous concerts over its history, and particularly within the past year. There is no indication that this concert will be any different in terms of noise than any other concert hosted in the Bowl in the past, and any noise generated from this concert is expected to be within the parameters allowed by the Noise Element of the General Plan.

FISCAL IMPACT

It is anticipated that the RBOC will generate in excess of \$400,000 from each event. This will enable the RBOC to help meet its operating budget revenue projections and generate additional revenue to help fund remaining elements of the renovation project.

Respectfully submitted,

A handwritten signature in black ink, appearing to read 'Darryl Dunn', with a long horizontal stroke extending to the right.

Darryl Dunn
General Manager