

The festival site would open at 10:00 a.m. on Friday and at 9:00 a.m. on Saturday and Sunday, with performances not anticipated to start before noon on any day of the festival. All-amplified musical performances end by 11:00 p.m. on each event day and patrons of the festival would be required to vacate the festival site by midnight.

Food and beverage concession stands, including multiple food courts and a beverage garden that would highlight local restaurants, chefs, breweries, wineries, and farmers' markets, would be placed throughout the festival site. Eleven existing Rose Bowl Stadium concessions stands would also be in use. Art exhibits highlighting local and international art would be placed throughout the festival grounds. In addition, merchandise sales areas, one main boutique and several satellite boutique locations, as well as lounge/VIP areas would be situated throughout the festival area.

The project does not include any physical changes to the Rose Bowl Stadium or to any of the surrounding features. The seating available at the stadium would not increase or decrease. The project does not include any ground disturbing or excavation activities, any interior or exterior renovation to the Rose Bowl, or any new permanent structures on the project site.

#### **MUNICIPAL CODE AMENDMENT:**

Sections 3.32.250 through 3.32.380 of the PMC address the use and operation of the Rose Bowl. The proposed project includes amending the PMC, Chapter 3.32, Arroyo Seco Public Lands Ordinance, to increase the number of displacement events from 12 to 15 per year without requiring further approval of the City Council (currently defined in Chapter 3.32.270 of the PMC). The amendment would specify that the proposed festival could not occur in the same calendar year as any National Football League (NFL) regular season game.

In addition, the proposed project would include amending the allowable uses on the Brookside Golf Course to conform to long-standing and current practices. Chapter 3.32.460 defines the allowable uses on the Brookside Golf Course to include golf and clubhouse uses and parking. The amendment would acknowledge ongoing uses of the Brookside Golf Course for displacement events and associated activities, including the use of amplified sound. Currently, amplified sound, including live bands, are used during wedding ceremonies and receptions, corporate events, car shows, part of Rose Bowl Stadium events (e.g. alumni events), parties and celebrations, and golf tournaments, on the Brookside Golf Course.

#### **LICENSE AGREEMENT:**

Below are key proposed elements of the license agreement with AEG. Additional key provisions are summarized in Attachment A.

**TERM:** 10 years, beginning in 2017. AEG shall have two consecutive 5-year options to renew the Facility License Agreement. The parties each have the right to terminate the agreement after three years. In addition, the RBOC has the ability to terminate at each of the renewal opportunities (years 10 and 15).

**LICENSE PERIOD:** The License Period for each Event shall include approximately two weeks of set-up, two consecutive performance days in the first year and up to three consecutive performance days in subsequent years, and approximately a week of tear-down. The dates for the Event are intended to be during the same weekend each June.

**LICENSE FEE:** RBOC to receive a minimum license fee in the amount of \$2 million in year one, \$2.5 million in year two, \$3 million in year three and going up per CPI in each successive year.

The Minimum License Fee payment for the first year of each Renewal Term shall increase by 25% over the previous year and each subsequent year during that Renewal Term it shall increase at the greater of 3% or CPI (not to exceed 5% in any single year). There will be a revenue incentive opportunity for the RBOC vs. minimum license fee, which will include all revenue streams (e.g. ticket, parking, food & beverage, sponsorships)

**ADMISSION TAX** There shall be admission tax (currently \$1.61 per paid ticket) applied to each ticket sold.

**CAPITAL IMPROVEMENT PROVISION** Upon AEG's receipt of a fully executed Facility License Agreement, AEG shall pay RBOC a one-time payment of Three Million Three Hundred Thousand Dollars (\$3,300,000). The contribution for the first Renewal Period will be Two Million Two Hundred and Fifty Thousand Dollars (\$2,250,000), and for the second Renewal Period shall be Two and One Half Million Dollars (\$2,500,000). This contribution is in addition the license fee.

**ARROYO/COMMUNITY CONTRIBUTION:** AEG shall include a One Dollar (\$1.00) per ticket per day fee for each ticket sold to an Event, which shall be payable to RBOC and may be used in part for Arroyo upgrades and restoration.

**AEG**

**DELIVERABLES:**

AEG will be responsible for delivering the following under the terms of the Facility License Agreement for the Event:

- Presentation of the Event.
- Procurement of all performers, inclusive of any financial guarantees to artists and all travel and lodging expenses.
- All production expenses including, staging, production equipment including temporary construction, lighting, sound, temporary structures, kiosks, digital display monitors, production fees, stagehands, production technicians, and other such items required to produce the Event.
- Local, regional and national marketing, advertising and promotion of the Event.
- Commercially reasonable efforts to promote Pasadena local businesses in its Event marketing efforts (i.e., Pasadena hotels listed on official Event website).

**FACILITY EXPENSES:**

AEG shall reimburse RBOC and/or City for all actual documented Event related expenses provided by RBOC and/or City that are commercially reasonable, including, but not limited to, the following:

- Ushers, security, door guards, ticket takers, cleaning, EMS, traffic, grounds crew, stage hand labor and other personnel needed to produce the Event.
- Any and all municipal services and expenses, including but not limited to police, traffic control, fire, EMS, public works, etc.
- Replacement of damaged Stadium and/or Golf Course turf, and any damage to the Facility, as necessary.

**SPONSORSHIP:**

AEG shall have the sole right to sell sponsorships to the Event. AEG acknowledges that the Stadium has existing sponsors (and a relationship with IMG) and agrees RBOC will not be required to remove or cover sponsorship signs, advertisements, show-bills, etc. inside or in front or on any part of the Stadium, including the Stadium entry gates.

**LICENSES AND PERMITS:**RBOC shall obtain all legal rights to host the Event (e.g. environmental clearance and municipal code amendments) at its sole cost and expense. However, AEG shall pay RBOC up to Four Hundred Thousand Dollars (\$400,000) to cover its actual, out of pockets expenses related to an Environmental Impact Report payable as follows: \$200,000 upon execution of this Letter/Term Sheet and the remainder based on actual costs up to the maximum amount of \$400,000 upon presentation of the Final EIR to the City Council.

**AEG PREFERRED VENUE:** During the Term, the RBOC shall have a Right of First Negotiation for the Rose Bowl Stadium with respect to any music concert or sporting event to be produced or promoted by AEG or any of its wholly owned or controlled affiliates in the Los Angeles area with an expected attendance of 30,000 or more.

**LOAD IN/LOAD OUT:** It is anticipated that the only time that recreation will be closed in the Arroyo will be on event dates. Load in and out on the golf course portion of the venue will be limited to no more than 9 holes, therefore it is expected that a minimum of 27 holes will be available for play at all times, other than on event dates.

### **NEIGHBORHOOD MANAGEMENT PLAN**

One of the most important aspects of the event will be a neighborhood management plan that will be co-developed by AEG, the RBOC and the City of Pasadena (particularly the Pasadena Police Department (PPD)). Specific elements of the plan may include:

- Monthly, and weekly as the event dates approach, communication and/or meetings with neighbors leading up to and on event day(s)
- Two-tier security checkpoint process
- Designated private and public security to rove in and monitor neighborhoods
- Identifying wristbands and/or parking placards for protected areas
- Sound control and design handled by promoter, not artist
- Sound utilizes state of the art technology to focus music on audience, not neighborhoods

### **ENVIRONMENTAL ANALYSIS:**

The impacts of the proposed project have been the analyzed in the Arroyo Seco Music and Arts Festival FEIR (SCH #2015051025). The FEIR was prepared to analyze the potential environmental impacts of a three-day annual music and arts festival. The FEIR analyzed the potential impacts to Aesthetics, Air Quality, Biological Resources,