



# Agenda Report

September 6, 2018

TO: Rose Bowl Operating Company (RBOC)

FROM: Darryl Dunn, General Manager

SUBJECT: Agreement with IMG for Sponsorship rights with Wescom

## **RECOMMENDATION:**

It is recommended that the RBOC Board:

1. Find that the action proposed herein is exempt from the California Environmental Quality Act (CEQA) pursuant to State CEQA Guidelines Section 15061(b)(3) (General Rule); and
2. Authorize the General Manager to negotiate and enter into a Sponsor Agreement with IMG related to sponsorship rights of Wescom Central Credit Union.

## **BACKGROUND:**

IMG is the sponsorship rights holder of the RBOC through June 30, 2026. Under the agreement, the RBOC receives a minimum annual guarantee of sponsorship revenue (\$3,055,000 in FY2019). The agreement stipulates opportunities to receive additional revenue, based on IMG's annual success as the RBOC receives 53% of gross revenue once total sponsorship revenue reaches \$6,000,000.

Wescom, a Pasadena-based company, is a current sponsor of the Rose Bowl through, at minimum, 2020, and is also a sponsor of one of the Rose Bowl's tenants, UCLA. Since 2015, Wescom has been one of the most significant sponsors at the Rose Bowl Stadium, with signage on top of the east scoreboard. As part of the sponsorship package Wescom entered into with IMG, Wescom is also a Premium Seating client and makes an annual contribution to the Rose Bowl Legacy Foundation regarding the Wescom Way entry to the Rose Bowl Stadium.

Over the past few years, IMG has engaged Wescom in discussions regarding additional UCLA assets. Wescom's pending expanded agreement with UCLA will include multiple entities at UCLA, including athletics, the alumni association and campus life. The term of the agreements with the alumni association and campus life are ten (10) years with a Wescom option of an additional ten (10) years. The intent of the proposed expanded agreement between the RBOC and IMG/Wescom is to be in line with the contractual years with those new UCLA agreements.

There are three primary assets of the agreement that impact the RBOC of which only sponsorships are subject to the current RBOC/IMG agreement. The revenue earned via sponsorships is subject to the minimum guarantee and revenue share between IMG and the RBOC, while revenue allocated towards Premium Seating and Legacy are not subject to a split with IMG.

In exchange for its sponsorship, Wescom will continue to receive:

- Official Banking Partner of the Rose Bowl Stadium
- Use of Rose Bowl marks and logos
- Permanent channel cut signage on east scoreboard (if this board expands, Wescom signage would be proportionately larger based on the size of the board)
- One branded gate signage (currently Gate F)
- Two corner field signs for non-UCLA and Rose Bowl Game events (subject to rights of a third-party promoter)
- Legacy support by way of honorary naming of "Wescom Way", a road leading into stadium
- Tickets to all Rose Bowl events
- ATM branding at stadium
- One suite for all major events
- Sixteen (16) Club Seats for Rose Bowl Game
- Opportunity to use Rose Bowl/Brookside for meetings, etc., based on mutual agreement
- Activation at RBOC-controlled fan festivals (pre-event)

### **RBOC/IMG AGREEMENT:**

As referenced above, the agreement between the RBOC and IMG is set to expire on June 30, 2026. Given that Wescom has expressed an interest in a term longer than the RBOC/IMG agreement contemplates, this agreement will be between IMG and the RBOC, with assignment automatically going to the RBOC in the event that IMG and the RBOC are no longer in a similar agreement beyond June 30, 2026.

It should also be recognized that IMG has an agreement currently with Wescom through 2020. This agreement, if approved will nullify the existing agreement and replace it with the 10 years plus 10 year extension (at Wescom's discretion).

**ENVIRONMENTAL:**

The action proposed herein is entering into a contract regarding sponsorship rights and revenues and does not contemplate any potential changes to the environment. Accordingly, the action is exempt from the California Environmental Quality Act (CEQA) pursuant to State CEQA Guidelines Section 15061(b)(3), the General Rule that CEQA does not apply where an action does not have a potentially significant environmental effect.

**FISCAL IMPACT:**

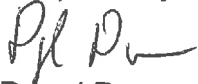
The total revenue that will be guaranteed to the RBOC, including a contribution to Legacy is the following amounts per year:

Contract Year 1:	\$728,290.00
Contract Year 2:	\$735,572.90
Contract Year 3:	\$742,928.63
Contract Year 4:	\$750,357.92
Contract Year 5:	\$757,861.49
Contract Year 6:	\$765,440.11
Contract Year 7:	\$773,094.51
Contract Year 8:	\$780,825.46
Contract Year 9:	\$788,633.71
Contract Year 10:	\$796,520.05
Contract Year 11 (if extended):	\$804,485.25
Contract Year 12 (if extended):	\$812,530.10
Contract Year 13 (if extended):	\$820,655.40
Contract Year 14 (if extended):	\$828,861.96
Contract Year 15 (if extended):	\$837,150.57
Contract Year 16 (if extended):	\$845,522.08
Contract Year 17 (if extended):	\$853,977.30
Contract Year 18 (if extended):	\$862,517.07

Contract Year 19 (if extended): \$871,142.25

Contract Year 20 (if extended): \$879,853.67

Respectfully Submitted,

A handwritten signature in black ink, appearing to read 'Darryl Dunn', written over a horizontal line.

Darryl Dunn  
General Manager