



Agenda Report

September 6, 2018

TO: Rose Bowl Operating Company
FROM: Darryl Dunn, General Manager
SUBJECT: Legacy Connections (Legacy) Memorandum Of Understanding (MOU) Amendment No. 2

RECOMMENDATION

It is recommended that the RBOC approve the following:

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 enter into Amendment No. 2 to Memorandum of Understanding No. 21,503 (Legacy Connections) on terms set forth in the staff report.

BACKGROUND

As part of the relationship between the RBOC and Legacy a Memorandum of Understanding was agreed upon to outline the business relationship between the two entities in 2013. The second amendment to that MOU was approved on August 23, 2018, by the Legacy's Board of Directors..

For your reference, Amendment No. 1 to the MOU was formally adopted in 2015.

Amendment No. 2 addresses some key changes to the original MOU document and Amendment No. 1. Over the years, and since the completion of the Renovation project, Legacy has grown in many ways and has launched a \$40M centennial capital campaign

effort which will lead key fundraising initiatives up to and through the venue's 100th birthday in 2022. Thus, Amendment No. 2 must address some of the details with this new effort.

Furthermore, Amendment No. 2 to the MOU addresses:

- Bank account partners for Legacy, as Legacy recently changed its banking to Citizens Business Bank from One West Bank and East West Bank,
- The raised funds and expected fund transfers from Legacy to the RBOC during the centennial fundraising effort, which differ from that of the completed Renovation project referenced in the original MOU (2013) and,
- Support from Legacy to the RBOC to assist in supplementing staffing costs related to Legacy fundraising efforts. The RBOC shall continue to provide staffing to Legacy as required by Section 2.4. of MOU No. 21,503 at its sole cost. However, Legacy shall use best efforts to provide a maximum of \$200,000 to the RBOC each year as a supplemental contribution for RBOC personnel commitments to Legacy fundraising efforts as stated in new Section 4.3 of the MOU. The General Manager and the Executive Officers of the RBOC shall confer with the Legacy Executive Committee by April 1 of each year to determine the supplemental amount which will be drawn from the Operating account.

2013 - The 'Original' MOU

On March 7, 2013, the Rose Bowl Operating Company (RBOC) and Legacy entered into Memorandum of Understanding No. 21,503 ("the MOU"), which was subsequently approved by the appropriate parties.

The original MOU in 2013 established rules and procedures governing the relationship between the RBOC and Legacy in pursuit of their common objective, as well as the need to seek additional funds from private sources to improve and maintain the Stadium.

Furthermore, the original MOU addressed the Rose Bowl Renovation Project (completed in 2015), which intended to stabilize the Stadium's future and achieve the primary objectives of improving public safety, maintaining National Historic Landmark designation, enhancing fan experiences, developing revenue streams to pay for long term improvements, and improving facility operations.

In addition to the aforementioned, the RBOC and Legacy implemented the MOU to work collaboratively to maximize opportunities for private donations to the Rose Bowl Legacy effort while maintaining transparency and avoiding conflicts of interest.

The key areas of the original MOU signed in 2013 addressed several key topics, including the independence of Legacy, the role of the RBOC and the City, the duties of Legacy, and more which helped to establish guidelines and expectations amongst Legacy's day-to-day efforts and its relationship with the RBOC to benefit the Stadium.

2015 – Amendment No. 1 to MOU No. 21,503

In July of 2015, Amendment No. 1 to the MOU detailed a transition of Legacy's day-to-day management to the staff of the RBOC, and the RBOC accepted such duties. Amendment No. 1 also identified that Legacy and the RBOC do not intend to form a partnership or joint venture between them.

The key areas of Amendment No. 1 to the MOU, which was signed in 2015 addressed several key topics, including but not limited to:

- The management services provided by the RBOC to Legacy in which the RBOC shall provide staffing to Legacy as is necessary to run Legacy's day-to-day operations,
- That Legacy, at all times, shall maintain separate and independent legal counsel

ENVIRONMENTAL

The action proposed herein is the amendment of an existing contract governing the working and financial relationships between the parties, 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

This report details changes and additions to Memorandum of Understanding No. 21,503 through Amendment No. 2 to the document. Certain contents of Amendment No. 2 have financial impact by the very nature of their meaning, such as Legacy's plan to assist in supplementing staffing costs with the RBOC (Section 4.3), as it pertains to Legacy's private fundraising efforts.

Respectfully Submitted,



Darryl Dunn
General Manager