



Agenda Report

May 2, 2019

To: Rose Bowl Operating Company (RBOC)
From: Darryl Dunn, General Manager
Subject: Agreement with Levy Restaurants for Food Service in Terry Donahue Pavilion

RECOMMENDATION:

It is recommended that the RBOC authorize the General Manager to finalize negotiations and enter into a nine-year agreement effective July 1, 2019, with Levy Restaurants to exclusively provide food service within the Terry Donahue Pavilion.

BACKGROUND:

In June 2018, Levy Restaurants (Levy) in conjunction with Best Beverage Catering (BBC) were awarded a 10 year agreement to provide food service throughout the Rose Bowl campus, including the concourse, seating bowl and Brookside Golf Course. The only exception to the area that was provided to Levy was within the Terry Donahue Pavilion, which provides food service to the RBOC's premium seat holders as well as private events.

An agreement with Legends Hospitality, who in conjunction with Wolfgang Puck has provided the food service in the Pavilion will be expiring on June 30, 2019. In order to maximize efficiency in having one operator having management of all the food & beverage on the Rose Bowl campus, staff believes that is in the RBOC's best interests to enter into an agreement with Levy for the Pavilion agreement to be co-terminus with the balance of the food & beverage agreement on the campus and expire on June 30, 2027.

It is important to recognize that staff is making this recommendation with confidence that the quality of food & beverage by Levy within the Pavilion will be at an excellent standard. Levy began in the sports & entertainment business by

focusing on food service exclusively in premium spaces at venues throughout the country. In California, the venues they represent include, but are not limited to: STAPLES Center, Dodger Stadium, Levi's Stadium and WTA Indian Wells Open, as well as prominent venues throughout the country.

The key deal points are as follows:

Nine (9) years. Premium term will be co-terminus with the concessions business and expire on June 30, 2028

Levy shall \$1,000,000 for transition and for improvements to the foodservice facilities. This investment shall amortize on a straight line basis from the time of investment over the Term.

Levy shall pay RBOC the following commissions on areas deemed commissionable, which currently include Suites, Catering, concessions at the Blue Moon Club, and cash bar sales in other Clubs.

	Gross Receipts Range	Commission %
-	\$ 1,750,000	20.0%
\$1,750,000	\$3,000,000	23.0%
Greater than \$3,000,001		25.0%

There will be additional details that will be referenced within the agreement including, but not limited to key performance indicators, as well as termination rights for the RBOC with or without cause.

FISCAL IMPACT

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The fiscal impact associated with the food service within the Terry Donahue Pavilion will be significant due primarily to the \$1M contribution for capital.

Respectfully submitted,

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

Darryl Dunn
General Manager