



Agenda Report

July 14, 2016

To: Rose Bowl Operating Company (RBOC)
From: Darryl Dunn, General Manager
Subject: Bike MS: Rose Bowl Challenge

RECOMMENDATION:

This is an informational item only.

BACKGROUND:

RBOC and the Legacy Foundation intend to sign a term sheet with National MS Society (Bike MS) to partner in hosting a rules of the road cycling event leaving and finishing at the Rose Bowl in 2017. This would be a cycling event, including a 100 mile ride and shorter distances (i.e. 60 and 30 miles), to be conducted annually beginning in the March of 2017. The Event's current working name is *The Bike MS: Rose Bowl Challenge*. The name of the Event may change, and may also include Title and Presenting sponsors.

Staff has worked with the team from National MS for ten years on an annual run/walk at the stadium. They are one of the most professional and organized groups that we do business with in this area. In addition, they are a national leader when it comes to rules of the road fundraising rides.

In year one it is anticipated that there will be under 1000 riders total (in all distances), but the goal of the event is to grow it to a few thousand riders. Rules of the road events allow minimal impacts to the surrounding community as riders must obey the rules of the road requiring limited to no road closures, etc. The proposed 100-mile course would extend down the San Gabriel Valley as far as Glendora. Bike MS will be responsible for outreach and communication to stakeholders regarding the route.

Under the proposed agreement with the Bike MS, the Legacy would receive a percentage of gross revenues for the event with an annual guarantee. Under no circumstances will RBOC be responsible for any losses.

The initial term of the agreement will be 5 years beginning in 2017. Both Parties will have an option to early-terminate the agreement after the 2017 and 2019 Events.

It should be noted that in FY14 Legacy and the RBOC did an informational only presentation to the RBOC regarding a potential Legacy Cycling Challenge that was very similar to this concept. After further planning and research, it was decided that staff didn't have the expertise or bandwidth to produce our own event. In staff's opinion this partnership with Bike MS is a better arrangement because it enables staff to focus on what we do best, running a stadium, and lean on a partner like Bike MS to produce and organize the cycling event.

REVENUE SHARE

Legacy will receive a share of Gross Event Income. "Gross Event Income" includes, but is not limited to, Registration Revenue, Expo Revenue, Parking Revenue, Sponsorship and Merchandising. The Revenue Share will be calculated on a sliding scale increasing with the growth of revenues. RBOC and Legacy will have a minimum revenue guarantee each year. Venue and City costs are paid directly by the Bike MS.

Exclusivity for rules of the cycling events at the Rose Bowl will help registration for the event, so there will be financial incentives for the RBOC and Legacy to not book other like events.

ENVIRONMENTAL:

At the time that the deal is ready for approval by the General Manager, staff and the General Manager will make the appropriate environmental findings.

FISCAL IMPACT:

It is anticipated that the Legacy will net at least \$250,000 over the course of this agreement based on our guarantees from hosting this Event. If the Event performs as forecasted by the Bike MS, Legacy's net over the course of the 5-year term would be in excess of \$500,000.

Respectfully submitted,



For Darryl Dunn
General Manager