DEPARTMENT OF FINANCE

Notice of a Special Meeting of the
FINANCE COMMITTEE
4:30 p.m. - Monday, January 23, 2012
Council Chambers, Room S249

NOTICE IS HEREBY GIVEN that a special meeting of the Finance Committee will be held **Monday, December 12, 2011** at **4:30 p.m.** in the Council Chambers, Room S249, at the City of Pasadena City Hall, 100 N. Garfield Ave., Pasadena, California.

A. CALL TO ORDER

B. PUBLIC COMMENT

C. NEW BUSINESS – No new business.

D. INFORMATION ONLY
   1. Rose Bowl Renovation Update

CHRIS HOLDEN
Chair, Finance Committee

I HEREBY CERTIFY that this notice, in its entirety, was posted on the City of Pasadena City Hall bulletin boards in Council Chambers area and north entrance at 100 N. Garfield Ave., Pasadena and a copy was distributed to the Central Library for posting this 19th day of January 2012 by 5:30 p.m., and that copies were faxed or delivered to each local newspaper of general circulation requesting notice in writing all of which media recipients are identified on the distribution list below.

Lori Eubanks, Recording Secretary

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Rose Bowl Operating Company
1001 Rose Bowl Drive, Pasadena, CA 91103

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Office: (626) 577-3101 • Fax: (626) 405-0992

January 23, 2012

TO: FINANCE COMMITTEE

FROM: ROSE BOWL OPERATING COMPANY (RBOC)

SUBJECT: ROSE BOWL RENOVATION UPDATE

RECOMMENDATION:

This is an information item only.

BACKGROUND:

October 23, 2010, the City Council approved a $151.8 financing package for the renovation of the Rose Bowl. Based upon the sales of the bonds at that time, a $12 million gap existed. The goal of the project has been to get the project complete on schedule and close the gap, while not compromising any of the five objectives of the project: 1) Improvements to public safety; 2) Enhance fan's experience; 3) Improve facility operations; 4) Create revenue stream to fund long term improvements; 5) Maintain National Historic Landmark designation.

The project has completed the following improvements to date, as part of phase one:

- Videoboard on north side of stadium (30' x 78')
- 10 New LED advertising panels at the stadium rim
- 1 New LED scoreboard on the east side of the stadium
- Four tunnels on south side widened, as well as new intermediate aisles installed
- Reconstructed the Historic south scoreboard
- Utility loop infrastructure, which allows for the capability to increases power capacity to 17kv from current 4kv
- Press Box temporary shoring and mass excavation
- Press Box foundations put in place

It should be noted that one of the challenges that the project team encountered was working around the events at the stadium, particularly the Gold Cup Final in June and the Rose Bowl Game on January 2nd, both of which were sell outs. This aspect of the

project was very successful, as the tenants and promoters that held events at the Rose Bowl were extremely pleased with the minimal adverse impact to event patrons.

Beginning January 3rd, phase two was underway. The most significant change for phase two was a decision to demolish both the north and south wings of the Press Box and rebuild the entire building's exterior and have a minimum of 1,000 seats in place for the UCLA first game, which will be September 8, 2012. Although this is an aggressive schedule, the project team feels confident this schedule will be achieved, reduce the project's financial risk, as well as substantially complete the press box in April, 2013, rather than August 2013. As part of the Press Box change, a single General Contractor, Clark, will be undertaking the balance of work concerning the building of the structure. The Phase two elements are listed below:

Phase 2

- Demolish and rebuild Press Box
- Four tunnels on north side widened, as well as new intermediate aisles installed
- Reconstruct the north field wall and repair and resurface the concrete deck in these areas
- Install 6 of the 8 electrical substations and energize the new 17kv power service

The remaining program elements for completion are the following:

- Restroom Replacements
- Concession Buildings
- Concourse Improvements
- South Bowl Elements
- Removable Bleachers
- Storm Utility Work (SUSUMP)
- Concession Kitchen Equipment
- Field Walls & LED Panels
- Tunnel 7A & 15A Improvements
- Press Box Furnishings, Fixtures & Equipment
- Miscellaneous Items

Recognizing that a financial gap exists, developing a prioritization of the remaining elements, and understanding that some element deferral is a very likely possibility; Parsons, the Owners representative is leading the design team. The remaining project element plans and specifications are to be completed by the end of January. Following this both Parsons and Bernards will provide estimates for the work in February. A reconciliation of the two estimates is scheduled to occur in March. In April the RBOC intends to work with stakeholders to prioritize the remaining project elements.

The Project Budget is currently at $160.7 million. Below is a table that illustrates the current situation related to committed funding, anticipated revenue sources that are pledged for the project, committed costs to date, and the current estimate of remaining costs.

Projected Funding vs. Projected Costs

Description	Sources	Costs
Committed Funding	$140.1 M	
Anticipated Revenue Sources *(BCS, Legacy, Bond Interest)*	$7.4 M	
Current Committed Costs		$132.1 M
Estimated Remaing Costs		$28.6 M
Totals	**$147.5 M**	**$160.7 M**

Based on this table, the projected gap is $13.2 million. It is important to recognize that much of the anticipated revenue, as well as a portion of the equity, will not be in hand before the project is completed, hence the RBOC is working with the City's Finance Department to determine feasibility of a bridge loan or re-financing, including, but not limited to extending the golf course revenue dedicated to the bond, so it may become coterminous with the expiration of the bonds (2042). Also, the RBOC is exploring the potential of a NFL team playing at the Rose Bowl becoming a solution to the gap, should the opportunity become available. It is not determined at this time how much economic benefit an interim site NFL opportunity may bring to the RBOC and City.

It also is important to note that the remaining project elements are scheduled to be bid by August/September, 2012, hence the prioritization of elements, and bridge loan/re-financing will need to be resolved prior to the release of bid documents.

FISCAL IMPACT

The renovation project initial financing was based on a $151.8 million project. The current projected cost of the project is $160.7 million.

Respectfully submitted,

Darryl Dunn
General Manager

BERNARDS

Project Component Estimate Summary

The Rose Bowl

Pasadena, California

January 11, 2012

A	B	C	D	E	F	G	H	I	J
Description	Approved Budget	Bid or Awarded Amounts	Approved Changes	Total Awarded and Approved	Potential Changes	Estimate for Work Not Awarded	Projected Total Amount	Spent to Date	Variance Between Previous Estimate Update (10/27/11) and Current Estimate
			12/19/2011	(C + D)	12/19/2011	12/27/2011	(E + F + G)	12/13/2011	
Direct Construction Costs									
Concourse	$ 13,800,000	$ 5,093,684	292,506	$ 5,386,190	$ 8,527	7,621,504	$ 13,016,221	3,384,239	10,306
Entry Gates	1,200,000	-	-	-	-	1,826,092	1,826,092	-	-
Concession Buildings	5,700,000	-	-	-	-	5,797,460	5,797,460	-	-
Restroom Buildings	2,400,000	-	-	-	-	3,263,098	3,263,098	-	-
Scoreboards and Displays	11,900,000	7,572,859	739,945	8,312,804	88,205	-	8,401,009	4,614,534	353,656
Bowl Egress, Aisles and Field Walls	5,100,000	3,200,976	127,758	3,328,734	51,251	2,331,845	5,711,830	2,372,324	(39,060)
Stadium Tunnels	11,500,000	8,262,696	141,220	8,403,916	26,918	2,820,397	11,251,231	1,723,406	(53,783)
Press Box	53,100,000	67,042,279	375,607	67,417,886	804,599	-	68,222,485	17,401,324	4,480,533
Subtotal	104,700,000	91,172,494	1,677,036	92,849,530	979,501	23,660,395	117,489,426	29,495,827	4,751,652
Construction Contingency	10,500,000	9,117,249	(1,677,036)	7,440,213	(979,501)	2,366,040	8,592,067		12,638
Total Direct Cost	115,200,000	100,289,743	0	100,289,743	0	26,026,435	126,081,492	29,495,827	4,764,290
Indirect Construction Costs		10/6/2011						12/13/2011	
Project Management	6,800,000	6,910,682	-	6,910,682	-	79,318	6,990,000	2,296,627	230,000
Owner's Representative Fee	1,000,000	958,072	-	958,072	-	41,928	1,000,000	312,942	-
Project Management Facilities	400,000	209,508	-	209,508	-	140,492	350,000	112,242	-
Subtotal, Indirect Construction Costs	8,200,000	8,078,262	-	8,078,262	-	261,738	8,340,000	2,721,811	230,000
Total Construction Cost	123,400,000	108,368,006	-	108,368,006	-	26,288,172	134,421,492	32,217,638	4,994,290
Soft Costs		10/6/2011						12/13/2011	
Design Fees	$ 12,800,000	$ 12,155,675		12,155,675		729,325	12,885,000	9,005,911	-
Other Fees and Expenses	6,300,000	2,825,920		2,825,920		1,834,080	4,660,000	1,877,079	-
Specialty Expenses	2,800,000	1,981,516		1,981,516		449,484	2,431,000	1,158,353	-
Furniture, Fixtures and Equipment	3,500,000	-		-		3,500,000	3,500,000	-	-
Soft Costs Contingency	3,000,000			-		2,850,000	2,850,000	-	-
Total Soft Costs	28,400,000	16,963,111	-	16,963,111	-	9,362,889	26,326,000	12,041,343	-
TOTALS	151,800,000	125,331,117	-	125,331,117	-	35,651,061	160,747,492	44,258,981	4,994,290

BERNARDS

Construction Costs Summary

The Rose Bowl

Pasadena, California

D'Agostino Izzo Quirk Architects

January 11, 2012

A	B	C	D	E	F	G	H	I	J	K	L	M	N	O
	Bid Package	Concourse	Entry Gates	Concession Buildings	Restroom Buildings	Scoreboards and Displays	Bowl Egress, Aisles, Field Walls	Stadium Tunnels	Press Box	Total Base Contract Amount	Approved Changes 12/19/2011	Total Awarded & Approved (K + L)	Potential Changes 12/19/2011	Remaining Contingency
RB-01	General Construction	318,178	-	-	-	2,385,615	268,505	1,072,733	27,266	3,470,000	602,298	4,072,298	14,345	0
RB-02	Phase 1 Selective Demolition	8,516	-	-	-	-	-	8,740	304,000	319,000	2,256	321,256	7,736	0
RB-03	Site Utilities, A.C. Paving and Earthwork	1,680,817	-	-	-	65,514	16,091	-	288,651	1,865,000	186,072	2,051,072	-	0
RB-04	Concrete	246,118	-	-	-	135,584	1,248,466	551,036	(3,627)	1,993,000	184,577	2,177,577	-	0
RB-05	Electrical	1,408,723	-	-	-	437,847	29,075	33,514	101,570	1,830,000	180,729	2,010,729	-	0
RB-06	Scoring, Video and Matrix Display Systems	-	-	-	-	2,341,949	-	-	17,419	2,199,000	160,367	2,359,367	11,500	0
RB-08	Press Box Shoring & Earthwork	113,262	-	-	-	-	-	9,951	3,879,236	3,973,340	29,109	4,002,449	(40,462)	0
RB-09	Broadcast, Electric, Data, Security, Musco	-	-	-	-	-	-	-	467,000	467,000	-	467,000	38,422	0
RB-10	Press Box Foundations	8,254	-	-	-	17,137	65,321	9,036	7,753,621	7,688,000	165,369	7,853,369	355,957	247,474
RB-11A	Superstructure Concrete	-	-	-	-	-	-	-	3,791,000	3,791,000	-	3,791,000	23,427	355,673
RB-11B	Superstructure Steel	1,240	-	-	-	-	-	-	11,115,020	10,950,000	166,260	11,116,260	515,957	412,783
RB-11C	Conveying	-	-	-	-	-	-	-	2,084,461	2,084,461	-	2,084,461	-	208,446
RB-11D	PB Fixed Seating	-	-	-	-	-	-	-	345,512	345,512	-	345,512	-	34,551
RB-11E	Precast Risers	-	-	-	-	-	-	-	998,000	998,000	-	998,000	52,618	47,182
RB-12	Press Box Completeion	179,455	-	-	-	2,929,158	-	-	35,838,386	38,947,000	-	38,947,000	-	3,894,700
RB-16	Concourse Buildings and Site, Phase 2C										-	-	-	-
RB-17	North Tunnels 10 through 13	-	-	-	-	-	-	5,428,300	-	5,428,300	-	5,428,300	-	542,830
RB-18	North Bowl Work Sections 10 - 13 and Field Wall	-	-	-	-	-	1,701,275	1,235,725	-	2,937,000	-	2,937,000	-	293,700
RB-19	Electrical Service Cabling and Equipment	1,421,628	-	-	-	-	-	-	410,372	1,832,000	-	1,832,000	-	183,200
RB-20	Lead Abatement at Tunnels 10 through 13	-	-	-	-	-	-	54,880	-	54,880	-	54,880	-	5,488
	Total	5,386,191	0	0	0	8,312,804	3,328,733	8,403,916	67,417,886	91,172,493	1,677,036	92,849,529	979,501	6,226,027

Notes:

Amounts in Columns C through J include approved changes.

Remaining contingency (column "O") set to zero for contracts at completion stage (RB-01 though RB-09).

BERNARDS

Soft Costs Distribution

The Rose Bowl

Pasadena, California

January 11, 2012

Soft Costs Distribution, Committed to Date (prorated)	Concourse	Entry Gates	Concession Buildings	Restroom Buildings	Scoreboards and Displays	Bowl Egress, Aisles and Field Walls	Stadium Tunnels	Press Box	TOTAL
	11.08%	1.55%	4.93%	2.78%	7.15%	4.86%	9.58%	58.07%	100.00%
Design Fees									
1.01 Architect	509,617	71,496	226,985	127,758	328,920	223,632	440,513	2,671,078	4,600,000
1.02 Structural Engineer	191,660	26,889	85,366	48,048	123,703	84,105	165,671	1,004,558	1,730,000
1.03 MEP Engineer	247,541	34,728	110,255	62,057	159,769	108,627	213,975	1,297,447	2,234,400
1.04 Civil Engineer	84,890	11,910	37,810	21,281	54,790	37,252	73,379	444,938	766,250
1.05 Landscape Architect	27,364	3,839	12,188	6,860	17,662	12,008	23,654	143,425	246,999
1.06 Soils Engineering	12,822	1,799	5,711	3,214	8,276	5,627	11,083	67,204	115,735
1.07 Historic	5,539	777	2,467	1,389	3,575	2,431	4,788	29,033	50,000
1.08 ADA	7,483	1,050	3,333	1,876	4,830	3,284	6,469	39,223	67,548
1.09 Graphics	13,848	1,943	6,168	3,472	8,938	6,077	11,970	72,582	124,997
1.10 F&B	8,298	1,164	3,696	2,080	5,356	3,641	7,173	43,492	74,900
1.11 AV	28,516	4,001	12,701	7,149	18,405	12,514	24,650	149,464	257,399
1.12 Waterproofing	16,790	2,356	7,478	4,209	10,837	7,368	14,513	88,003	151,554
1.13 Shoring/Structural Peer Review	30,333	4,256	13,510	7,604	19,578	13,311	26,220	158,987	273,799
1.14 Other	2,293	322	1,021	575	1,480	1,006	1,982	12,017	20,695
1.15 Local Outreach Coordinator	8,309	1,166	3,701	2,083	5,363	3,646	7,182	43,550	75,000
1.16 Cost Estimating	84,752	11,890	37,749	21,247	54,701	37,191	73,259	444,212	765,000
Other Fees/Expenses									
3.01 City/County Fees	17,283	2,425	7,698	4,333	11,155	7,584	14,940	90,587	156,005
3.02 Inspections	150,004	21,045	66,812	37,605	96,817	65,826	129,664	786,224	1,353,997
3.06 Project Advertising	1,689	237	752	423	1,090	741	1,460	8,851	15,243
3.07 Reproductions	13,486	1,892	6,007	3,381	8,704	5,918	11,658	70,687	121,733
3.08 Surveys	21,936	3,077	9,770	5,499	14,158	9,626	18,961	114,972	197,999
3.09 Project Legal Fees	55,393	7,771	24,672	13,887	35,752	24,308	47,882	290,335	500,000
3.10 Project Insurance	11,176	1,568	4,978	2,802	7,214	4,904	9,661	58,579	100,882
3.14 Community	8,973	1,259	3,997	2,249	5,791	3,938	7,756	47,030	80,993
3.15 Public Relations	7,287	1,022	3,246	1,827	4,703	3,198	6,299	38,192	65,772
3.16 Photography/Website	443	62	197	111	286	194	383	2,322	3,999
3.17 Other (postage/insur/supplies/etc)	26,287	3,688	11,708	6,590	16,966	11,535	22,722	137,777	237,274
Specialty Expenses									
4.01 Finance/Revenue	72,860	10,222	32,452	18,266	47,026	31,973	62,980	381,883	657,660
4.02 Advertising Commissions	2,770	389	1,234	694	1,788	1,215	2,394	14,517	25,000
4.03 Premium Seating Marketing/Sales	60,996	8,557	27,168	15,291	39,368	26,766	52,725	319,700	550,572
4.04 Internal Resources	79,687	11,180	35,493	19,977	51,432	34,968	68,881	417,666	719,284
4.05 Cost Estimating Peer Review	3,213	451	1,431	805	2,074	1,410	2,777	16,840	29,000
Furniture, Fixtures, and Equipment (FF&E)									
5.01 Equipment Moving Expenses	-	-	-	-	-	-	-	-	-
5.02 Furniture and Equipment	-	-	-	-	-	-	-	-	-
Total Awarded Amounts	**1,813,538**	**254,428**	**807,755**	**454,644**	**1,170,505**	**795,824**	**1,567,623**	**9,505,374**	**16,369,690**

PARSONS

100 West Walnut Street • Pasadena, California, 91145 • (626) 440 – 2772 • Fax (626) 440-4116 • www.parsons.com

January 17, 2012

Mr. Darryl Dunn, General Manager
1001 Rose Bowl Drive
Pasadena, CA 91103

Mr. Dunn

Re: Rose Bowl Renovations and Improvements
"Go Forward Plan"

Now that the Press Box and the 2012 work (North Tunnels, North Bowl and Electric Utilities) are procured we wanted to recap the plan for the balance of the work.

This work consists of restrooms adjacent to the Press Box (which were removed for Press Box construction), storm utility work (the SUSUMP), concession buildings, kitchen equipment for the concession buildings, concourse improvements (including gates), field walls and LED panels, South Bowl elements (restrooms and electrical substation), Tunnel 7A & 15A (the two north field level tunnels) improvements, removable bleachers and the Press Box furniture, fixtures and equipment (FF&E).

- **COMPILE REMAINING PROGRAM DESIGN ELEMENTS**
  Following the award of the Press Box Completion package in December 2011, the design team met and reviewed all the remaining program elements, discussed value engineering options to reduce cost without compromising the finished product and agreed to a schedule. The objective is to complete plans and specifications sufficiently for a detail estimate to be prepared for all remaining elements. These plans and specifications are to be available to the estimators by February 3, 2012.

- **ESTIMATE REMAINING ELEMENTS**
  Following receipt of the plans and specifications both Parsons and Bernards will perform a detail estimate for this work. This effort will require from four to six weeks and is expected to be complete no later than March 16, 2012. During the estimating time frame, the designs will also be reviewed for value engineering opportunities and for constructability by both Bernards | Barton Malow and Parsons.

- **RECONCILE ESTIMATES**
  Following completion of the detail estimates Parsons and Bernards will exchange estimates and meet to review and reconcile the estimates. Quantities, unit prices and underlying assumptions will be reviewed and brought to a common understanding. This activity is expected to take 5 working days and is expected to be complete by March 23, 2012.

- **PRIORITIZE ELEMENTS WITH STAKEHOLDERS**
  The reconciled estimate(s) will be provided to the Rose Bowl Operating Company (RBOC) who will use these estimates to enter into discussions with the stakeholders and prioritize the remaining program elements.

This more typical process of Design, Estimate, Value Manage, Bid and Build, is expected to provide better estimating as well as effective design management. At the conclusion of this effort by April 2012, the RBOC will know with greater precision the costs of what remains to be built of the Rose Bowl Renovations & Improvements and be able to confidently prioritize these elements for procurement as soon as funding permits.

Respectfully

James C. Mallon
Owner's Representative

Cc M. Mavridis, RBOC
B. O'Kane, Parsons