

REPORT FROM

## OFFICE OF THE CITY ADMINISTRATIVE OFFICER

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Date: October 14, 2016

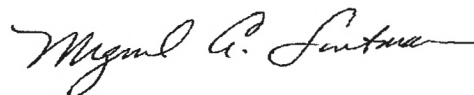
CAO File No. 0150-10817-0000

Council File No. 16-0915

Council District: --

To: The Public Safety Committee

From: Miguel A. Santana, City Administrative Officer



Reference: Motion (Martinez/O'Farrell/Price) dated August 12, 2016; amended by the Public Safety Committee on September 20, 2016

Subject: **AGREEMENT WITH THE LOS ANGELES RAMS FOOTBALL TEAM TO PROVIDE FOR FULL COST REIMBURSEMENT OF CITY SERVICES PROVIDED DURING NATIONAL FOOTBALL LEAGUE GAMES PLAYED AT THE LOS ANGELES MEMORIAL COLISEUM**

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### SUMMARY

This Office was instructed per Council Motion (Martinez/O'Farrell/Price) to prepare a report to the Public Safety Committee on the recent agreement between the City and the Los Angeles Rams Football Team (Rams) to fully reimburse the City for costs incurred in providing public safety and related support services to the Rams during its home games held at the Los Angeles Memorial Coliseum (Coliseum).

### BACKGROUND

In accommodating the return of the Rams Football Team to Los Angeles, the City has recently provided game-day public safety and related services to the Coliseum to ensure the safety of Rams fans, game attendees and the surrounding community. These types of services are subject to the City's Special Event Policy as detailed in the Los Angeles Municipal Code Sections 41.20 and 41.20.1 which require the permittee to fully reimburse the City for the costs of services provided to the event. Briefly, the special event permit process is administered by the Bureau of Street Services and requires that the permittee pay the estimated cost of City services up front at the time of permit issuance along with the permit fee. Once the event is concluded, Departments provide actual cost information to Street Services and reconciled against the estimated amount. If the actual costs are less/more than the estimate, then either a refund or bill is issued to the permittee.

We would note that the Rams are a tenant of the Coliseum for the next three years and that the Coliseum typically requests special event permits for events at the Coliseum, including the USC football games. Unfortunately, during their lease discussions, the Rams were never informed of the City's Special Event Policy or the need to reimburse the City for services. This is likely due to the City's practice of only being reimbursed for Department of Transportation (DOT) traffic control services and Los Angeles Police Department (LAPD) special units for the USC games. It is unclear why this practice came to be and we are initiating conversations with USC to bring them into compliance with the City's Special Event Policy.

The Rams preseason began in August and in looking at the deployment requirements associated with a National Football League (NFL) franchise, including meeting mandated NFL security requirements, the LAPD raised the concern that they could not provide security services without reimbursement to their contact at the Coliseum who in turn conveyed this to the Rams. However, as this issue was raised shortly before the first game, there was insufficient time to resolve prior to the first preseason game held on August 13, 2016. While the Rams indicated that they were willing to work with the City to resolve this issue, they reasonably requested to know what City services were being provided and their associated costs as this was not something that had been included in their budget forecasts. To ensure that games went off as planned and with the appropriate measures in place to ensure public safety at the event and in the surrounding community, the City provided the services pending more detailed discussions with the Rams.

In anticipation of discussions with the Rams, our Office worked with the affected City Departments to compile information on the types of services provided and associated costs as discussed later in this report and detailed in the attached Tables. It should be noted that the Special Events Permit covers only the City services provided to the exterior of the Coliseum. Services such as off-duty Police Officers working the interior of the stadium are excluded from the Permit provisions and are compensated directly by the Coliseum.

In early September, the Mayor's Office hosted two meetings with the Rams that also included our Office and the City Attorney's Office. In the first of these meetings, we provided an explanation of the City's Special Event Policy and its requirements, answered questions and provided the cost information incurred for the two pre-season games that had been held in August as well as a per-game estimate for City services for future games. Since this was the first instance the Rams were provided the detailed information on the City's policy and the associated costs, there was agreement that they needed time to review, therefore a second meeting was held at which the Rams indicated their understanding and agreement to fund these costs both retroactively and for future games. Subsequent conversations were held with the Coliseum Management to facilitate the transfer of the special event permit directly to the Rams for all future games.

The per game estimated costs provided to the Rams are based upon average salary and overtime rates and estimated expense costs that may vary from game to game based upon actual deployment and usage. As noted previously, the estimated costs must be paid upfront per the provisions of the Special Event Permit process, and the Rams organization will be charged for actual costs incurred based upon a post-game final cost reconciliation.

In developing a deployment model that serves the Rams in the most cost effective manner, the City reserves the right to adjust its deployment model based upon the operational needs of each department and the public safety needs as determined by the City, in accordance with our policy. Other factors that may impact game-day costs may include, but are not limited to, games that occur on City holidays (which will require premium pay levels for deployed resources); local regional, national or world events that would necessitate the need for increased resource levels; existing or future negotiated cost of living increases for City staff; any increases in expense costs; and changes in NFL safety standards and policies.

At the completion of this year's NFL season, the parties have agreed to meet and evaluate the delivery of services with respect to the needs of the Rams and the Coliseum and to address any

operational issues or problems experienced during the season. It is anticipated this working relationship between the City, the Rams organization and the Coliseum will remain in place for the duration of the Rams tenancy at the Coliseum.

### *Costs incurred for City Services*

Unreimbursed costs to the City's General Fund for the preseason games on Saturday, August 13 and Saturday, August 20 were calculated at \$363,243 and \$359,664 respectively, for City personnel salaries and related expenses (Tables 1 and 2 attached). These services were provided by the Police (LAPD), Fire/Emergency Medical, Transportation (LADOT), and Public Works Departments in addition to other support agencies. It should be noted that LAPD has been reimbursed \$20,659 and \$21,844 for the cost of specialized units under event-specific Letters of Agreement with the Coliseum; LADOT has been reimbursed \$46,749 and \$58,133 for traffic control by Coliseum management per existing standard practice with the Coliseum. These costs are paid up-front and reconciled at the end of the event. It should be noted that for LAPD all the costs will now be included in the special event permit while LADOT will continue with its existing practice with the Coliseum given their operational needs.

### *Economic Impact Analysis*

In the context of the Rams return to Los Angeles, and in order to fully gauge the economic and fiscal impact of the Rams presence in the City, our Office recommends an independent economic analysis be undertaken through the Office of Economic Analysis, to effectively estimate the economic activity generated by the organization on the local and regional economy. Such a study may include, but would not be limited to, the economic impact on employment, an estimate of visitor expenditures on goods and services including food, lodging, transportation, parking and retail services, and a fiscal impact to the City through local sales, occupancy, business and parking taxes. At this time, our Office has sufficient funds to undertake this study.

## **RECOMMENDATIONS**

That the Public Safety Committee:

1. Authorize the City Administrative Officer, through its Office of Economic Analysis, to engage the services of a qualified consultant using its list of on-call consultants to perform an economic and fiscal analysis on the impact of the Los Angeles Rams Football Team upon the local and regional economy; and
2. Instruct the Bureau of Street Services, the Los Angeles Police Department and any other applicable City agency to report back to the Public Safety Committee after completion of the 2016 National Football League season, with a post-season evaluation of services provided to the Rams in order to address any operational issues or problems experienced during the season.

## **FISCAL IMPACT STATEMENT**

Approval of the recommendations in this report will have no additional fiscal impact to the General Fund, as all costs incurred by City departments from the services provided will be fully reimbursed by the Los Angeles Rams and the Los Angeles Memorial Coliseum. Further, approval of the engagement of a consultant to undertake an economic and fiscal analysis of the Rams return to Los Angeles will be provided through the Office of Economic Analysis within budgeted funds.

*MAS:EFR:04170028*

Attachments

**Table 1 - Cost of City Services Associated with the Preseason Game vs. Dallas, August 13, 2016**

Department	Service(s) Provided	Costs					Reimbursement
		Salaries	Indirect	Overtime	Expenses	Total	
Emergency Management Department	Command Post staffing	\$ 385	\$ 545	\$ 832	\$ -	\$ 1,762	\$ -
Fire Department	Fire and Emergency Medical Services	\$ 11,451	\$ 16,440	\$ 13,242	\$ -	\$ 41,133	\$ -
Information Technology Agency	Command Post support	\$ -	\$ -	\$ 7,968	\$ -	\$ 7,968	\$ -
Police Department	Law Enforcement and Specialized Services	\$ 109,027	\$ 163,377	\$ 29,601		\$ 302,005	\$ 20,659
Public Works - Board	Post-game litter removal; services provided by a contractor	\$ -	\$ -	\$ -	\$ 1,000	\$ 1,000	\$ -
Public Works - Bureau of Sanitation	Clean Streets activity in advance of event.	\$ 9,327	\$ 7,845	\$ -	\$ 6,766	\$ 23,938	\$ -
Public Works - Bureau of Street Services	Street Cleaning and public right-of-way Code Enforcement	\$ -	\$ -	\$ 4,110	\$ 1,986	\$ 6,096	\$ -
Department of Transportation	Transportation Planning and Traffic Control	\$ -	\$ -	\$ 42,650	\$ 4,099	\$ 46,749	\$ 46,749
<b>Total</b>		<b>\$ 130,190</b>	<b>\$ 188,207</b>	<b>\$ 98,403</b>	<b>\$ 13,851</b>	<b>\$ 430,651</b>	<b>\$ 67,408</b>

Source: CAO; LA City Departments

**Table 2 - Cost of City Services Associated with the Preseason Game vs. Kansas City, August 20, 2016**

Department	Service(s) Provided	Costs					Reimbursement
		Salaries	Indirect	Overtime	Expenses	Total	
Emergency Management Department	Command Post staffing	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Fire Department	Fire and Emergency Medical Services	\$ 11,451	\$ 16,440	\$ 13,242	\$ -	\$ 41,133	\$ -
Information Technology Agency	Command Post support	\$ -	\$ -	\$ 9,210	\$ -	\$ 9,210	\$ -
Police Department	Law Enforcement and Specialized Services	\$ 111,660	\$ 167,323	\$ 34,286		\$ 313,269	\$ 21,844
Public Works - Board	Post-game litter removal; services provided by a contractor	\$ -	\$ -	\$ -	\$ 1,000	\$ 1,000	\$ -
Public Works - Bureau of Sanitation	Clean Streets activity in advance of event.	\$ 5,663	\$ 5,059	\$ -	\$ 2,543	\$ 13,265	\$ -
Public Works - Bureau of Street Services	Street Cleaning and public right-of-way Code Enforcement	\$ -	\$ -	\$ 2,922	\$ 709	\$ 3,631	\$ -
Department of Transportation	Transportation Planning and Traffic Control	\$ -	\$ -	\$ 54,034	\$ 4,099	\$ 58,133	\$ 58,133
<b>Total</b>		<b>\$ 128,774</b>	<b>\$ 188,822</b>	<b>\$ 113,894</b>	<b>\$ 8,351</b>	<b>\$ 439,641</b>	<b>\$ 79,977</b>

Source: CAO; LA City Departments

**Table 3 – Estimated Cost of City Services per Game for the Remainder of Season**

Department	Service(s) Provided	Costs					Reimbursement
		Salaries	Indirect	Overtime	Expenses	Total	
Emergency Management Department	Command Post staffing	\$ 385	\$ 545	\$ 832	\$ -	\$ 1,762	\$ -
Fire Department	Fire and Emergency Medical Services	\$ 11,451	\$ 16,440	\$ 13,242	\$ -	\$ 41,133	\$ -
Information Technology Agency	Command Post support	\$ -	\$ -	\$ 9,210	\$ -	\$ 9,210	\$ -
Police Department	Law Enforcement and Special Services	\$ -	\$ -	\$ 236,264	\$ -	\$ 236,264	\$ -
Public Works - Board	Post-game litter removal; services provided by a contractor.	\$ -	\$ -	\$ -	\$ 1,000	\$ 1,000	\$ -
Public Works - Bureau of Sanitation	Clean Streets activity in advance of event	\$ 3,269	\$ 3,186	\$ -	\$ 1,838	\$ 8,293	\$ -
Public Works - Bureau of Street Services	Street Cleaning and public right-of-way Code enforcement	\$ -	\$ -	\$ 4,758	\$ 709	\$ 5,467	\$ -
Department of Transportation	Transportation Planning and Traffic Control	\$ -	\$ -	\$ 54,034	\$ 4,099	\$ 58,133	\$ 58,133
<b>Total</b>		<b>\$ 15,105</b>	<b>\$ 20,171</b>	<b>\$ 318,340</b>	<b>\$ 7,646</b>	<b>\$ 361,262</b>	<b>\$ 58,133</b>

Note – A \$312 Street Services Permit Fee is required per game in addition to the above amounts.

Source: CAO; LA City Departments