

CITY OF LOS ANGELES
INTER-DEPARTMENTAL CORRESPONDENCE

Date: November 13, 2009

To: Honorable Members of the City Council
Council File: 09-1465; 09-1678;
09-1715; 09-1716;
09-2566; 09-2616

From: Gerry F. Miller, Chief Legislative Analyst *GFM* Assignment No: 09-10-1622

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Lakers Parade and Rally/Michael Jackson Memorial Event

SUMMARY

On June 23, 2009, Council adopted a Motion (C.F. 09-1465; Perry-Parks-Garcetti) to declare the Lakers Day parade and rally on June 17, 2009 a Special Event and instructed that the City Administrative Officer (CAO) report back on City costs for the event.

On July 7, 2009, a Memorial for Michael Jackson was held at the Staples Center. On July 7 (C.F. 09-1678 - Perry-Parks), July 10 (C.F. 09-1715 - Zine-Perry; C.F. 09-1716 - Hahn-LaBonge) and October 23, 2009 (C.F. 09-2616 - Perry-Parks), Council adopted several Motions instructing the Chief Legislative Analyst (CLA) and CAO to report on various issues relating to the Michael Jackson Memorial event.

Lakers Parade and Rally

Los Angeles Municipal Code (LAMC) Section 103.111 sets forth the standards and procedures for the issuance of permits by the Board of Police Commissioners for parades and assemblies, which are expressive activities protected under the First Amendment. In brief, a parade organizer must do the following:

1. Apply for a permit from the Police Commission.
2. Sign a Hold Harmless Agreement.
3. Reimburse the City for traffic control and clean-up costs.

The City Attorney has advised that the City cannot require reimbursement from parade organizers for protective services in connection with First Amendment activities. However, donations to the City to offset these costs are permissible.

The Lakers owner complied with the LAMC by obtaining a permit from the Police Commission and signing a Hold Harmless Agreement.

Following the Lakers Parade, a rally was held at the Coliseum. Per the Motion's instruction, a summary of combined City costs for both the parade and rally are shown in Attachment 1. City costs totaled approximately \$1.8 million broken down as follows:

- Straight time salary costs: \$975,000 (\$875,000 for police services)
- Overtime salary costs and expenses: \$791,000 (\$664,000 for police services)

On August 4, 2009, the Los Angeles Police Foundation transmitted a cash donation in the amount of \$900,000 to the Los Angeles Police Department (LAPD) to help cover City costs for the Lakers celebration activities: \$790,537 would be applied to cover overtime costs (salaries and expenses), and \$109,463 would be applied toward straight time salary costs.

Michael Jackson Memorial Event

On Thursday, July 2, 2009, the City was informed that a memorial service for Michael Jackson would be held at the Staples Center. Because of the July 4th holiday, Council was in recess and would not reconvene until Tuesday, July 7. With wide-ranging estimates of the number of potential visitors from 250,000 to one million anticipated to converge at and around the venue, the LAPD exercised its powers and duties set forth in Charter Section 570 to enforce the penal provisions of the Charter, City ordinances and state and federal law; to discharge these powers and duties as peace officers; and to protect lives and property. The LAPD initiated a collaborative effort using a Unified Command of the LAPD and the Los Angeles Fire Department to plan and coordinate services to maintain public safety, health and welfare.

Planning Activities

Typically, the LAPD's deployment decisions for special events and those at commercial venues includes, but is not limited to: type of event; number of participants; history of the event; likelihood or potential for violence or unlawful behavior or activities; geographical and logistical considerations; crime trends in the impacted area; resources and ability of the Department of Transportation to handle the anticipated traffic control needs. The Michael Jackson Memorial, however, was unprecedented given his international superstar status, the world-wide public interest, extensive media coverage, and the activities of his fans prior to the day of the Memorial. Therefore, to avoid disruptions and ensure that public safety would not be jeopardized during the event, the LAPD was compelled to plan for the higher end of the anticipated crowd size after taking into consideration the following:

- The number of visitors from around the world that, since Michael Jackson's death, had congregated around the clock at the Neverland Ranch, the Jackson family Encino home, his residence in Holmby Hills, his star on the Hollywood Walk of Fame, and around the LA Live entertainment campus where rehearsals were held for his final tour.
- Media reports cited that:
 - Within a few hours of the announcement that 17,500 tickets for the Memorial would be available online, over 500 million hits were recorded on the Staples Center website causing it to crash.
 - Over 1.6 million fans registered over the weekend for a chance to receive two free tickets per person.
 - Fans from all over the world and through-out the United States were coming to Los Angeles; hotels reported increased bookings.
- The LAPD received and processed over 3,000 requests for media credentials for the event.

- Two weeks earlier, a crowd of about 23,000 became disruptive around the venue following the Lakers' championship victory, and riot-related activities ensued.
- Intelligence gathered by the LAPD Counter-Terrorism and Criminal Intelligence Bureau indicated that up to one million visitors could show up around the LA Live entertainment campus.
- During the initial pre-event planning meeting, the LAPD, California Highway Patrol (CHP) and LA County Sheriff's Office (LASO) agreed that the scope of the event was unprecedented, and that substantial resources had to be deployed for crowd management and control, and to ensure public safety.

The LAPD's pre-event planning, held over several days, included representatives from the affected City departments, CHP, LASO, and AEG. The LAPD factored into the Event Action Plan the number of private security personnel that would be provided by AEG. The LAPD also considered the threat level within the Staples Center to be very high given the significant number of celebrities and VIPs that would be in attendance. Therefore, sufficient LAPD resources also had to be assigned inside the venue to ensure a rapid response.

After the tickets and wristbands to the event were distributed, the LAPD announced through the media on numerous occasions that entry to the perimeter of LA Live would be restricted to attendees. This was done in an effort to reduce the number of fans who would otherwise show-up, although the LAPD could not predict the success of this strategy. Moreover, because there were so many unknown variables and risk factors, and based on experiences with recent crowd control events, the LAPD concluded that it would have been irresponsible to prepare for anything less than "worst case scenario."

The LAPD deployed 3,968 officers during the operational period of July 6 at 6 a.m. through July 7 at 6 p.m. (For comparison, the Lakers parade drew a crowd of approximately 250,000 and 2,462 officers were deployed.) The vast majority of officers were assigned to the Staples Center and surrounding areas, and a total of a few hundred were assigned to Forest Lawn Memorial Park, the Jackson family residence in Encino, Michael Jackson's residence in Holmby Hills, and the LAPD Incident Command Post.

When the morning progressed and it was obvious that the crowd size would be relatively minimal (estimated at 20,000), the LAPD Command Post began demobilization after all attendees were inside the venue and the event was underway. Demobilization was phased over a two-hour period, reducing the number of officers to a few hundred. Officers who were on overtime were released first. The officers retained were those with specialized skills, such as Metropolitan Division (e.g., bomb detection), and those who could not be released early due to operational needs.

Economic Benefits of Event

LA Inc. conducted a survey of hotels and restaurants in the downtown area. Revenues from hotels totaled approximately \$1.2 million. Yellow Cab reported that business was better than usual bringing customers to and from the downtown area. Companies that offer tours of celebrities' homes also reported a slight increase.

Jack Kyser, Chief Economist, Los Angeles County Economic Development Corp. indicated that LACEDC did not conduct a study of the economic benefits of the event. However, based on the number of visitors that came to Los Angeles, including celebrities who likely stayed in hotels on

the Westside and used transportation and other services, he estimated that revenues generated by the Memorial exceeded \$4 million for businesses, restaurants and hotels throughout the City.

Policy on Services to Major Venues and Cost Reimbursement

On December 16, 2008, Council adopted the “Policies, Criteria and Process for Special Events” contained in the CLA/CAO report dated May 16, 2008 (C.F. 08-1303). The Policy included the following with regard to major venues:

“...municipal services provided to venues that include the Staples Center, Coliseum, Dodger Stadium, Sports Arena, Kodak Center, Emmy and Grammy Awards Shows and other entertainment-related events shall be provided solely within the discretion of the City, unless otherwise stated in an agreement or contract... If the City determines that traffic control measures or other services are not needed at particular venues, or for specific events, the City will not provide those services. Should these venues wish to ensure that certain services will be provided for purposes of their operations, the venues will be required to negotiate with the City to clearly define the services which will be necessary, and payment for all services beyond which the City would have provided as a matter of course will be required.”

Attachment 2 summarizes the services provided by each City department and the costs expended from July 2 (advanced planning activities) through July 8 (post-event activities) for the Michael Jackson Memorial. In summary, City costs totaled approximately \$3.2 million broken down as follows:

- Straight time salary costs: \$1.2 million (\$926,000 for police services)
- Overtime salary costs and expenses: \$2.0 million (\$1.9 million for police services).

Council requested the Controller to establish a Trust Fund entitled “Michael Jackson Memorial” for deposit of tax deductible donations to offset City costs for the event. Approximately \$39,500 was donated and deposited into the Trust Fund.

Although the total City costs expended for the event totaled \$3.2 million, the above policy establishes that payment to the City should be for all services beyond which the City would normally provide. Based on the model approved by Council for the Los Angeles Marathon (“LA Marathon Model”), the event sponsor would reimburse the City for permit fees and any additional fees, costs and charges for staff and other resources, expenses, equipment, supplies, etc. beyond which the City would have normally incurred. Applying this model to the City costs expended for the Michael Jackson Memorial, reimbursement would be required for the overtime salary costs and expenses totaling approximately \$2 million.

It is noted that a contract between the City and AEG for municipal services for the event had not been negotiated and executed. Nonetheless, the level of services provided was within the City’s discretion and with the intent to ensure public safety and welfare.

On September 30, 2009, Council adopted an ordinance to amend various provisions of the Los Angeles Municipal Code (LAMC) to establish a Special Events Permit Procedure and Fee Subsidy Program. The ordinance, which became effective October 26, 2009, establishes “...a program to ensure that the fees and charges, including salary costs, for required City services, equipment and materials provided for Special Events are accurately determined and fully

recovered...” The ordinance also includes a provision in LAMC Section 41.20.1(c) Events at Major Sports and Entertainment Venues which sets forth the following:

- Types and levels of municipal services provided for events at major venues, major awards shows and other similar events will be determined and provided solely within the discretion of the City.
- Applicable fees and charges, including salary costs, equipment and materials will not be subsidized or waived unless otherwise provided by contract.
- Should a venue wish to ensure that certain types and levels of services will be provided, a contract must be negotiated with the City, and payment must be made for all services beyond the normal level of services to meet public safety and welfare needs.
- Any event that the sponsor can reasonably foresee to require a higher level of public safety or other municipal services, including advance planning services, than that normally provided by the City, will be responsible for obtaining required permits and for payment of all fees, charges and salary costs for all such services.

The Department of Transportation has taken the lead to contact the major venues of the requirements of the new ordinance, and will initiate contract negotiations for City services. Prior to those negotiations, discussions will be held with the affected departments along with the CLA, CAO and City Attorney. A report back will be provided to Council.

Conclusion

Notwithstanding the fact that significant crowds did not materialize, and little or no violence or other threats to the public materialized, in light of the potential risks to the public and past experience with potentially large and unpredictable events, City departments acted reasonably and responsibly in planning and deploying staff for the Michael Jackson Memorial. The costs that the City incurred, that it would otherwise not have incurred had the event been held elsewhere, total approximately \$2 million, while the estimated economic benefit to the City from the event totals approximately \$4 million.

The issue of how to deal with deployment of City resources for major venues in the City has been under discussion for many years. The City Attorney has consistently advised that events at these venues differ substantially from Special Events in our ability to recoup City costs. Individual permits are required for Special Events, which provides the vehicle for recouping City costs related to those events, whereas no permits are required for major venues, such as Dodger Stadium, the Coliseum, the Shrine Auditorium and Staples Center, to hold events at those facilities. Accordingly, until recently, there had been no mechanism through which the City could recover its costs from these venues unless a venue requested street closures or other non-standard operating conditions from the City. The level of effort and staff deployment around these facilities had been left solely to the discretion of the City, and any services above and beyond what the City would provide were to be paid by the venue.

As discussed above, with the recently approved special events ordinance, the City Attorney has, as requested previously, provided a mechanism to recover City costs associated with operations at major venues. However, while Council instructed that the City proceed in this manner a year ago, the ordinance was not presented, adopted, and become effective until after the Michael Jackson Memorial. In light of the overall positive economic impact of the event (\$4 million),

and that there was no ordinance in place prior to the event providing for cost recovery from major venues, the City may wish to cease pursuing cost reimbursement. However, should Council wish to pursue seeking reimbursement for the City's costs, Council should request the City Attorney to provide, in closed session, a briefing on the legal theory under which the City could compel the event organizers to provide that reimbursement.

RECOMMENDATIONS

1. That Council authorize the Los Angeles Police Department to accept the cash donation in the amount of \$900,000 from the Los Angeles Police Foundation.
2. That Council, subject to approval of the Mayor, approve a transfer of funds as follows:

From: Police Donation Trust Fund No. 885, Revenue Source Code 4513

To: Fund 100, Dept 62, Revenue source 4518, Council Approved Donation over \$5,000

2. Should Council wish to pursue reimbursement of City costs, request the City Attorney to provide, in closed session, a detailed briefing of the legal basis for compelling the event organizers to provide the cost reimbursements, including an analysis of their previous advice relative to large venues with ongoing and continuous operations, and the impact of the timing of the Michael Jackson Memorial event with the transmission to and adoption by Council of the Special Events ordinance.

FISCAL IMPACT

The donation of \$900,000 from the Los Angeles Police Foundation will offset all of the City overtime costs (salaries and expenses), and a portion of straight time salary costs, for services provided for the Lakers parade and rally. The costs that the City incurred for the Michael Jackson Memorial, that it would otherwise not have incurred had the event been held elsewhere, total approximately \$2 million (overtime costs for salaries and expenses), while the estimated economic benefit to the City from the event totals approximately \$4 million.

GFM:JWG:jwg

2009 LAKERS DAY PARADE

Departments	Straight Time Salary Costs	Overtime Costs			Grand Total
		Salary	Expense	Total	
Convention Center	\$ -	\$ -	\$ 57,271	\$ 57,271	\$ 57,271
Fire	\$ 73,040	\$ 12,870	\$ -	\$ 12,870	\$ 85,910
General Services	\$ 5,627	\$ -	\$ -	\$ -	\$ 5,627
Information Technology	\$ 5,941	\$ 8,614	\$ -	\$ 8,614	\$ 14,555
Police	\$ 873,930	\$ 618,700	\$ 45,406	\$ 664,106	\$ 1,538,036
PW - Bureau of Sanitation	\$ 581	\$ -	\$ 836	\$ 836	\$ 1,417
PW - Bureau of Street Services	\$ 1,920	\$ 540	\$ 1,528	\$ 2,068	\$ 3,988
Transportation	\$ 13,912	\$ 42,753	\$ 2,019	\$ 44,772	\$ 58,684
Total	\$ 974,951	\$ 683,477	\$ 107,060	\$ 790,537	\$ 1,765,488

MICHAEL JACKSON MEMORIAL

Departments	Services	Straight Time Salary Cost	Overtime Costs			Grand Total
			Salary	Expense	Total	
City Administrative Officer	EOC staff support	\$ 1,333	\$ 345	--	\$ 345	\$ 1,678
City Attorney	EOC staff support	\$ 4,411	--	--	--	4,411
Convention Center	Staging emergency equipment	\$ 3,886	\$ 2,996	\$ 2,000	\$ 4,996	\$ 8,882
Dept. on Disability	EOC staff support	\$ 989	\$ 185	--	\$ 185	\$ 1,174
Emergency Management	EOC activation	\$ 9,178		\$ 9,523	\$ 9,523	\$ 18,701
Fire	Fire prevention, paramedic services, EOC staff support	\$142,671	\$ 42,413	\$ 836	\$ 43,249	\$ 185,920
General Services	Security services	\$ 6,638	17,217	\$ 1,344	\$ 18,561	\$ 25,199
Information Technology	IT support at EOC & Command Center	\$ 17,846	17,534	--	\$ 17,534	\$ 35,380
Police Department	Police services & incident command	\$926,077	\$1,795,648	\$57,401	\$1,853,049	\$2,779,126
PW/Engineering	Event mapping	\$ 580		--	--	\$ 580
PW/Sanitation	Refuse collection	\$ 6,580	\$ 2,424	\$15,637	\$ 18,061	\$ 24,641
PW/Street Services	Sidewalk access, barricades, street sweeping	\$ 27,409	\$ 8,478	\$ 2,624	\$ 11,102	\$ 38,511
Recreation and Parks	EOC staff support	\$ 1,249	\$ 1,062	--	\$ 1,062	\$ 2,311
Transportation	Traffic management	\$ 27,738	\$ 30,827	--	\$ 30,827	\$ 58,565
DWP/Power System	EOC staff support	\$ 1,382	\$ 790	--	\$ 790	\$ 2,172
DWP/Water System	EOC staff support	\$ 1,190	\$ 349	--	\$ 349	\$ 1,539
Total		\$1,179,157	\$1,920,268	\$89,365	\$2,009,633	\$3,188,790