



## Legislation Text

File #: 2024-0321, Version: 1

### Report to Mayor and City Council

Tuesday, May 07, 2024

Consent

#### **SUBJECT:**

**CONSIDER APPROVAL OF THE GAMES AGREEMENT BETWEEN THE CITY OF CARSON AND THE LOS ANGELES ORGANIZING COMMITTEE FOR THE OLYMPIC AND PARALYMPIC GAMES (OCOG) IN PREPARATION FOR THE 2028 GAMES (CITY COUNCIL)**

#### **I. SUMMARY**

This report transmits a recommendation for the City Council to approve the proposed Games Agreement between the City of Carson and the Los Angeles Organizing Committee for the Olympic and Paralympic Games 2028 d/b/a OCOG (the "OCOG"). Approval of the proposed Games Agreement will formalize the relationship between the City of Carson and OCOG in preparation for the upcoming 2028 Olympic and Paralympic Games (the "2028 Games"), part of which is anticipated to occur within the City of Carson at Dignity Health Sports Park.

Additionally, approval of item will effectively cause the City and OCOG to enter into a definitive agreement, consistent with International Olympic Committee (the "IOC") requirements; to reflect the City of Los Angeles' election as host of the 2028 Games; to incorporate and apply the terms of the Guarantees to the 2028 Games (including with respect to public services in support of the 2028 Games) and to set forth other customary terms and conditions to provide a critical framework for how the OCOG and the City of Carson will work together in anticipation of the 2028 Games.

#### **II. RECOMMENDATION**

1. APPROVE the proposed Games Agreement, attached as Exhibit 1.
2. AUTHORIZE the Mayor to execute the Games Agreement after approval as to form by the City Attorney.

#### **III. ALTERNATIVES**

TAKE another action the City Council deems appropriate and that is consistent with applicable laws.

#### **IV. BACKGROUND**

##### **History**

On January 25, 2016, September 9, 2016, and May 16, 2023, the City of Carson delivered to the International Olympic Committee (the “IOC”) in connection with the candidature of the City of Los Angeles for the 2024 Olympic and Paralympic Games (the “2024 Games”), letters which set forth certain governing principles and commitments from the City of Carson regarding its participation as a venue city in the 2024 Games (collectively, the “Guarantees”).

After the City’s issuance of the Guarantees, the IOC and International Paralympic Committee (“IPC”) selected the City of Los Angeles to host the 2028 Games.

Approval of the proposed Games Agreement is the next step in formalizing the relationship between the City of Carson, as a Venue City, and OCOG in preparation for the 2028 Games.

##### **Proposed Agreement**

The Agreement is not on the City’s standard form and contains many non-standard provisions for the City. The City Attorney and City Manager’s offices negotiated the Agreement extensively with OCOG and obtained many concessions, but there remain certain provisions that staff feels it should highlight for the City Council, as follows:

Term; Termination. Per Sections 4 and 25 of the Agreement, once the Agreement takes effect, the City will not be able to terminate it absent mutual consent or a default by OCOG. Otherwise, the Agreement will continue through the Games and thereafter until OCOG or its successor has satisfied all of its obligations pursuant to the Agreement.

Public Services. Per Sections 7.1-7.2, in and around areas and times where Games-related events will occur, the Agreement requires the City to not only maintain existing levels of service (the “Normal and Customary Services”) but also to provide public services at levels and/or ranges above the Normal and Customary Services (the “Enhanced City Resources”), to the extent that will be provided in a future Enhanced City Resources Master Agreement to be entered into between the City and OCOG.

Costs. Per Section 7.5, the City will be required to provide the Normal and Customary Services at its own expense, but will generally receive compensation from OCOG for the Enhanced City Resources. However, the costs of determining the Normal and Customary Services and the Enhanced City Resources, the costs of negotiating and preparing this Agreement and the future Enhanced City Resources Master Agreement, and most costs of any necessary time-shifting of public services will not be paid by OCOG.

City Ad Space. Section 8.1 and Exhibit B define and identify “City Ad Space,” including advertising display space on certain City bus stop shelters and certain billboard

Development Agreements under which City may have some right of display or advertising time on the subject billboards, and grant OCOG a priority option to purchase all City Ad Space located within the areas within a one mile radius of a Games venue, the exterior or interior of any City transportation system, and all major transportation corridors providing ingress and egress to and from the Identified Venues, during the period commencing two weeks prior to the start of the Games and continuing until one week following the conclusion of the 2028 Paralympic Games, which is currently contemplated to be June 30, 2028 through September 3, 2028 (the “Games Period”).

Additionally, if the City proposes to enter or renew any contract with a third party granting rights to City Ad Space such that it will extend into the Games Period, the City shall promptly notify OCOG and, to the extent allowable by law, require that the third party grant a priority option to OCOG, consistent with the terms of the Agreement. Such terms shall also be captured in any request for proposal issued by the City with respect to the use of any City Ad Space during the Games Period. If any of City’s Ad Space is already subject to such a third party contract for the Games Period, the City shall use commercially reasonable efforts to work with the third party to make the City Ad Space temporarily available to OCOG during the Games Period, but is not required to renegotiate the third party agreement.

Admissions/Ticket Tax. Section 11 provides that to the extent allowable by law, the City agrees (i) to not subject the Games events to any future admissions taxes or parking taxes (excluding sales and use taxes) and (ii) that such waiver shall not burden the applicable venue owners/operators and teams.

Street Trading. Per Section 13.1, the City confirms that appropriate legislation is or will be in place in the City to control unauthorized street trading within the vicinity of Games venues, and to the extent allowable under state law, the City shall maintain restrictions prohibiting sidewalk vendors on City public rights of way within a specified radius of stadiums during and immediately before and after events occurring at the Games venues.

Commercial Identification Prohibitions. Section 20.3 prohibits the City from making any commercial use of its relationship with OCOG or the Games without the prior written consent of OCOG, including referring to the Games in any sales literature, letters, pitch materials, press releases, website, social media, apps, brochures or other written materials; except as may be necessary or appropriate to perform the City’s obligations under the Agreement or provide information pertinent to the protection of public health, safety or welfare during the period of the Games. However, even with respect to such public service announcements, the City shall make a good faith effort to provide the announcement to OCOG five business days prior to the City’s issuance of same.

License of City’s Logo and Marks. Section 20.4 provides for City to grant OCOG a license to use the City’s name, likeness, logos and trademarks for lawful purposes in connection with the Games.

Note: the Agreement does not provide the City with any right to have its name mentioned in broadcasts or otherwise for Games events held in Carson, despite the best efforts of Staff and the City Attorney’s Office to negotiate such a right for the City. However, OCOG did

agree to the following language in the 9th Recital as a gesture of good faith: “the Parties desire to work together in good faith to host a safe and fiscally-responsible 2028 Games that will help bring recognition to the City in a manner consistent with the long-term interests and values of the City and its residents.”

Branding Plan. Section 20.6 provides that in the months leading up to the Games, the City at its sole expense will implement the OCOG cross-city branding plan on property and inventory controlled by the City, subject to prior City approval of the branding plan to the extent it applies to the City. If the City wishes to reserve use any of the City Ad Space for this purpose, it will need to exercise its option to do so by January 1, 2026.

Indemnification. Section 24.1 provides for the City to indemnify, defend and hold harmless OCOG, other Olympic parties, the City of Los Angeles, and the State of California for all claims and liabilities arising from (a) any grossly negligent act or omission or willful misconduct by City in connection with the Agreement, (b) any breach of any of the City’s representations, warranties or covenants under the Agreement, (c) any defect in the structure, design or layout of the public services, if the City is legally liable for the defect and has no immunity for same, or (d) any claim that is the direct result of City’s negligent performance of any public services pursuant to the Agreement. This indemnification shall not apply to the extent a claim or liability arises out of any gross negligence or willful misconduct of OCOG.

Section 24.2 provides indemnification from OCOG to City for OCOG’s negligence, willful misconduct, or breach of OCOG’s representations, warranties or covenants under the Agreement.

Binding Arbitration. Section 23 and Exhibit C provide that in the event of a dispute, the City and OCOG will first meet in a good faith attempt to resolve the dispute amicably, and if such efforts fail, the dispute will be submitted to binding arbitration rather than being subject to judicial resolution via the court system (except for certain provisional emergency relief pending arbitration), as detailed in Exhibit C. The arbitrator’s decision could include a determination of responsibility for costs and fees, and would be fully enforceable in the courts.

IOC Approval. The Agreement, once executed between the City and OCOG, would be subject to approval by the IOC, which would be sought by OCOG (with best efforts of City to support and cooperate with OCOG in seeking such approval). In the event IOC Approval is not obtained for any reason within 12 months of the date the Agreement is fully executed, this Agreement would automatically terminate, unless otherwise agreed by City and OCOG.

## **V. FISCAL IMPACT**

There is no direct fiscal impact associated with this report, as it relates only to the approval of the Games Agreement. Future City expenditures associated with the 2028 Games will be presented to the City Council for consideration and approval.

## **VI. EXHIBITS**

1. Proposed Games Agreement between the City of Carson and OCOG (pgs. 6 - 40)

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