

**CITY OF LOS ANGELES**  
INTER-DEPARTMENTAL CORRESPONDENCE

C.F. No. 15-0989

Date: August 27, 2015

To: Honorable Members of the Ad Hoc Committee on the 2024 Summer Olympics

From: Miguel A. Santana, City Administrative Officer Sharon M. Tso, Chief Legislative Analyst Subject: **PROPOSED BID FOR THE 2024 OLYMPIC AND PARALYMPIC GAMES****Summary**

The United States Olympic Committee's (USOC) recent decision to terminate the City of Boston's candidature for the 2024 Summer Olympic and Paralympic Games (2024 Games) has propelled the City of Los Angeles as the leading U.S. candidate city to host the 2024 Games. Boston 2024's termination came amidst growing public dissent by residents and public officials on the financial risks placed on the City of Boston by the International Olympic Committee (IOC), the supreme authority of the Olympic movement. Among the biggest concerns of Boston 2024 opponents were probable cost overruns and revenue shortfalls that would be passed on to the City. It has been represented that as part of the *Host City Contract*, the primary covenant between the Host City and the IOC, the City must guarantee to cover gaps in funding.

The Los Angeles 2024 Exploratory Committee (LA24), a private non-profit corporation separate and apart from the City of Los Angeles, has submitted a bid on behalf of the City to host the 2024 Games (LA24 Bid) and has submitted its plan to the USOC for consideration to be the USOC's candidate to host the 2024 Games. The USOC is expected to decide on a bid city before September 15, 2015, and the IOC will make its selection of a Host City in 2017. In order for the City to further participate in the bid process, the City Council and Mayor must first approve a Joinder Agreement. The Joinder Agreement is an agreement between the City and the USOC in which the City legally binds itself to take the necessary actions, if selected as the Host City, to "execute and deliver a Host City Contract, a Joint Marketing Programme Agreement, and any other Candidature Documentation upon presentation by the IOC in accordance with the IOC's requirements" (Section 2.01). Furthermore, the Joinder Agreement joins the City to an agreement between LA24 and the USOC known as the Bid City Agreement, which also commits the City to the Bid City Agreement's terms and conditions.

Given the potential obligations the City would be committing itself to adopting the Joinder Agreement, the Council President has instructed our Offices and the City Attorney to report back on how the City Council can continue to be involved in the bid process for the 2024 Games, and to protect the City against financial risk. As an initial step towards this effort, the City Attorney has drafted a revised resolution (Attachment A) and incorporated language in the

Joinder Agreement (Attachment B) and the Disclosure Schedules (Attachment C) that clearly provide that the Council will, in the future, review and approve (or decline to approve) the Host City Agreement and other related agreements that will be entered into by the IOC and the successor entity to LA24, the Organizing Committee for the Olympic Games (OCOG). The OCOG is the dedicated legal entity responsible for planning and delivering the Olympic Games.

To further memorialize the City's role, with respect to the LA24 Bid and bid process, our Offices recommend entering into a Memorandum of Understanding (MOU) with LA24. The Los Angeles bid can only benefit from a clear understanding of the roles and responsibilities of each organization as we work to deliver the materials needed by the USOC and IOC.

This report and recommendations are intended to highlight to the Council the questions and issues that require further examination and provide some guidance for the Council as it considers moving the LA24 Bid forward to the USOC.

### **LA24 Bid Committee Board of Directors**

According to the LA24 Bid, the LA24 Board of Directors currently consists of five members, including representatives from the Mayor's Office, and is chaired by Casey Wasserman. If Los Angeles is selected by the USOC to be the United States applicant for the 2024 Games, the Board of Directors will expand to 20 to 30 members, including the Chairman and CEO of the USOC, at least three other USOC board members, and all of the United States IOC members. LA24 will also create an 11 member executive committee that will include the USOC Chairman and CEO and at least one U.S. athlete.

### **Overview of the LA24 Bid**

On August 25, 2015, our Offices received hardcopies of the LA24 Bid, which was made public for the first time by LA24. The LA24 Bid is comprised of a conceptual overview with limited details of how the 2024 Games would be staged in the City of Los Angeles and greater metropolitan region. The document contains a high level budget, general overviews of transportation, accommodations, and security plans, letters of public and political support, and brief descriptions of the proposed Olympic venues.

According to the LA24 Bid, the 2024 Summer Olympics would be held between July 19<sup>th</sup> and August 4<sup>th</sup>, followed by the Paralympics between August 14<sup>th</sup> and August 25<sup>th</sup>. A point that is strongly emphasized in the LA24 Bid, as a budget saving approach and a means by which to minimize risks, is the use of existing or planned facilities and infrastructure improvements to host events. In all, 31 venues and locations, organized in five clusters around the region, would be used for all of the sporting events. Most of the sporting venues are currently in existence, but several temporary venues would have to be built. Additionally, all venues would require some level of adaptation for the 2024 Games and some venues have been proposed as legacy projects, meaning that they would remain intact for the foreseeable future. Attachment D lists all of the venues and their use by cluster.

### *Olympic Village*

One of the most significant concepts included in the LA24 Bid is the construction of an Olympic Village near the Los Angeles River on a site that is currently owned and operated by Union Pacific Corporation as the Los Angeles Transportation Center, one of the region's primary goods movement facilities. Union Pacific has indicated that, although they are supportive of the Los Angeles Olympic bid and they are committed to working with the City, they currently have no plans or desire to vacate the site.

The IOC requires an Olympic Village that can accommodate 17,000 athletes and that is centrally located to a significant number of the sporting venues. The inclusion of this site and concept for the Village in the LA24 Bid satisfies this requirement. However, given the current use of the site and potential transaction costs and issues, there are several questions and issues that require further examination. For example, after a preliminary review of the Olympic Village project described in the City's bid, the development cost, including acquisition, remediation, and construction, may significantly exceed the projected \$1 billion. Relocation and remediation costs alone may account for over 55 percent of the estimated project costs. Our Offices recommend a closer analysis of the project scope, with the assistance of Bureau of Engineering Architectural Division, to refine the City's estimate of the total development costs. This analysis should also evaluate the re-use potential of the Olympic Village facilities, as this is a critical factor in the proposed public-private partnership structure and a key element in the Games' long-range impact. Concurrent to this review, alternative sites for the Olympic Village should be identified.

### *Games Budget*

The LA24 Bid puts forth a Games Budget (Attachment E) listing revenues totaling \$4.67 billion and expenditures including a 10 percent contingency totaling \$4.52 billion, for a \$150 million net gain. LA24 also expects to spend \$65 million on a two year campaign for the City to be selected as the host city, which is separate and apart from the Games Budget. Not included in the \$4.52 billion Games Budget expenditures are costs that are assumed will be privately financed. These costs currently total \$1.7 billion and are comprised of close to \$925 million for the development of the Olympic Village, \$500 million in renovations to the Memorial Coliseum which would once more serve as the Olympic Stadium and which would be separate from the \$300 million to be invested as part of the Games Budget, \$200 million for the private development of a new soccer stadium currently being considered to replace the Los Angeles Sports Arena, and \$75 million for other venue construction costs which include about \$35 million for locations and venues owned by the City of Los Angeles.

Our Offices cannot verify, validate, or further explain the budget beyond what is presented in the LA24 Bid.

### **Overview of Bid Process**

Under the new procedures adopted in August 2015, the IOC announced that all cities that declare an intent to bid for the 2024 Olympic Games by September 15, 2015 will become

Candidate Cities and remain in the race until September 2017, when a host city is selected. This change will leave the IOC with more Candidate Cities to consider in 2017, avoiding situations such as the recent competition to host the 2022 Winter Olympic Games, where only two Candidate Cities remained in the race at the end. The IOC will still have the right to eliminate Candidate Cities at any point in the process if they are deemed to be failing to meet IOC requirements.

### Candidate City Phase

According to IOC documents, Candidate Cities are required to develop more detailed Olympic Games plans, in response to a further IOC questionnaire. These plans are contained in a candidature file (a city's blueprint for the Olympic Games). The candidature file and any accompanying documents are analyzed by an IOC Evaluation Commission, which also includes representatives of various Olympic stakeholders such as the International Federations (IFs), National Olympic Committees (NOCs) and the IOC Athletes' Commission, as well as the IPC. On-site visits to each city are conducted and an opportunities and risks assessment report is produced which is provided to all the IOC Members. At the end of the process, the IOC Members vote and elect the host city. The newly elected host city and the NOC of the host country sign the Host City Contract with the IOC.

- September 15, 2015: USOC sends the name of their Applicant City to the IOC
- September 15, 2015 - May 2016: Submission of Vision, Games Concept and Legacy files
- May 2016 – Summer 2017
  - Development of detailed Olympic Games Plans in a Candidature File
  - Candidate Cities take part in IOC Observer Programme during Rio 2016 Olympic Games, as well as Rio 2016 Olympic Games Debrief
  - Submission of Candidature File (December 2016/January 2017)
  - Visit by a panel of Olympic Games experts to evaluate Candidate Cities (Evaluation Commission) – and publication of Commission's report
- September 2017: Election of Host City in Lima, Peru, by the IOC Session and signature of the Host City Contract

In the event the City of Los Angeles is selected as the Host City, according to the Bid City Agreement entered between LA24 and the USOC, LA24 transitions into the OCOG along with representation from the USOC of no less than 10 percent of the OCOG board of directors.

The OCOG is the dedicated legal entity responsible for planning and delivering the Olympic Games. Included in OCOG's authority would be control over all of the Olympic venues for planning, preparation, and use. The OCOG would be the central decision-making entity for all issues related to those venues, and responsible for entering into various agreements with the IOC, including the marketing agreement.

### **Next Steps**

Based on the obligations that the City may be committing itself to in adopting the Joinder

Agreement and in particular with regard to the proposals presented in the LA24 Bid, our Offices have identified some issues that require further examination and consideration. These issues have been listed and organized in Attachment F.

Nevertheless, without additional information from LA24, the USOC, or the IOC, it is difficult to determine the fiscal impact and risk to the City of hosting the 2024 Games at this time. Therefore, it is imperative that the City maintain its right to review and approve all agreements entered into with the USOC and the IOC and remain involved throughout the bid and review process. As a starting point, our Offices recommend that the following principles be established to help guide the process and any proposed agreements that the City may enter into:

- All agreements entered into and obligations made should fully protect the City's existing and future General Fund base;
- The City must maintain control over the decision making processes on all issues that impact the operation of the City, its facilities and the quality of life for its residents;
- At no time will public funds be committed without the express authorization of the City Council and Mayor; and
- The City will make every effort to make the process and all related actions as transparent as possible.

Although the City has hosted several national and international events in recent years, the size and scope of the 2024 Games will require outside consultants for sports economics, hospitality and hotels, transportation, and security to support further analysis.

## **RECOMMENDATIONS**

That the Council, subject to the approval of the Mayor:

- Approve the revised Resolution and Joinder Agreement, as amended by the City Attorney to ensure that Council approval will be required prior to executing any future agreements with the International Olympic Committee or the United States Olympic Committee.

Further, that the Council:

- Request the City Attorney, with assistance from the City Administrative Officer and Chief Legislative Analyst, to prepare a Memorandum of Understanding between the City and the Los Angeles 2024 Exploratory Committee setting forth the general terms and parameters of the City's role in bidding for the 2024 Olympic and Paralympic Games;
- Designate the City Administrative Officer and Chief Legislative Analyst as the City's lead negotiators in all matters related to the 2024 Olympic and Paralympic Games;
- Instruct the City Administrative Officer and Chief Legislative Analyst to report back on the risk, community impact, and costs related to hosting the 2024 Olympic and Paralympic Games, as information becomes available; and

- Authorize the City Administrative Officer and Chief Legislative Analyst to execute personal services agreements, as needed, for analysis related to the City's bid for the 2024 Olympic and Paralympic Games.

Attachments

*MAS:BC:ECM*

RESOLUTION

WHEREAS, the Los Angeles 2024 Exploratory Committee has submitted a bid to host the 2024 Summer Olympics and has submitted its plan to the United States Olympic Committee (USOC) for consideration to be the USOC's candidate to host the 2024 Olympic and Paralympic Games; and

WHEREAS, the United States Olympic Committee is expected to decide on a bid city before September 15, 2015, and the International Olympic Committee will make its selection of a host city in 2017; and

WHEREAS, the Los Angeles bid emphasizes Southern California's wealth of existing world-class sporting facilities, its strong travel and tourism infrastructure, its position as one of the great media capitals of the world, its close ties with the entertainment industry, and its ability to generate substantial revenues that will result in an operating surplus, just like the 1984 Olympic Games in Los Angeles, which left a financial legacy that continues to support youth sports programs to this day; and

WHEREAS, the Los Angeles 2024 Exploratory Committee (Bid Committee), a private nonprofit corporation separate and apart from the City of Los Angeles organized under the laws of the State of California is representing Los Angeles in its candidature to host the 2024 Olympic and Paralympic Games and to serve as the Organizing Committee for the Olympic Games in the event that the International Olympic Committee and the International Paralympic Committee award the Games to the City; and

WHEREAS, the City Council unanimously adopted a resolution on August 13, 2013 reaffirming and reiterating its support for Los Angeles to be selected by the United States Olympic Committee as the bid city for the 2024 Olympic Games; and

WHEREAS, in order for the City to further participate in the bid process the City Council and Mayor must now approve a "Joinder Agreement," attached hereto as Exhibit A, to provide the USOC various confirmations, acknowledgments, and agreements, and, in order for the City to ultimately be awarded the Games by the International Olympic and Paralympic Committees, the City Council and Mayor must review and approve a Host City Contract in approximately 2017; and

WHEREAS, the Joinder Agreement ensures that the City Council is afforded discretion to review and approve the Host City Agreement and other relevant documents; and

WHEREAS, action is needed now to approve the Joinder Agreement as a condition of the selection of Los Angeles as the bid city for the 2024 Olympic Games; and

WHEREAS, once the Joinder Agreement is executed, the Bid Committee, the City Council, and City Departments will conduct extensive community outreach in several languages and in neighborhoods throughout Los Angeles on all aspects of the bid prior to final consideration of a Host City Contract.

NOW, THEREFORE, BE IT RESOLVED that the Council of the City of Los Angeles hereby authorizes the Mayor and the President of the City Council to execute a Joinder Agreement, attached hereto as Exhibit A, that provides the United States Olympic Committee various confirmations, acknowledgments, and agreements relative to the 2024 Olympic Games, substantially in conformance with the draft attached to this Resolution and subject to the approval of the City Attorney as to form and legality, which provides the City Council with full discretion to review, consider, seek amendments, and approve the Host City Agreement and all other relevant agreements.

JOINDER AGREEMENT

This Joinder Agreement (this "Agreement") is entered into by and between the City of Los Angeles (the "City") and the United States Olympic Committee (the "USOC") as of the [ ] day of August, 2015. Capitalized terms used herein and not otherwise defined shall have the meaning ascribed to such terms in the Bid City Agreement, dated as of August [ ], 2015, by and between the USOC and Los Angeles 2024 Exploratory Committee (the "Bid Committee").

**RECITALS:**

WHEREAS, pursuant to the Olympic Charter adopted by the IOC, the International Olympic Committee (the "IOC") has designated the USOC as the National Olympic Committee ("NOC") for the United States. The International Paralympic Committee ("IPC") has designated the USOC as the National Paralympic Committee ("NPC") for the United States.

WHEREAS, pursuant to 36 U.S.C. §220503(3), the USOC is required to exercise exclusive jurisdiction over the organization of the Olympic Games and the Paralympic Games when held in the United States, and pursuant to 36 U.S.C. §220506, the USOC has the exclusive right to use Olympic- and Paralympic-related marks, images and terminology in the United States.

WHEREAS, as an NOC and an NPC, the USOC is eligible to nominate to the IOC one (1) city within the United States as its candidate to bid to host the 2024 Olympic Games and the 2024 Paralympic Games (collectively, the "Games") (such bid, and all activities of the Bid Committee relating thereto, the "IOC Bid").

WHEREAS, the Bid Committee has submitted, and the USOC has reviewed and evaluated, the bid by the Bid Committee on behalf of the City in the State of California (the "State") to have the City selected as the sole city with which to continue consideration of submitting an IOC Bid.

WHEREAS, during the period between the date hereof and September 15, 2015, when the USOC will nominate the City to host the Games (such period, the "Bid Preparation Phase"), and during the period between the conclusion of the Bid Preparation Phase and such time in approximately September 2017, when the IOC shall select a city (the "Games Vote") to host the Games, the Bid Committee, in cooperation with the USOC, will manage, complete and promote the IOC Bid.

WHEREAS, following the Bid Preparation Phase, the Host City Contract and Joint Marketing Programme Agreement (as such terms are defined below) will be subject to approval by the City Council prior to the City's submission of its Candidature File to the IOC.

WHEREAS, in the event that as a result of the Games Vote the IOC selects the City to host the Games (a "Successful Games Vote"), the City shall thereafter be referred to as the "Host City" and shall execute a "Host City Contract" with the IOC and the USOC (in the form provided by the IOC and previously approved by the City Council), and a "Joint Marketing Programme Agreement" with the IOC, the Bid Committee (or OCOG, if applicable) and the USOC (as negotiated by and among such parties consistent with the Marketing JV Memorandum of Terms described below).

WHEREAS, the City acknowledges and accepts the importance of the Games and the value of the Olympic brand, and agrees to conduct all of its activities in a manner which promotes and enhances the fundamental principles and values of Olympism.

WHEREAS, the City and the USOC mutually desire that the Games be organized in the best possible manner and take place under the best possible conditions for the benefit of the residents of the City and Olympic athletes of the world; that, in the event of a Successful Games Vote, the Games generate significant economic benefits for the City and its communities, be affordable and profitable, and leave a sustainable legacy for the City and the United States, in each case, as they did in 1932 and 1984; and that the Games contribute to the development of the Olympic Movement throughout the world.

NOW, THEREFORE, in consideration of the premises and the mutual promises contained herein and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties hereby intending to be legally bound agree as follows:

#### ARTICLE I. REPRESENTATIONS AND WARRANTIES

The City represents and warrants as follows in Sections 1.01 through 1.03 below:

**Section 1.01** The City has all necessary power and authority to enter into and deliver this Agreement, to carry out its obligations hereunder and to pursue the IOC Bid to host the Games in the manner contemplated by this Agreement and the Bid City Agreement.

**Section 1.02** The execution and delivery by the City of this Agreement and, except as set forth in Section 1.03 of this Agreement, the performance by the City of its obligations contemplated hereby have been duly authorized by all requisite City action. This Agreement has been duly executed and delivered by the City and (assuming due authorization, execution and delivery by the USOC) constitutes a legal, valid and binding obligation of the City, enforceable against the City in accordance with its terms, except as such enforceability may be limited by bankruptcy, insolvency, reorganization, moratorium or similar Laws affecting creditors' rights generally and by general principles of equity (regardless of whether enforcement is sought in a proceeding at law or in equity).

**Section 1.03** The Host City Contract and Joint Marketing Programme Agreement will be subject to approval by the City Council prior to the City's submission of its Candidature File to the IOC. No other order, writ, judgment, injunction, decree, stipulation, determination or award entered by or with any Governmental Authority nor any legislative, rule-making or administrative action, referendum or other electoral action or other similar such action is required for the City to authorize, execute and deliver a Host City Contract and a Joint Marketing Programme Agreement pursuant to Section 2.01, and when executed and delivered, each of the Host City Contract and the Joint Marketing Programme Agreement shall be enforceable against the City in accordance with its terms, except as such enforceability may be limited by bankruptcy, insolvency, reorganization, moratorium or similar Laws affecting creditors' rights generally and by general principles of equity (regardless of whether enforcement is sought in a proceeding at law or in equity). Notwithstanding the foregoing, the City explicitly does not represent or warrant that a public referendum, ballot

proposition or other initiative petition, whether binding or non-binding, and whether related to any Host City Contract, the IOC Bid, the City's obligations related to the Games or otherwise, may or may not occur at the State, City or local level.

Section 1.04 The USOC acknowledges that, notwithstanding anything to the contrary in this Agreement, the Host City Contract and Joint Marketing Programme Agreement will be subject to approval by the City Council prior to the City's submission of its Candidature File to the IOC.

## ARTICLE II. COVENANTS OF THE CITY

Section 2.01 The City shall execute and deliver a Host City Contract, a Joint Marketing Programme Agreement and any other Candidature Documentation upon presentation by the IOC in accordance with the IOC's requirements. For clarity, the Host City Contract signed by the City will not be deemed delivered to the IOC unless and until, as a result of the Games Vote, the IOC selects the City to host the Games.

Section 2.02 The City shall provide or cause to be provided all of the City funding, facilities, operational support and other resources specified in and by the Candidature Documentation. Without limiting the preceding sentence, the USOC and the City acknowledge that the OCOG will be principally responsible for the costs of operating the Games and that the Candidature Documentation will provide for a budget under which all such costs will be paid by the OCOG from the revenues generated from the Games (including reimbursement of any incremental costs incurred by the City in connection with the Games).

Section 2.03 The City shall cooperate with the Bid Committee and the USOC and shall take such actions, including furnishing information and executing and delivering additional documents, as may be necessary or desirable to carry out the provisions of this Agreement and the Bid City Agreement and give effect to the transactions contemplated hereby and thereby.

Section 2.04 The City has complied, and shall at all times comply with, the provisions of the Core Regulations and any rules promulgated thereunder.

Section 2.05 The USOC shall be the sole and exclusive owner of Logo(s) and any other Bid Committee Intellectual Property and all goodwill associated therewith, and shall have the sole and exclusive right to seek domestic and international trademark and service mark registrations for Logo(s) and any other Bid Committee Intellectual Property, as well as copyright registrations with respect thereto.

Section 2.06 The City agrees that it shall have no right of recovery of any kind against the USOC, or any affiliate, director, officer, employee, consultant or independent contractor thereof, in connection with this Agreement or the Bid City Agreement or any agreement with the USOC that is ancillary hereto or thereto.

Section 2.07 The City acknowledges that one of the USOC's guiding principles related to the IOC Bid and the Games is that neither shall operate to diminish the resources available to

support NGBs and athletes, and the City acknowledges that the Bid Committee will be operated on a basis consistent with that principle.

ARTICLE III.  
INDEMNIFICATION AND DISPUTE RESOLUTION

Section 3.01

(a) Except to the extent caused by the USOC's gross negligence or willful misconduct, or arising out of any breach or misrepresentation by the USOC under this Agreement or the Bid City Agreement, the City shall, jointly and severally with the Bid Committee, defend, hold harmless and indemnify the USOC, its affiliates, and the trustees, directors, officers, employees, officials, members, volunteers, agents, attorneys, consultants, and independent contractors of each of the foregoing (collectively, including the USOC, the "USOC Indemnified Parties") from and against, and shall pay and reimburse each of the USOC Indemnified Parties for, any damages (including any liquidated damages), costs, liabilities, penalties, fines, or expenses, (including costs of investigation, defense, legal fees and judgments) (collectively, "Losses") arising out of or related to (i) any breach or misrepresentation by the City under this Agreement or any agreement ancillary hereto or thereto, (ii) any claims arising out of any USOC Early Termination, or (iii) any and all threatened, pending, or completed actions, claims, suits or proceedings, whether civil, criminal, administrative or arbitrative or in the nature of an alternative dispute resolution in lieu of any of the foregoing, or any appeal of any of the foregoing or any inquiry or investigation that could lead to any of the foregoing (each, a "Proceeding"), in each case in this clause (iii), to the extent related to any of the matters described in clauses (i)-(ii) above. Notwithstanding the foregoing, the City shall have no obligation under this Section 3.01 or otherwise arising directly or indirectly from any public referendum, ballot proposition or other initiative petition, whether binding or non-binding, at the State, City or local level or any other State, City or local law prohibiting the hosting or funding of the 2024 Olympic Games.

(b) Except to the extent caused by the City's gross negligence or willful misconduct, or arising out of any breach or misrepresentation by the City under this Agreement, the USOC shall defend, hold harmless and indemnify the City its affiliates, and the trustees, directors, officers, employees, officials, members, volunteers, agents, attorneys, consultants, and independent contractors of each of the foregoing (collectively, including the City, the "City Indemnified Parties") from and against, and shall pay and reimburse each of the City Indemnified Parties for, any Losses arising out of or related to (i) any breach or misrepresentation by the USOC under this Agreement, the Bid City Agreement or any agreement ancillary hereto or thereto, (i) any claims arising out of any Bid Committee Early Termination, or (iii) any Proceeding to the extent related to any of the matters described in clauses (i)-(ii) above.

Section 3.02 The rights to indemnification conferred in Section 3.01 shall include the right to be paid or reimbursed by the party(ies) obligated to provide indemnification under Section 3.01 (the “Indemnitor”) for expenses incurred by a Person or Persons entitled to be indemnified under Section 3.01 (each an “Indemnitee”) that was, or is threatened to be made a named defendant or respondent in a Proceeding in advance of the final disposition of the Proceeding and without any determination as to such Indemnitee’s ultimate entitlement to indemnification; provided, however, that the payment of such expenses incurred by any such Indemnitee in advance of the final disposition of a Proceeding shall be made only upon delivery to the Indemnitor of a written affirmation by such Indemnitee of a good faith belief that the requirements necessary for indemnification under Section 3.01 have been met, and a written undertaking on behalf of such Indemnitee to repay all amounts so advanced if it shall ultimately be determined that such Indemnitee is not entitled to be indemnified under Section 3.01.

Section 3.03 Any disputes between the City and the USOC shall be resolved as set forth in Article 9 of the Bid City Agreement, with the understanding that the Mayor of the City (or the Mayor’s designee) shall serve in the place of the chief executive officer of the Bid Committee with respect to any dispute between the City and the USOC.

#### ARTICLE IV. TERM; ENTIRE AGREEMENT

The term of this Agreement shall commence on the date hereof and shall terminate upon the earliest of (i) an Unsuccessful Games Vote, (ii) the execution of a Host City Contract, Games Operating Agreement, Joint Marketing Programme Agreement and Marketing JV Agreement by all of the parties thereto and (iii) an Early Termination. Such termination is expected to occur in approximately September 2017 or prior thereto. This Agreement constitute the entire agreement by and between the City and the USOC relating to the IOC Bid and the other matters addressed or governed hereby and supersedes all prior contracts or agreements between the City and the USOC with respect to the IOC Bid and the other matters addressed or governed hereby, whether oral or written.

- *signature page follows* -

IN WITNESS WHEREOF, each of the parties has caused this Agreement to be duly executed on its behalf as of the day and year first above written.

**THE CITY OF LOS ANGELES**

**UNITED STATES OLYMPIC COMMITTEE**

By: \_\_\_\_\_  
ERIC GARCETTI  
Mayor, City of Los Angeles

By: \_\_\_\_\_  
SCOTT A. BLACKMUN  
Chief Executive Officer

Date:

Date:

By: \_\_\_\_\_  
HERB J. WESSON, JR  
President, Los Angeles City Council  
Councilmember, 10<sup>th</sup> District

Date:

**APPROVED AS TO FORM:**  
MICHAEL N. FEUER, City Attorney

**ATTEST:**  
HOLLY L. WOLCOTT, City Clerk

By: \_\_\_\_\_

By: \_\_\_\_\_

Date: \_\_\_\_\_

Date: \_\_\_\_\_

Section 5.1(e)

Required Governmental Actions – Host City Contract and Joint Marketing Programme Agreement

The execution by the City of the Host City Contract and the Joint Marketing Programme Agreement will ~~require formal adoption~~ be subject to approval by the Los Angeles City Council prior to the City's submission of its Candidature File to the IOC.

## **Proposed venues for the Los Angeles 2024 Olympics**

### **Downtown clusters:**

- L.A. Memorial Coliseum - Opening and Closing Ceremony, Track and Field
- Proposed Soccer Stadium (formerly known as Sports Arena) - Swimming, Diving, and Synchronized Swimming.
- USC Galen Center - Boxing
- Shrine Auditorium- Weightlifting
- Convention Center - Badminton, Table Tennis, Judo, Wrestling, Rhythmic Gymnastics, Handball, and Taekwondo
- Staples Center - Gymnastics, Trampoline and Basketball
- Microsoft Theater (formerly known as Nokia theater) - Fencing
- Dodger Stadium (Pending inclusion of baseball and softball in the Olympic Games)
- Olympic Village

### **Hollywood Cluster:**

- Hollywood Blvd Block Plan - Start and finish line of the Marathon and Road Cycling
- Griffith Park Block Plan - Mountain Biking and BMX
- Wilson Golf Course

### **The Valley Cluster:**

- Sepulveda Dam Block Plan - Archery, Equestrian, Shooting, Canoe Slalom, and Modern Pentathlon

### **Coastal Cluster:**

- Santa Monica Block Plan - Beach Volleyball, Skate, Open Water Swimming, Cycling time trials, and Triathlon
- LA Tennis Center - Water Polo
- Pauley Pavilion - Basketball
- Drake Stadium and Practice Fields - Field Hockey

### **The South Bay Cluster:**

- Stub Hub Center - Rugby
- Tennis Stadium - Tennis and Wheelchair Tennis
- Velo (Velodrome) Sports Stadium - Cycling and Track

### **Other Venues:**

- The Rose Bowl - Football
- The Forum - Volleyball
- LA Waterfront Block Plan - Sailing
- Lake Casitas Block Plan – Rowing and Canoe Sprint

## LA24 GAMES BUDGET (August 2015)

REVENUE DESCRIPTION	OCOG Rev	% of Rev
IOC Contribution (Broadcast and TOP Sponsorships)	\$1,500.0	31%
Domestic Sponsorships	\$1,437.2	30%
Sports Ticketing Revenue - Olympics	\$1,153.9	24%
Torch Run, Coins/Stamps	\$226.6	5%
Licensing	\$159.7	3%
Donations	\$100.0	2%
Sports Ticketing Revenue - Paralympics	\$90.0	2%
Lottery Licensing	\$75.0	2%
Disposal of Assets	\$40.0	1%
Private naming rights (Temporary + Permanent)	\$25.0	1%
Cultural Ticketing Revenue	\$10.0	0%
Secondary Ticketing	\$10.0	0%
Subsidies	TBD	0%
<b>TOTAL REVENUE</b>	<b>\$4,827.3</b>	<b>100%</b>
COST DESCRIPTION	OCOG	Non-OCOG
<i>Venue Costs</i>		
Village	\$75.0	\$925.0
Olympic Stadium	\$300.0	\$500.0
IBC / MPC	\$130.0	TBD
Competition venues (excl. stadium)	\$713.0	\$275.0
Non Competition venues	\$17.0	\$0.0
<i>Venue Operations</i>		
Venue Rental Costs - all venues	\$50.0	
Games time enhanced services	\$15.0	
Utilities consumption	\$15.0	
<i>Key Services</i>		
Technology	\$412.0	
Games Services including Sport	\$326.3	
Workforce	\$424.9	
Support Services	\$702.0	
Ceremonies	\$150.0	
City Operations	\$200.0	
Facilities Maintenance	\$25.0	
Elite Athlete Performance	TBD	
USOC Share of JV Net Revenue	\$386.0	
Other JV Expenses	\$175.0	
<b>TOTAL COSTS</b>	<b>\$4,116.2</b>	<b>\$1,700.0</b>
<b>Contingency</b>	<b>\$400.0</b>	
<b>Insurance Premium</b>	<b>\$150.0</b>	
<b>TOTAL COSTS (incl.contingency and insurance)</b>	<b>\$4,666.2</b>	
<b>NET POSITION</b>	<b>\$161.1</b>	

## Questions and Issues Requiring Further Review

### Governance and Oversight

- This is an intergovernmental effort that will require relationships with Santa Monica and other surrounding cities, the County of Los Angeles, the State, and the Federal Government. Clarification is needed on expectations and the role of each entity.
- Is there a timeline that indicates which documents will be needed and when, as well as key milestones for various types of approvals?

### Budget and Reimbursements

- Will LA24 reimburse the City for costs associated with any independent analysis conducted by the City?
- The budget includes revenues from “Permanent Private Naming Rights.” What naming rights does this refer to? Will this include public facilities?
- Have the non-OCOG elements of the budget been identified, including source of funds, contracting parties, etc?
- How was the City services budget calculated? Was that for the period only during the games, or for the lead-up and close-out?
- Is the City of LA on the hook for cost overruns at various venues outside the City, such as Santa Monica and Lake Casitas, or at private venues such as LA Live or The Forum?
- Will the City be required to implement capital projects to refresh existing infrastructure, such as streets and parkways, around Olympic venues or on routes/pathways that will be highly visible?
- What is the likelihood that the State will pass a financial guarantee to support the 2024 Games?

### Venues

- Convention Center: The bid indicates a 6-month build-out for the venue needs. Does that mean there are no conventions, meetings, trade shows, or other events at LACC? Will the LACC be made whole for that cost? How do we handle long-term bookings for the facility? Is 6 months the lead-in

only, or does that also include the breakdown? Does the estimated venue cost of \$60M include booking fees at the Convention Center? Will the Center be made whole for all revenues lost due to closure of the venue for at least 6 months?

- Griffith Park: The plan identifies an existing velodrome that would be removed, but there is no velodrome in the Crystal Springs section of Griffith Park. Does this plan remove parkland? What are the costs and insurance issues related to operating a permanent BMX venue? Crystal Springs is one of the most heavily used sections of Griffith Park. How long will this area be closed to the public?
  - Is Mountain Biking currently an allowed use in Griffith Park on its trails? If not, why? Will the City allow this use to be a permanently added use?
- Sepulveda Dam Venues:
  - What is the impact of closing Woodly Golf Course for nine months?
  - What happens to Bull Creek, where the Pentathlon site will be located?
  - What are the current uses across the area?
  - What are the cost and insurance issues associated with operating a canoe slalom? As a legacy project, the City could be responsible for the facility after the Games. The Bid is unclear as to whether the City will own the venue or a private operator will own. Who will the operator be? And where will the \$10 million non-OCOG contribution come from?
- Figueroa and Martin Luther King Jr. Blvds will be closed at Exposition Park. Figueroa at the Convention Center/Staples/LA Live will also be closed, as will be Hollywood Boulevard. What is the duration of these closures (i.e., how many weeks before and after the Games)? What are the impacts on traffic associated with these closures? Are there other major street closures and for what durations?

#### Olympic Village

- The project is the largest expense item in the bid and is identified as a public-private partnership. What is the City's role and what kind of

assistance is the City expected to provide? Is the City negotiating purchase of the site? What is the source of funds for the purchase?

- Who will be responsible for cost overruns?
- What is the timeline for developer selection and under what process?
- How will the transition uses be determined?
- How will the Olympic Village impact plans for the revitalization of the Los Angeles River and surroundings?