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Honorable Karen Bass
Mayor
200 North Spring Street
Los Angeles, CA 90012

Re: City's Alleged Inability to Protect Taxpayers from 2028 Olympics Costs for Which LA28 Is Responsible but Reportedly Has Yet to Adequately Guarantee Payment in the ECRMA or Other 2028 Olympics Agreements with the City.

Dear Mayor Bass,

As you lead Los Angeles in a time of clear and present peril from federal incursion, I write to convey warnings from City staff of a potential future threat there is little time left to address.

Introduction

The purpose of this letter is to raise acute concerns that the City of Los Angeles and LA28¹ are negotiating an Enhanced City Resources Master Agreement (ECRMA) that knowledgeable City staff warn could leave Los Angeles taxpayers trapped into paying \$1 billion in likely illegal² security costs for the 2028 Olympic and Paralympic Games.

¹ LA28 is the Los Angeles Organizing Committee for the Olympic and Paralympic Games 2028 and is the non-profit corporation responsible for securing funds to operate the 2028 Games.

² California Government Code 53069.8 requires full cost reimbursement to the City for actual costs of providing City law enforcement services to the 2028 Olympic Games. The Games Agreement between The City of Los Angeles and The Los Angeles Organizing Committee for Olympic and Paralympic Games 2028 clearly states that all city services will be at LA28's cost and expense.

City Council President Harris-Dawson and Mr. Krekorian have recently jumpstarted a change in direction to address the concerns. However, the imminent deadline and four years of City complacency amid reportedly vexed dynamics with LA28, suggest sufficiently strong protections are unlikely to happen without the assistance of external demand.

I respectfully request that City officials urgently address the matters raised below and ensure that the ECRMA legally binds LA28 to its promise that the 2028 Olympic and Paralympic Games would pose “zero cost to the City.”

Background

On April 8, 2025, the City of Santa Monica announced that it would not host a venue for the 2028 Olympics. That decision followed an October 2024 financial impact report that concluded Santa Monica would lose \$1.45 million as a venue city, and after LA28 reportedly failed to offer sufficient financial guarantees to protect Santa Monica taxpayers.

Before you took office, the City of Los Angeles, apparently without any similarly rigorous study of the Olympics’ economic impact on Los Angeles taxpayers, successfully bid to host the 2028 Olympics. The City signed the Host City contract after hearing LA28’s assurance that the Games would be “zero cost” to the City, a commitment later undermined when an LA28 official allegedly stated that taxpayers would pay for security costs for the Games.

Under the Host City contract, the City of Los Angeles appears to be a financial guarantor of the 2028 Games and provider of city services required for the Games. This commitment carries potential City liability and costs in the billions of dollars, if LA28 is not held to its promise of zero costs.

After unsuccessfully raising the concerns below internally, City staff involved in Games preparation shared them and warned that the current state of the ECRMA --- the last chance to protect taxpayers from illegitimate 2028 Olympics costs---has insufficient guarantees of reimbursement to protect taxpayers.

With a hard October 2025 deadline, the questions below are a last chance to press the urgency of holding LA28 to its “zero cost” commitment --and ensuring the City does not sign a billion dollar empty promise that staff fear ECRMA negotiations are on track to produce.

Questions

- 1. Do City Negotiators Have Sufficient Expertise in NSSE Super Event Contracting?**

Do ECRMA negotiators on behalf of the City have experience with major National Special Security Events (NSSE) and effective cost recovery contracting for a balkanized City bureaucracy with inadequate processes and protocols for major event contracting?

If not, I respectfully request expert assessment of whether the ECRMA sufficiently protects LA taxpayers with guarantees of payment for all direct city costs expended for the Games.

2. Is A Good Faith Framework for ECRMA Warranted?

If the ECRMA is using a ‘good faith’, ‘best efforts’ framework, has there been a track record of good faith compliance with the existing Games’ Agreement³ that warrants assumptions of future good faith dealing and compliance with the ECRMA?

For example, were Games Agreement requirements met for timely sharing of important financial information and baseline information for security planning? Did the City receive from LA28 best efforts responses to requests for budgets for City costs, and updates on fund raising plans for security costs? Did fund raising budgets from LA28 include City costs? Have LA28’s private statements about its obligations to cover City costs been consistent with its public promise to do so?

If not, perhaps the ECRMA requires a more stringent framework.

3. Does the ECRMA Ensure that the City Will Receive Its Fair Share of Funds from the 2025 Federal Allocation of \$1 Billion for 2028 Olympics Security Costs?

Congress just appropriated to the Administrator of the Federal Emergency Management Agency, “\$1 billion for Olympic security, planning, and other costs related to the 2028 Olympics.”⁴

³ The Games Agreement Between The City of Los Angeles and The Los Angeles Organizing Committee for Olympic and Paralympic Games 2028” (Games Agreement), signed 12/22/2021, sets forth the framework for how LA28 and the City should work together on planning the Games and engaging with the region’s other cities.

⁴ See Sec. 90005 (a)(1)(C) State and Local Assistance.

How does the ECRMA ensure that the specific amounts required for City of Los Angeles costs are secured from this allocation?

In the event LA28 is designated to receive a share of this federal allocation, does the ECRMA require LA28 to seek and secure funds from this allocation for City costs?

If CalOES⁵ is designated to receive these federal funds, does the ECRMA request that LA28 lobby CalOES, with which LA28 seems to have a close working relationship, to reimburse city costs?

If these federal funds are allocated to federal law enforcement and security agencies, but not for the City's costs, how does the ECRMA ensure that LA28 offsets those lost amounts with other funds raised?

4. Does the ECRMA Have a Post Games Invoice/Reimbursement Framework or an Upfront Payment and Escrow Framework?

If the ECRMA is an invoiced reimbursement contract, why isn't the City instead negotiating for an upfront escrow framework that requires, for example, LA28 to pay upfront costs for all City preparations for the Games; to set aside 25% of revenue raised for a City Costs Contingency Fund; and requires LA28 to remain in operation past the Games until all city costs are satisfied?

If the ECRMA is an invoiced reimbursement contract that requires payment only for costs that are 'undisputed', what ECRMA language prevents a post-Games quagmire of invoicing for interminably disputed costs?

5. What Happens If LA28 Dissolves Before City Costs Are Paid?

What in the ECRMA stops LA28 from closing down when the Olympic Flame goes out and leaving taxpayers with an estimated unfunded or partially funded bill of \$1.5 billion in Games costs for security, transit and sanitation?

In that event, will the City be invoicing a ghost entity? And if no leftover funds exist, and LA28 has no obligation to raise post-Games funding, how will outstanding costs be covered?

6. Is it Prudent to Have a Post Games Financial Deficit Plan for City Costs?

Does the ECRMA include a post-Games plan that extends LA28's obligation to raise funds until all costs are financed?

⁵ California Office of Emergency Services

7. Does the ECRMA End the Reported Dispute over Coverage of Core Costs?

What language in the ECRMA definitively states that LA28 now agrees, and no longer disputes, that all security, transit and sanitation costs expended for the Games within the blast perimeter footprint of the Games will constitute extraordinary costs that LA28 is obligated to cover?

8. Does the ECRMA Resolve the Unfunded Financial Gap Created by the Venue vs. Blast Radius Games Footprint Dispute?

How does the ECRMA pay for the funding gap created by LA28 's alleged interpretation of the Games Footprint as limited to the smaller operational perimeter narrowly confined to the physical buildings and immediate sidewalks of the venue, and the City's interpretation of the footprint as including the broader and substantially more expensive blast radius⁶ that the City is required to use to meet NSSE standards?

9. Did LA28 Revise Its 2024 Budget to Include City Costs?

In 2024, an LA28 leader reputedly expressed the view that the Olympics' extraordinary security costs should be paid by City taxpayers. LA28's end of year 2024 budget for the Games omitted security and other City costs. Did the City ever receive from LA28 an updated budget that included security, transit and sanitation costs?

10. Will Los Angeles Have to Pay Losses of Other LA County Venue Cities?

Does the ECRMA protect City taxpayers from backstopping any Games losses of other cities with Games venues?

11. Does the ECRMA Require Funding for the Following Specific Direct Costs for Games Security, Fire, Sanitation and Public Transit ?

All direct security costs for Police, Fire and Public Transportation, including

⁶ In the context of a National Special Security Event like the Olympic Games, the City is required to use the NSSE 'blast radius' standard that refers to the perimeter within which potential damage or disruption can result from a security breach or incident. It is often broader than a physical building and reasonably extends to cover adjacent areas and key infrastructure; it also requires substantial costs for personnel, street closures and other extraordinary city services. LA28's constricted perimeter removes its obligation to cover the mandatory blast perimeter costs.

salaries, overtime, intra-agency communication systems, technology, extra vehicles, and equipment needed to manage extended shifts without shade or shelter;

All law enforcement mutual aid costs including housing, salaries, food and transportation for all mutual aid officers mandated by federal authorities (mutual aid will not be reimbursed by the State for non-emergency deployments);

Transportation safety officers on public transit used for the Games;

Infrastructure and staff for Emergency Medical Services Heat Injury Prevention Plans (e.g., cooling and watering stations, shade canopies, posted EMS staff along walking routes and at venues; extra medical and first aid equipment costs);

Fire alert plan costs: equipment pre-positioning costs and venue evacuation costs if wind fire conditions or worse arise;

All direct costs for enhanced transit and transportation including extra train cars; synchronized and aligned emergency response and communications systems;

All direct costs for road and freeway closures;

All extra insurance costs;

All direct costs for sanitation including non- customary salaries, overtime for extended 24/7 day cleaning, extra trash pickup.

12. Has the City given LA28 estimated costs of the items above to establish a baseline of minimum costs?

13. Can the ECRMA Negotiations Guarantee Zero Costs for Taxpayers & Mandatory Inclusion of all Security, Transit and Sanitation Costs in Definition as Extraordinary Costs that LA28 Is Obligated to Fund?

What language and arrangements in the ECRMA will offer a hard guarantee that City taxpayers will not be stuck with the costs for the extraordinary city services that will be required for Olympics security, sanitation and transit?

Conclusion

Los Angeles faces multiple fiscal hazards⁷ that many current leaders negotiating this and other Olympics agreements, will not be around to face. The City cannot afford an additional \$1.5 billion hit in 2028 because City officials inadequately protected taxpayers in 2025.

I am sure you agree it is imperative that the ECRMA legally compel LA28 to honor its promise of a 'zero cost 2028 Olympic and Paralympic Games. Thank you for considering these issues.

Sincerely,
Connie Rice

cc:

Hon. Hydee Feldstein Soto
City Attorney

Hon. Marqueece Harris-Dawson
President Los Angeles City Council
Chair Ad Hoc Committee on 2028 Olympics

Mr. Matthew Szabo
City Administrative Officer

Ms. Sharon Tso
Chief Legislative Analyst

⁷ For example, the \$1 Billion 2025 Budget Gap; Costs of Catastrophic Urban Conflagration Fires; Unfunded Labor Agreements; Federal Funding Retractions and Cancellations; Economic Damage from Federal ICE Raids; Potential Costs of Federal Tariffs to Regional and City Economies; Costs of Declines in Foreign Tourism and the Entertainment Industry; Mounting liability payments for police and other litigation losses; Lower Tax Base Due to Fires and Business Declines; Likely Costs of Another High Risk Fire Season, Catastrophic Earthquake or Other Natural Disaster.