



County of Los Angeles CHIEF EXECUTIVE OFFICE

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SACHI A. HAMAI
Chief Executive Officer

June 1, 2020

To: Supervisor Kathryn Barger, Chair
Supervisor Hilda L. Solis
Supervisor Mark Ridley-Thomas
Supervisor Sheila Kuehl
Supervisor Janice Hahn

From: Sachi A. Hamai 
Chief Executive Officer

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Third District

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GRAND PARK: COST AND JOB DEVELOPMENT ASSESSMENT (ITEM NO. 5, AGENDA OF FEBRUARY 11, 2020)

On February 11, 2020, the Board of Supervisors adopted a motion by Supervisor Solis instructing the Chief Executive Officer (CEO) to report back in 120 days on the following:

- Conduct a qualitative analysis that shall include but not be limited to the number and size of events at Grand Park and opportunities to develop a robust job training program for union jobs aimed to increase racial and gender diversity, particularly opportunities for residents from economically underserved communities and Los Angeles County (County) client populations;
- Conduct a fiscal analysis that shall include but not be limited to the current wages of vendors and occupations utilized by permittees in comparison with the union rates of the same or similar occupations, cost assessments of programs and events held at Grand Park; and cost benefit analysis of transitioning to a union contract including potential impact on current staffing if there was a union contract among other critical fiscal issues; and
- Engage relevant internal and external stakeholders, including union representatives, Grand Park permittees, Grand Park and The Music Center staff and management, community-based organizations among others to inform of the analyses.

Our office, with the assistance of the Performing Arts Center of Los Angeles County (PACLAC), retrieved data for the events hosted in Grand Park for FY 2018-19 (see *Table 1*):

Table 1

	No. of Events in FY 2018-19	Unionized
Corporate	8	No
Los Angeles County	8	Yes
Entertainment Industry	21	Yes
Nonprofit	35	No
PACLAC	9	No
TOTAL	81	

When determining the feasibility of developing a robust job training program, certain factors were taken into consideration such as the number of events per year and the required equipment/labor for staging/set-up. We found that many of these events use only local vendors who supply staging, audio and lighting equipment, and provided the labor to stage/set-up as part of the equipment rental costs. These situations are unique to the entertainment industry for local and community-type events, like those at Grand Park. Therefore, any training associated with the duties required for staging and set-up, is already handled by the local vendor.

Since the County and the entertainment industry (29 combined events) are unionized, we reviewed the remaining 52 events, and of these, two events did not require staging and/or set-ups. We unfortunately were not able to retrieve enough information for the remaining 50 events to form a calculation. Therefore, we are unable to determine whether it would be enough to develop a job training program at this time.

Our analysis excluded events hosted by the County and entertainment industry because the work was performed by union laborers. We sent out a voluntary survey to the corporate and nonprofit groups requesting information (i.e., food, entertainment, set-up, staging, etc.) to perform the comparison with a two-week turnaround. No one responded to the survey within the requested timeframe. We requested PACLAC to perform cost comparisons for their events and found that there would be at a minimum, a 31 percent increase in benefits-related costs. There are other potential cost increases which could not be quantified at this time. One example would be an increase in staffing costs due to the Union stipulating that there needs to be a match between Union and vendor labor. In addition, PACLAC will have to lay off around 30-45 part-time production assistants in lieu

Each Supervisor
June 1, 2020
Page 3

of Union workers and an estimated 15 percent increase associated with a 3-year learning curve to set-up and/or stage events in Grand Park.

In conclusion, our data shows that the majority of the events in Grand Park are hosted by nonprofit organizations, followed by PACLAC and corporate entities. If the County was to require the use of Union labor to host an event in Grand Park, the additional associated costs may deter organizations from coming. We believe nonprofits obtain their resources through donations and/or volunteers. PACLAC will probably request the County to fund any additional costs associated with hosted events as stipulated in the operating agreement. We also anticipate that the corporate entities will choose to look for other venues to host their events. This will make it harder for Grand Park to generate revenues and garner sponsorships in the future.

If you have any questions regarding this report, please contact me, or your staff may contact Gevork Simdjian at gsimdjian@ceo.lacounty.gov or at (213) 893-9736.

SAH:FAD:MM
SW:GS:LM:ae

c: Executive Office, Board of Supervisors
County Counsel
Performing Arts Center of Los Angeles County