

# Memorandum

**TO:** HONORABLE MAYOR  
AND CITY COUNCIL

**FROM:** Kim Walesh

**SUBJECT:** SUPER BOWL 50  
PLANNING UPDATE

**DATE:** January 19, 2016

Approved

*D. D. Syl*

Date

*1/19/16*

## INFORMATION

### BACKGROUND

As the City Council is aware, the Bay Area will host Super Bowl 50 at Levi's Stadium on Sunday, February 7, and Super Bowl visitors are expected to stay and play in San José throughout Game Week. San José is the official host site of the National Football Conference (NFC) Champion Team and *Super Bowl Opening Night Fueled by Gatorade* at the SAP Center on February 1. A number of public events and amenities are planned in San José during Super Bowl week, and descriptions can be found at: <http://www.sanjoseca.gov/index.aspx?nid=4821>.

This memorandum provides an update on our plans for public safety services and information regarding anticipated City revenues generated by Super Bowl-related visitors. It should be noted that the Super Bowl is expected to have a positive fiscal impact on the City, with anticipated revenues from Transient Occupancy Tax alone exceeding our estimated direct costs associated with the events. When additional Sales Tax, parking revenues, other hotel taxes, and airport-related revenues are ultimately included, the fiscal impact will further strengthen.

### PLANNING UPDATE

Over the past several months, the City Administration has been working to finalize preparations for Super Bowl-related events and visitors. As part of the initial planning, the City Council approved a limited number of actions to support the event as part of the 2014-2015 Annual Report in October 2015. The majority of these funds were allocated to accelerate projects that were already planned. Since the release of the 2014-2015 Annual Report, the Police and Fire Departments have continued to analyze their staffing needs for Super Bowl week as described below.

***Police Services***

The Police Department is preparing to assign additional officers to be on duty in order to maintain the safety of the city, residents and visitors, and to continue to provide emergency response throughout the community. This will include additional police presence at the Super Bowl-related events and on Game Day, special operations staff, regulation of the Downtown Special Event Zone, security for the NFC team hotel, contract services with the California Highway Patrol (CHP) for team escorts, and critical incident response teams. The preliminary cost estimate for additional police services directly related to Super Bowl events is approximately \$1.25 million. Of this amount, we anticipate that \$150,000 will be reimbursed by the National Football League (NFL) Host Committee for police security services provided at the team hotel. Factoring in NFL reimbursement for police services, the net direct cost associated with the Super Bowl will be approximately \$1.1 million based on the current staffing plan. In addition, it is estimated that \$100,000 will be reimbursed from Airport funds to offset the costs of increased police presence at Mineta San José International Airport that will be dedicated to airport activity during and after Super Bowl. Vacancy savings generated by police staff at the Airport are available to offset these costs at this time. There are also operational changes to patrol that will be necessary in order to respond to calls for service throughout the community. Absent the CHP escort services costs, the Police Department budget has sufficient funding to cover any immediate costs associated with these staffing changes.

***Fire Services***

Working closely with Police Department, the Fire Department has also been preparing for additional fire staffing in order to be able to effectively address an anticipated increase in emergency and medical calls for service, especially in the Downtown, as well as to be prepared for potential hazardous incidents. This includes the deployment of an additional engine company and two squad units for the three days leading up to the Super Bowl as well as for Game Day. In addition, a dedicated Hazardous Incident Team will be assigned for two days during Game Week. The additional overtime costs for these services are expected to total approximately \$50,000. Because the Fire Department's overtime expenditures have been tracking somewhat higher than anticipated for the first half of the year, Fire staff will be working with the Budget Office to determine if these additional costs can be absorbed within their budget by year-end or if additional funding will be required.

***Office of Economic Development/Cultural Affairs***

As part of its FY2015-2016 Operating Budget, the Office of Economic Development will be investing \$70,000 to support the Downtown visitor experience, including a new Downtown visitor base map for ongoing use. The Office of Cultural Affairs will spend \$30,000 in TOT funding to support grants to San Jose Taiko, San Jose Jazz, and ZERO1 to provide live music and art during Game Week.

***City Revenue Generated by Super Bowl-Related Visitors***

Super Bowl 50 is expected to bring more than one million visitors from around the world to the Bay Area, generating significant economic activity for the local business community and yielding additional tax and other revenue for the City. In particular, hotels in San José are anticipated to be sold out for the first week of February, and room rates well above historical levels.

Although final room rates are difficult to predict, the additional City revenue generated by the 10% Transient Occupancy Tax during Game Week is estimated conservatively at \$1.35 million. In accordance with the formula specified in the Municipal Code, these funds will be split between the General Fund (40%) and the Transient Occupancy Tax Fund (60%). Moreover, additional revenue from the 4% special tax on room nights for hotels in the Convention Center Facilities District will likely generate an additional \$530,000, which will help fund future capital investments at the San José Convention Center. The City will retain all TOT and Sales Tax generated from visitor spending in San Jose, as it would for any special event.

Increased visitor spending is expected to generate additional Sales Tax and parking revenues for the City, though specific amounts are difficult to estimate or track. The Airport will also experience fiscal benefits from the Super Bowl with additional revenues expected in areas such as parking, concessions, general aviation-related charges, and passenger facility charges.

Budget actions will be brought forward as part of the 2015-2016 Mid-Year Budget Review to recognize a portion of the anticipated additional revenue from the Super Bowl and to allocate that funding for the CHP team escort services and Police and Fire overtime, if needed. The net additional revenue generated from the Super Bowl event that is not needed to cover these direct costs will be programmed as part of the development of the 2016-2017 Proposed Budget.

/s/

Kim Walesh  
Deputy City Manager/  
Economic Development Director

For additional information, please contact Kim Walesh at 408-535-8177.