



CITY OF CHICAGO

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2012  
NATO SUMMIT

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FINANCIAL REPORT

MAYOR RAHM EMANUEL

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## 2012 NATO SUMMIT • FINANCIAL REPORT

### INTRODUCTION

In May of 2012, Chicago became the first American city outside of Washington, D.C., to host a North Atlantic Treaty Organization (NATO) summit. The summit brought an estimated 7,500 delegates from more than 50 countries and 7,300 staff, press, and other dignitaries to the city, with ancillary events drawing thousands of additional speakers and attendees.

The summit provided an unprecedented opportunity to showcase Chicago as a world class city in terms of arts, culture, architecture, and economic vitality, as well as a city capable of providing a safe and secure international stage for dialogue on matters of global importance. Chicago received praise from participants and the press for its beauty, its hospitality, and its measured and effective approach to facilitating the numerous events surrounding the summit.

The summit not only heightened Chicago's international profile by enhancing its long-term appeal as a travel destination and a host city for major events, it also generated significant economic benefits in the form of spending at local businesses, growth in tax revenues, temporary employment opportunities, booked hotels, and increased tourism.

This report is being issued as the City ends its fiscal year to provide Chicagoans – many of whom altered their commutes, adjusted their workweeks, and went out of their way to welcome the influx of visitors to their city – with an accounting overview of the funding sources and expenditures for the City's summit-related activities.

As Mayor Emanuel committed at the outset, the City's summit-related activities were funded entirely through federal grants and the NATO Host Committee, without any local taxpayer dollars spent on summit expenses.

### SUMMIT PLANNING AND OPERATIONS

The NATO summit is the second largest gathering of world leaders after the United Nations General Assembly. The magnitude of the 2012 NATO summit in Chicago

was evidenced by both the sheer number of people drawn to the city for the event and the level of the dignitaries that attended. Seventy-one heads of state – more than seven times the number of world leaders that attend the G8 summit and nearly three times the number of world leaders that attended the 2012 G20 summit – traveled to Chicago for the meeting.

Formal planning for the summit began in mid-2011. Working collaboratively with the Federal Bureau of Investigation, the United States Secret Service, and the Federal Emergency Management Agency (FEMA), the City's Office of Emergency Management and Communications coordinated the efforts of multiple City departments, sister agencies, and approximately 30 external agencies and organizations in order to develop a comprehensive and detailed plan for the management of every aspect of the summit and the surrounding activities.

This included determining appropriate manpower requirements, mapping street closures, evaluating and taking steps to mitigate the impact on the city's transportation systems, and preparing contingency plans for possible emergency situations. During the summit, sophisticated command and control centers ensured that plans were effectively executed, with adjustments made in real time to accommodate changing circumstances on the ground.

Throughout the summit, City of Chicago public safety personnel acted to ensure the safety of foreign delegations and summit staff, to protect public and private property across the city, and to ensure demonstrators and other observers were safely accommodated. Chicago police provided safe transport for dignitaries, maintained perimeters around all NATO meeting locations, managed crowds by utilizing effective communication and law enforcement techniques, and diffused potential protest situations. The Police Department also, in conjunction with the United States Secret Service, oversaw roadways from O'Hare International Airport to downtown, from hotels to meeting venues, and from meetings to dinners and related events, directing road closures and escorting numerous motorcades.

Fire Department and emergency medical personnel immediately assessed any medical situations and provided transport to medical facilities as necessary. The

Department of Public Health supported public health-related security planning and emergency preparedness efforts prior to the summit. During the summit, the Department staffed control centers and worked with area hospitals to monitor for potential public health issues.

The Chicago Transit Authority (CTA) supported the summit and city residents by increasing service levels beyond the ordinary schedules for buses and trains. During the days leading up to and during the summit, over 100 bus routes were affected by security perimeters established in the downtown area and near McCormick place. The CTA provided staff on all routes to help residents, commuters, and visitors navigate these changes. Some bus routes and all train routes operated at rush hour service levels during the entire summit to accommodate increased ridership resulting from street closures and other traffic flow alterations related to summit security, delegation movement, and demonstration activity. Further, CTA provided courtesy cooling buses for demonstrators in need of relief from the hot weather and operated 20 shuttle buses to transport attendees following the Iraq Veterans Against the War ceremony.

The Department of Aviation managed airport equipment and operations to support arrivals and parking of planes for summit attendees without significant disruption to normal air traffic at Midway and O'Hare Airports. This included arranging for plane routing and deboarding, baggage removal, and terminal security. Additionally, the Department of Aviation established information kiosks in terminals to welcome visitors and provide information to summit attendees and other visitors during the summit.

The Department of Streets and Sanitation kept streets clear throughout the downtown area, helping to ensure smooth traffic and pedestrian flow for NATO attendees and dignitaries as well as Chicago businesses and residents. The Department managed the set-up and movement of more than 3,000 safety barricades, ongoing street sweeping and removal of sidewalk debris from demonstration activities, and the cleaning of buildings and walkways with business associations.

The Department of Business Affairs and Consumer Protection (BACP), working with security consultants, provided continuous information to downtown businesses

regarding summit activities and demonstrations. This information allowed businesses to maximize their operations during the summit and, for businesses that opted to close during the summit, provided important updates on what was happening near their offices. BACP also provided summit-related information to the taxi, livery, and charter bus industry to increase awareness of street closures and other traffic-related changes, as well as allow them to take advantage of business opportunities.

The Department of Buildings performed site reviews of all downtown construction sites for security purposes and conducted spot checks during the summit. Prior to the summit, the Department met with all construction companies performing work in the downtown area, provided them with an overview of summit activities, and reviewed regulations to help prevent security breaches at their sites. Similarly, the Department of Water Management provided planning and emergency support to security teams around City water facilities.

### SUMMIT COSTS AND FUNDING

The cost of the City's NATO summit-related activities – which addressed the special security needs of visiting heads of state and delegations, ensured the health and safety of demonstrators, and minimized the negative impact on residents citywide – totaled \$27.47 million. These activities were funded entirely through federal grants and NATO Host Committee fundraising. Comprehensive advance planning, together with strategic and agile execution, enabled the City to steward these resources in the most efficient and effective manner possible.

The NATO Host Committee, an arm of the not-for-profit organization World Business Chicago, was established in 2011 and tasked with integrating official summit events into City operations, as well as with raising funds from private donors and companies. The Host Committee contributed \$7.08 million toward security costs, and in addition, fully funded the non-security expenses related to ceremonial events and gatherings.

The majority of the City's summit security expenses were funded through a variety of federal grants. The summit was designated as a national special security event (NSSE)

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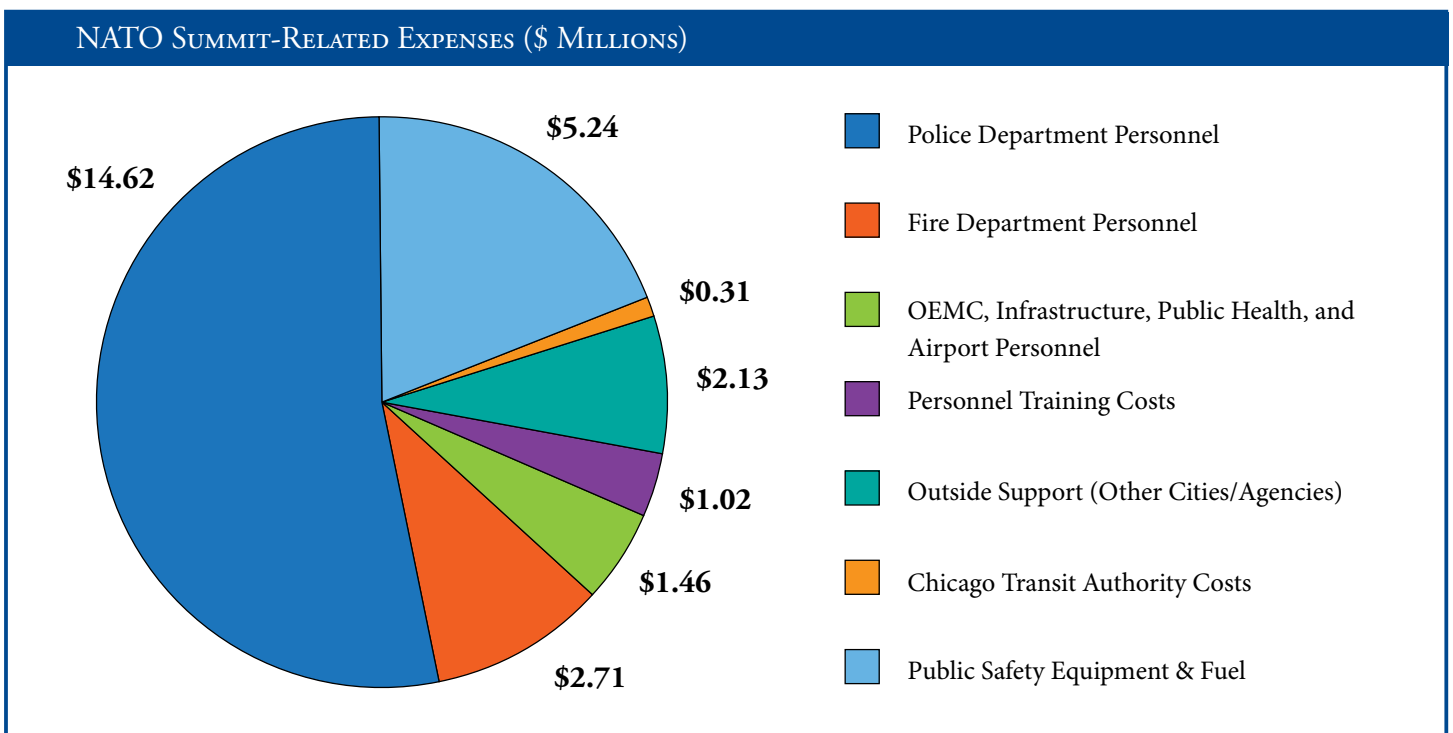
by the United States Department of Homeland Security, and received a designated allocation of federal funding for costs related to emergency management, public safety, and security at the event. The City received \$7.5 million through this NSSE grant, which was used to support training, staffing, and overtime for public safety personnel in connection with the summit. A State Department grant for summit-related operations provided an additional \$750,000 for extra hours worked by the Chicago Police Department during the summit.

A total of \$10.60 million of the City’s summit costs were funded through reprogramming expiring Urban Areas Security Initiative Grant (UASI) funds, which provide funding to address the planning, organization, equipment, and training needs of high-threat, high-density urban areas. The City receives UASI funding from the federal government each year, and in certain years in the past, the City did not fully spend these funds (see footnote 1 regarding the efforts of the Emanuel Administration to ensure funds are fully utilized in the future). As a result, portions of the City’s UASI funding from 2008 through 2010 – years in which the City received a total of \$104.69 million through UASI – were set to expire in 2012, with the exact expiration date varying with the year of the

original grant. Pursuant to strict nationwide deadlines set by FEMA, these unspent grant funds would have to have been returned to the federal government if not utilized. Chicago worked closely with FEMA, the White House Office of Management and Budget, and the Illinois Emergency Management Agency to obtain approval to reprogram these funds for use in connection with the hosting of the NATO summit.

Similar reprogramming approval was obtained to reallocate \$1.5 million in expiring Transit Security Grant and Port Security Grant funding, from 2007 and 2009, towards summit security expenses. These Port and Transit Security Grant funds were not originally allocated to the City but to other projects through the State of Illinois. Like the UASI grant funding, these unspent Port and Transit Security dollars were set to expire in 2012 and would have been lost if not reallocated to the City for the NATO summit.

By reprogramming expiring funds towards allowable summit costs, including public safety training and equipment that will benefit Chicago residents for years to come, the City was able to support a comprehensive and effective planning and operational effort for the summit without spending local taxpayer dollars.



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The preparation and security equipment purchased in connection with the summit will continue to benefit Chicagoans far into the future. Much of the training and equipment received by the City's public safety departments will be utilized for both day-to-day operations and special events on a recurring basis. In anticipation of the summit,

thousands of Police and Fire Department personnel received multiple hours of training, which increased the breadth and depth of these critical first responders' skill sets. In addition, funding for the summit was used to convert a number of basic life support-equipped ambulances to advanced life support vehicles, acquire

<b>NATO SUMMIT 2012</b>		
<b>FUNDING SOURCES AND USES (\$ MILLIONS)</b>		
<b>Police Department Personnel</b>		<b>\$14.62</b>
	NATO Host Committee	1.23
	National Special Security Event Program	7.50
	State Department Grant	0.75
	Urban Areas Security Initiative Grant Program	3.73
	Transit Security Grant Program	0.26
	Port Security Grant Program	1.15
<b>Fire Department Personnel</b>		<b>2.71</b>
	NATO Host Committee	0.96
	Urban Areas Security Initiative Grant Program	1.66
	Port Security Grant Program	0.09
<b>OEMC, Infrastructure, Health, and Airport Personnel</b>		<b>1.45</b>
	NATO Host Committee	1.45
<b>Personnel Training Costs</b>		<b>1.02</b>
	NATO Host Committee	0.15
	Urban Areas Security Initiative Grant Program	0.87
<b>Outside Support (Other Cities/Agencies)</b>		<b>2.12</b>
	NATO Host Committee	2.12
<b>Chicago Transit Authority Costs</b>		<b>0.31</b>
	NATO Host Committee	0.31
<b>Public Safety Equipment</b>		<b>5.20</b>
	NATO Host Committee	0.86
	Urban Areas Security Initiative Grant Program	4.34
<b>Fuel for National Guard</b>		<b>0.04</b>
	U.S. National Guard	0.04
<b>TOTAL</b>		<b>\$27.47</b>

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ECG monitoring devices that improve the ability to diagnose cardiac conditions, upgrade the City's radio communication capabilities, and purchase other multiuse tools for the Police Department and state-of-the-art gear for the Fire Department. These lasting improvements will remain a life-saving legacy of the summit in Chicago for years to come.

The City submitted all invoices, time sheets, and additional back-up documentation necessary to receive reimbursement from the Host Committee and the federal government for all summit-related costs that were paid up front by the City, and has been fully reimbursed for all such costs.

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<sup>1</sup> The City's unspent UASI grant funds were identified through a cross-departmental effort, initiated shortly after Mayor Emanuel took office, to review available federal grant dollars, including homeland security and other public safety grants. In most cases, identified funds had gone unused because projects were behind schedule, under budget, or cancelled due to changing priorities or evolving strategies. Following this review, the City established improved project management processes to prevent the loss of grant funds due to underspending. By accurately tracking progress, spending, and timeframes for projects, the City is able to ensure that its grant dollars are budgeted, allocated, and fully utilized in the most efficient and effective manner possible going forward.

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