

**City of Culver City, California
City Council Agenda Item Report**

Meeting Date: 03/02/09		Item Number: <u>J-1</u>	
AGENDA ITEM: JOINT ITEM: 1) Consideration of a Fee Waiver Request by the Culver City Exchange Club for the Sixth Annual Culver City Car Show; 2) Approval of a License Agreement for the Car Show; 3) Consideration of Designation of the Sixth Annual Culver City Car Show as a City-Sponsored Event; and 4) Determine the Level of Redevelopment Agency Support for the Car Show.			
Contact Person/Dept.: Jeremy Green, Community Development		Phone Number: (310) 253-5764	
Fiscal Impact: Yes ☒ No ☐		General Fund: Yes ☒ No ☐	
Public Hearing: ☐		Action Item: ☒ Attachments: ☒	
Public Notification: Culver City Exchange Club (02/24/09); Downtown Business Association (02/26/09); Chamber of Commerce 02/26/09; Master Notification List (2/26/09).			
Department Approval: Sol Blumenfeld (02/26/09)		City Attorney Approval: Carol Schwab (by H. Baker) (02/26/09)	
Fiscal Impact Approval: Jeff Muir (by N. Kimball)(02/26/09)		City Manger Approval: Jerry B. Fulwood (02/26/09)	

RECOMMENDATION

Staff recommends the City Council ("Council"):

1. Approve a fee waiver request in the amount of \$12,000 for the Sixth Annual Culver City Car Show (the "Car Show"); and,
2. Approve a license agreement for the Car Show;
3. Designate the Car Show as a City-sponsored event; and
4. Allow the Culver City Exchange Club (the "Exchange Club") use of the Parks, Recreation and Community Services ("PRCS") Global Electric Motor ("GEM") truck.

Staff recommends the Redevelopment Agency ("Agency"):

1. Determine that the City should be reimbursed \$12,000 for costs associated with the Car Show.

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BACKGROUND

At the direction of City Council at the Council Meeting on Monday, February 23, 2009, staff met with the Culver City Exchange Club on Tuesday, February 24, 2009 to discuss the Culver City Car Show and work towards providing a fiscal solution that could be accommodated by the City and Agency. The February 23, 2009 staff report and attachments have been included for review. (Attachment 1.)

DISCUSSION

Fee Waiver Request

Prior to the meeting with the Exchange Club, staff determined that it would be able to reduce the amount of the waiver request from approximately \$21,000 to approximately \$14,600 through reductions in Public Works, Police Department and Agency staff time.

During the meeting, the Exchange Club determined that they could further reduce the amount of the waiver request by an additional \$1,800 through increased car registrations and an increase in vendor booth sales, and reductions in expenses for the entertainment provided during the event.

Although the fee waiver request has been adjusted to account for budget decreases in both the Exchange Club costs, and City and Agency staff time, the adjustments are still \$800 short of the \$12,000 amount recommended by staff. Staff is recommending a maximum contribution of \$12,000 due to the fiscal challenges the City is facing.

If the City were to waive the \$12,000 amount recommended by staff, the Exchange Club would be required to reimburse the City approximately \$2,600 in order to fund the difference as the Car Show cannot be conducted without the staff members identified.

The adjustments are summarized below:

Revised City costs	\$14,600
Additional Exchange Club contribution (net)	<u>-\$ 1,800</u>
Subtotal of existing waiver request	\$12,800
Waiver amount recommended by staff	<u>-\$12,000</u>
Shortfall recommended to be funded by Exchange Club	\$ 800

It should also be mentioned that the variation in costs estimated by the City between the initial estimate of approximately \$27,000 and the revised estimate of \$14,600 are

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the result of a significant effort to reduce City expenses to the absolute minimum while providing the services necessary to ensure a safe and well-planned event.

It should also be noted that staff's recommendation is unique to this particular event. The Exchange Club has begun advertisement and marketing for this year's Car Show (scheduled for May, 2009). Because of the significant financial challenges facing the City as a result of the current unprecedented economic conditions, staff will be recommending to the City Council a number of measures that, if adopted, may result in a reduction or elimination of fee waivers for events that have historically received City and/or Agency support. Applications for fee waivers from this point forward should be aware of this eventuality and may wish to plan accordingly.

License Agreement

For each of the past year's Car Show events, the City has entered into a License Agreement with the Exchange Club setting forth the duties and responsibilities of the Exchange Club relating to the operation of the Car Show, and any benefits conferred upon the Exchange Club by the City (i.e. use of City equipment; fee waiver, where applicable; etc.) Staff recommends that the Council approve a license agreement with the Exchange Club (regardless of the amount of the fee waiver) and direct the City Attorney's Office to prepare such agreement consistent with the Council's direction this evening.

Banner Request

The Exchange Club requests that Council allow the organization to post banners in the public right-of-way to advertise the event. The banners would be produced at the Exchange Club's own cost. The Exchange Club requests a waiver for the permit fees (\$237) and cost of staff time required to install the banners (\$464).

In order to be eligible for a banner, the City Council and/or the Redevelopment Agency would need to take both of the following actions: (1) determine the Car Show is a City and/or Agency sponsored event **AND** (2) determine to support the event in an amount no less than \$1,000, which may take the form of a fee waiver. Should the Council and/or Agency take both of these actions, the City Attorney shall include appropriate language in the License Agreement to reflect these actions, thereby granting the request for banners.

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FISCAL ANALYSIS

The City's and Agency's total costs associated with the Car Show have been reduced to approximately \$14,600. This includes a reduction in staff costs in the Police Department, Public Works department and the Agency.

The Exchange Club has also made changes to the budget for the event. They have increased projected income from \$41,100 to \$47,450 and reduced their expenses by \$1,536. This includes a projected increase in the number of cars that register, vendor booths sold, and an expected doubling of raffle and poster sales, while the expectation for sponsorship has been reduced by \$2,000. The Exchange Club has budgeted enough projected revenue to cover the remaining \$800 in the personnel services, not covered by the recommended waiver amount of \$12,000. (Attachment 2 and 3.)

If a waiver is granted by the City Council, the costs are recommended to be reimbursed by the Agency. Agency funding of \$12,000 has been appropriated in the 2008-2009 budget (Account No. 55090200.516600 "Special Events & Meetings") to cover the \$12,000 reimbursement to the City. The difference between the recommended fee waiver/Agency support of \$12,000 and the actual costs currently estimated at \$14,600 (or a current estimate of \$2,600) will be invoiced by the City to the Exchange Club upon conclusion of the event and reconciliation by the City.

The estimated costs are provided below for Council review:

City Costs:

Fire:	\$ 0	Radios
Police:	\$3,500	Staff time
PRCS:		
Equipment	\$ 268	Tables, 26 Chairs, Podium
	\$ 0	GEM Truck
Public Works:		
Maintenance Op.	\$1,700	2 traffic, 1 electrical, 3 maintenance staff
Engineering	\$7,040	3 staff
Sanitation	\$1,090	Additional bins, Scout vehicle, staff time
Finance Department	\$ 317	Engineer permit fee, event permit
Banner Permit Fees:	\$ 237	Banner Permit Fee (\$79.04 per location)
Banner install staff time:	\$ 464	
Transportation:	\$ 0	Staff time
Total City costs:	\$14,616	

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ATTACHMENTS

1. Staff report and attachments from February 23, 2009 Council Meeting
2. Original Budget from Exchange Club
3. Revised Budget from Exchange Club
4. Comparison of Exchange Club Budgets

MOTION

That the City Council:

- 1A. Approve the fee waiver request made for the Culver City Car Show and determine the amount of the fee waiver to be \$12,000;

OR

- 1B. Deny the fee waiver request made for the Culver City Car Show.

AND

- 2A. Designate the Sixth Annual Car Show as a City-sponsored event;

OR

- 2B. Determine that the Sixth Annual Car Show is **not** a City-sponsored event.

AND

3. Approve a License Agreement with the Culver City Exchange Club; authorize the City Attorney to review/prepare necessary documents; and authorize the City Manager to execute such documents on behalf of the City.

AND

4. Authorize the use of the Parks, Recreation and Community Services ("PRCS") Global Electric Motor ("GEM") truck.

That the Redevelopment Agency:

- 1A. Determine the level of financial support the Redevelopment Agency wishes to provide for the Car Show to be \$12,000 (staff recommends that

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any financial support be in the form of a reimbursement to the City of its costs associated with the event)

OR

- 1B. Authorize the financial support to be \$ _____;

AND

- 2A. Designate the Sixth Annual Car Show as a Redevelopment Agency-sponsored event;

OR

- 2B. Determine that the Sixth Annual Car Show is **not** a Redevelopment Agency-sponsored event.