

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

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| Meeting Date: 3/10/2014                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                 |  | Item Number: <u>A-2</u>                                                                           |  |
| <b>CITY COUNCIL AGENDA ITEM: Discussion of Event Sponsorship Policy and Direction to the City Manager.</b>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                              |  |                                                                                                   |  |
| Contact Person/Dept.:<br>Todd Tipton/Community Development<br>Department                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                |  | Phone Number:<br>(310) 253-5783                                                                   |  |
| Heather Baker/City Attorney                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                             |  | (310) 253-5660                                                                                    |  |
| Fiscal Impact: Yes <input type="checkbox"/> No <input checked="" type="checkbox"/>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                      |  | General Fund: Yes <input type="checkbox"/> No <input checked="" type="checkbox"/>                 |  |
| Public Hearing: <input type="checkbox"/>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                |  | Action Item: <input checked="" type="checkbox"/> Attachments: <input checked="" type="checkbox"/> |  |
| Commission Action Required: Yes <input type="checkbox"/> No <input checked="" type="checkbox"/>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                         |  | Date: _____                                                                                       |  |
| Public Notification: (Email) Meetings and Agenda – City Council (03/05/14)                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                              |  |                                                                                                   |  |
| Department Approval:<br>Sol Blumenfeld (03/06/14)<br>Carol Schwab (03/06/14)                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                            |  | City Attorney Approval:<br>Carol Schwab (03/06/14)                                                |  |
| Chief Financial Officer Approval:<br>Jeff Muir (03/06/14)                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                               |  | City Manager Approval:<br>John Nachbar (03/XX/14)                                                 |  |
| <p><b><u>RECOMMENDATION:</u></b></p> <p>Staff recommends the City Council conduct a general policy discussion regarding event sponsorship and direct the City Manager as deemed appropriate.</p> <p><b><u>BACKGROUND:</u></b></p> <p>The City Council and former Culver City Redevelopment Agency (“Former CCRA”) Board previously considered a sponsorship policy on September 13 and December 6, 2010. The agenda item reports, attachments and meeting minutes are attached. At that time, staff recommended that a competitive process be created that would provide financial assistance to events that created the greatest benefit for the City based on specified criteria. Financial assistance for the various events was to be provided by the former CCRA, except for the Fourth of July Fireworks Show, which is provided by the General Fund.</p> <p>With the elimination of the Former CCRA, any sponsorship in the form of financial assistance must now come from the General Fund. In this regard, the City Council has been considering requests for event sponsorship on a case-by-case basis. At its meeting of August 26, 2013, the City Council directed staff to research, evaluate and recommend options for a policy regarding City sponsorship of events before considering future sponsorship requests.</p> |  |                                                                                                   |  |

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**DISCUSSION:**

**Existing Criteria for Sponsorship and Banners**

Requests for sponsorship of events and activities are currently administered on a case-by-case basis through policies and provisions of the Culver City Municipal Code (CCMC). City Council Policy Statement 2008-01, Community Organizations, (the "Policy") provides for objective criteria to apply in determining the status of a Community Organization with respect to various issues, including City sponsorship and eligibility for use of the City's banner locations.

The Policy applies to all Community Organizations that are provided financial support by the City and provides additional clarification when determining if a Community Organization qualifies as "City Sponsored." The Policy provides for a general definition of "City Sponsored," which is taken from CCMC Section 17.330.040.B.7.b.ii with regard to allowable signs in the public right-of-way (i.e. the City's banner locations).

Pursuant to the Policy and the CCMC, "sponsored" means that the City is (a) participating in an official capacity in the planning, preparation or promotion of the civic event or activity; and (b) contributing 25% of the total estimated costs of the civic event or activity, or at least \$1,000, whichever is less. This contribution may take the form of funds, labor, staff time, materials, a waiver of fees, or any combination of the foregoing. (CCMC Section 17.330.040.B.7.b.ii)

"Civic event or activity" means any event or activity organized or sponsored by the City including, but not limited to, (a) any public program or educational activity; and (b) the commemoration or celebration of any historical date, event or person, holiday or persons or events of local, state or national significance. (CCMC Section 17.330.040.B.7.b.i)

Pursuant to the Policy, in order for an event to be eligible for sponsorship, the City Council must take all of the following actions:

- (1) Determine that the event is City-sponsored; AND
- (2) Determine to support the event in an amount no less than \$1,000 or 25% of the total event cost, whichever is less. Support may take the form of staff time or a fee waiver; AND
- (3) By specific action, determine that both of the above criteria (#1 and #2) have been met.

Without City sponsorship, banners, signs, pennants or other displays (collectively, "Banners") cannot be placed in the public right-of-way. The CCMC generally prohibits signs in the right-of-way with certain exceptions, including the promotion of

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civic events and activities, which are organized or sponsored by the City, as defined above.

During its last meeting to consider a request for sponsorship of an event, members of the City Council inquired about the possibility of removing the requirement of financial support in order to sponsor an event and/or allow for Banners to be placed in the right-of-way. This would require a change in Council Policy and an amendment to the provisions of the CCMC relating to signs in the public right-of-way. The City Attorney's Office has concerns about making such a change in policy and an amendment to the CCMC without a careful legal analysis being conducted.<sup>1</sup> If such changes are made, it will be important to continue to maintain uniform standards that provide objective criteria to be used for each sponsorship request.

*Other Cities' Policies*

Staff performed preliminary research regarding the cities of Beverly Hills, Los Angeles, Santa Monica and West Hollywood to understand what criteria those cities use when determining whether to sponsor an event and/or allow the placement of Banners in the right-of-way. Staff learned the following information:

|               |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                           |
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| Beverly Hills | Banners are allowed for advertising City sponsored or City funded special events that : <ol style="list-style-type: none"><li>1. Are open to the public; and</li><li>2. Are produced by a non-profit organization that promotes business or tourism in the City; and</li><li>3. Are not a purely commercial enterprise; and</li><li>4. Generate proceeds that directly benefit the government agency or non-profit agency conducting the event; and</li><li>5. Is conducted on City property and will further a public purpose.</li></ol> |
| Los Angeles   | Banners are used to promote City events, nonprofit/charitable events or Business Improvement Districts. Logos of corporate sponsors are limited to 20% of the banner space and fees are imposed when logos are used. Applications are approved on a first come, first-served basis.                                                                                                                                                                                                                                                       |
| Santa Monica  | Banners are used for the purpose of promoting City-produced or City co-produced events, or more generally for promoting or calling attention to the City, its resources, business districts, attractions or facilities, celebrating holidays and providing aesthetic enhancement. All other temporary banners are prohibited.<br><br>A City-produced event is developed and implemented in its entirety                                                                                                                                   |

<sup>1</sup> The existing CCMC provisions, which allows signs in the public right-of-way relating to City-sponsored civic events or activities, in part, were adopted after litigation against the City challenging its sign code.

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|                | <p>solely by a City department or departments. A City co-produced event is one that has significant City staff involvement in both the planning and the implementation of the event together with a non-City entity. To be considered an event co-produced by the City, City staff must be involved in all aspects of the event including creative direction, funding and fund development, marketing and media relations, and staffing and support services.</p> <p>Banners are used to benefit the community, rather than any individual interest. Banners in the right-of-way must:</p> <ol style="list-style-type: none"><li>1. Only be displayed along commercial streets.</li><li>2. Be displayed for no longer than 25 calendar days prior to an event, nor remain posted longer than five business days following the event, except during the winter holiday season. Banners displayed during the winter holiday season may be displayed for up to 60 days.</li><li>3. Not be displayed in any single location more than twice in any calendar year.</li><li>4. Not advertise any business or product.</li></ol> |
| West Hollywood | <p>Only banners announcing events within the community of a general civic and public nature shall be permitted except by formal approval of the City Council. Specific criteria used to assess a proposed banner do not exist.</p>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                        |

Options

Staff has identified the following sponsorship options:

1. Continue to follow the existing Policy to determine sponsorship of events on a case-by-case basis. If an event is determined to be sponsored, it would automatically qualify for use of the City's banner locations.
2. Follow the existing Policy, but expand the existing criteria to include a requirement that an event must provide an economic benefit (i.e. sales tax generation, visibility of City and/or event, increased pedestrian traffic, etc.) and/or community benefit (i.e. community education, public services, etc.) to the City in order to be eligible for sponsorship. Additionally, the Policy could be modified to limit the number of staff hours committed to sponsored events. Currently there is no limit to the amount of staff time consumed by each event. If the Council is interested in this option, City staff will return with a revised Policy, including objective criteria that may be used to quantify the potential economic and community benefits of proposed events.
3. Provide financial sponsorship via a competitive process (i.e. Notice of Funding Availability) whereby funds would be awarded for events that provide an

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economic and/or community benefit to the City. In addition, if an event is determined to have an economic and/or community benefit to the City, the amount of funding provided could be determined by applying certain criteria (i.e. cost of event, cost for City services, number of years the event has received sponsorship, etc.). If the Council is interested in this option, City staff will return with a revised Policy, including objective criteria that may be used to measure/value the economic and community benefits and the amount of funding.

4. Modify the Policy to allow for sponsorship of events (including the use of the banner locations) without the requirement of City financial support (including funds, staff time, equipment, materials and/or fee waivers). In this case, it is also recommended that objective criteria be expanded for determining whether the City Council approves sponsorship of an event and/or use of banners. This option would also require amendments to the CCMC provisions relating to signs in the public right-of-way, which would need to be legally evaluated before any action is taken.
5. Not provide sponsorship for any events at this time.

The Council may also wish to discuss whether sponsorships should be limited to non-profit organizers/events only.

Staff recommends the City Council discuss these options and provide direction to the City Manager as deemed appropriate. Please note that any modification to the existing Policy and/or the CCMC will require additional research and preparation for consideration by the City Council at a future meeting. Until such time as a revised policy is in place, Staff recommends that requests should be considered under the existing Policy. The pending requests listed below have been scheduled for the March 24<sup>th</sup> City Council meeting:

- LA Modernism Show (Dolphin Promotions, Inc.): April 25-27, 2014
- George Barris Cruisin' Back to the 50s Culver City Car Show (Culver City Exchange Club): May 10, 2014
- Train 4 Autism Culver City 5K/10K Run/Walk (Culver City Education Foundation): June 2014
- IndieCade Festival 2014 (Creative Media Collaborative, Inc.): October 10-12, 2014
- Crush Cancer (DogTown CrossFit in partnership with Stand Up To Cancer): TBD

**FISCAL ANALYSIS:**

There is no fiscal impact in the discussion of this item. Depending on the policy direction, there will be fiscal impacts associated with the specific sponsorship of an event.

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**ATTACHMENT(S):**

1. September 13 and December 6, 2010 staff reports, attachments, and minutes.

**MOTION(S):**

That the City Council:

Discuss event sponsorship and provide direction to the City Manager as deemed appropriate.