

City of Culver City, California Agenda Item Report

Meeting Date: 02/13/2012		Item Number: A-8	
CITY COUNCIL AGENDA ITEM: Request for Direction Regarding Financial Assistance for the Culver City Exchange Club Car Show, and the Taste of the Nation and IndieCade Events.			
Contact Person/Dept.: Jeremy Green/CDD Todd Tipton/CDD		Phone Number: (310) 253-5764 (310) 253-5783	
Fiscal Impact: Yes ☒ No ☐		General Fund: Yes ☐ No ☒	
Public Hearing: ☐		Action Item: ☐ Attachments: ☒	
Public Notification: The Exchange Club (02/01/12); Share our Strength (02/01/12); Creative Collaborative Media, Inc. (02/03/12); Meetings and Agendas – City Council ().			
Department Approval: Sol Blumenfeld: ()		City Attorney Approval: Carol Schwab (by H. Baker) (02/09/12)	
Chief Financial Officer Approval: Jeff Muir (by N. Kimball) (02/09/12)		City Manager Approval: John Nachbar (02/09/12)	
<u>RECOMMENDATION:</u> Staff recommends the City Council discuss and provide direction regarding the provision of financial assistance, sponsorship designation, and authorization of necessary documents for: a) The Culver City Exchange Club (Exchange Club) Car Show; b) Taste of the Nation produced by Share our Strength (SOS); and c) IndieCade produced by Creative Media Collaborative, Inc., (CMC). <u>BACKGROUND:</u> On April 11, 2011 the Redevelopment Agency Board (Agency Board) and the City Council approved a Special Event Sponsorship program and policy, and issuance of a Notice of Funding Availability (NOFA) application for financial support of City/Agency-sponsored special events that benefit the community and the economic development of the City. The NOFA process required organizations to compete for City/Agency sponsorship, which would allow the City Council/Agency Board to select those events that render the greatest economic and community benefits for the funds expended.			

City of Culver City, California Agenda Item Report

During this meeting, the City Council and Agency Board expressed desire to secure funding for three specific events (Taste of the Nation for \$15,000, The Car Show for \$12,000 and IndieCade for \$10,000) that had been sponsored in the past.

The City Council reviewed the MOUs and directed staff to request a reduction in sponsorship from the Exchange Club and SOS (because they received more than \$10,000 in assistance) so that funds would be available for an additional event sponsorship opportunity. Staff determined that the Exchange Club was willing to accept a reduced amount while SOS was not.

DISCUSSION:

Due to the Culver City Redevelopment Agency's (Agency) dissolution on February 1, 2012, pursuant to AB 1 X 26, the funding source for the Special Event Sponsorship program was eliminated. As a result, the City Council must determine if the events will be "City Sponsored" and if an alternate funding source is available.

During a recent discussion of the Culver City Music Festival, there was mention of the \$10,000 City Council discretionary fund that could be divided amongst the three events. Additionally, permit fees and in-kind staff costs (during regular work hours) could be waived as a contribution to the event, reducing the event producer's costs. (Attachment 2 provides past costs for each event.)

City Sponsorship

In the past, all three events were annually designated specifically as City-sponsored events, which allowed the organizations to post banners in the public right-of-way. To be categorized as a "sponsored" event by the City, an event must meet the criteria set forth in Culver City Municipal Code (CCMC) Section 17.330.040.B.7.b.ii. confirming that the City is (a) participating in an official capacity in the planning, preparation or promotion of the 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 thereof. In order for an event to be considered City-sponsored, the City Council must determine, by specific action, that both (a) AND (B) of the above criteria have been met.

City sponsorship may be granted via the allocation of limited staff in-kind services. However, either funding for additional support (for example, purchase of the \$10,000 marketing sponsorship with IndieCade) or other support (for example, waiver of permit fees, the allocation of in-kind staff on an overtime basis, and the use of the City Council's discretionary fund) would be a cost to the General Fund.

City of Culver City, California Agenda Item Report

Comments from the City Manager

Consistent with my comments to the City Council regarding the Culver City Music Festival I respectfully and reluctantly do not recommend the City Council continue direct sponsorship of these programs. The dissolution of the Culver City Redevelopment Agency on February 1, 2012 resulted in the revocation of Redevelopment Agency funding for these sponsorships and for the City staff positions which support them. Given the current projected budget deficit in the City's General Fund (which has been made significantly worse by the dissolution of the Redevelopment Agency), I do not recommend the City Council utilize funds from the General Fund to replace those funds lost from the Redevelopment Agency.

Should the City Council determine it does wish to continue sponsorship of these events, I recommend that the City Council consider allocating limited in-kind staff services. While this will still result in an indirect cost to the General Fund, such services would be made within the existing budgets. I do not recommend such limited in-kind services be provided outside of the normal work week (as overtime costs would be incurred).

It should be noted that due to the elimination of funding from the former Culver City Redevelopment Agency, it is expected staffing throughout the City will be reorganized. It is possible that staff that traditionally provided such in-kind services would be reassigned to other positions in the City organization. However, should the City Council so direct, I will ensure limited in-kind services are provided by City staff.

FISCAL ANALYSIS:

Staff time of up to 18 hours per event for planning and promotional assistance equates to approximately \$1,000 of costs (using total costing for a Management Analyst position). Dedication of staff time to each of the events would mean a reduced availability of staff time for other City efforts.

The City Council appropriated \$40,000 in the Fiscal Year 2011/2012 budget (Program 48190200, Economic Development - Special Events and Meetings) for the following special events: *Culver City Car Show*, with funding assistance of up to \$12,000; *Taste of the Nation*, with funding assistance total of up to \$15,000; and *IndieCade* at a level of \$10,000. As mentioned above by the City Manager, this funding was eliminated with the dissolution of the Culver City Redevelopment Agency.

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

ATTACHMENTS:

1. Staff Report and excerpt of Minutes from the June 13, 2011 Council Meeting regarding Approval of Memoranda of Understanding Among the City of Culver City, the Culver City Redevelopment Agency and a) the Culver City Exchange Club (for the Car Show); b) Share Our Strength (for the Taste of the Nation Event); and c) Creative Media Collaborative (for IndieCade.)
2. Past permit fees and in-kind staff costs for The Car Show, Taste of the Nation and IndieCade.

MOTION:

That the City Council consider:

1. Designating the Culver City Car Show as a City-sponsored event; approve a license agreement by and between the Exchange Club and the City and determine the amount of financial assistance to provide for the event to be \$_____;
2. Designating Taste of the Nation as a City-sponsored event; approve a license agreement by and between the Share our Strength and the City and determine the amount of financial assistance to provide for the event to be \$_____;
3. Designating IndieCade as a City-sponsored event; approve a license agreement by and between Creative Media Collaborative, Inc. and the City; and determine the amount of financial assistance to provide for the event to be \$_____ ; and,
4. Eliminating the NOFA program due to a lack of funding; and,
5. If the license agreements are approved, authorize the City Attorney to review/prepare the necessary documents and authorize the City Manager to execute such documents on behalf of the City.

AND

6. Direct the City Manager as deemed appropriate.