

MEETING DATE: December 6, 2010

AGENDA ITEM: **Further Discussions Regarding a Policy Related to Special Event Sponsorship and Financial Support of City- and Agency-Sponsored Events.**

ATTACHMENTS

	<u>Pages</u>
1. Definition of "Sponsored event" as outlined in City Council Policy Statement 2008-01	1-5
2. Event Sponsorship Staff Report from September 13, 2010 with an Excerpt from the Minutes of the Meeting of September 13, 2010.	6-13

ATTACHMENT 1

City Council Policy Statement No. 2008-01
Subject Matter: Community Organizations
Adopted by Resolution No. 2008-R 011

PURPOSE

The purpose of this policy is to provide objective criteria for application in determining the status of a Community Organization with respect to three areas:

- City Sponsorship
- Eligibility for use of the City's Banner Poles
- the Official Relationship between the City and the Community Organization

This Policy shall apply to all Community Organizations that are provided financial support by the City and/or the Redevelopment Agency. Additionally, this Policy shall provide additional clarification when determining if a Community Organization qualifies as "City Sponsored" for purposes of determining applicability of rental rates at the Veterans Memorial Complex and other City facilities and other purposes.

GENERAL DEFINITION OF CITY SPONSORED AND CIVIC EVENT OR ACTIVITY

"Sponsored" means that the City and/or Redevelopment Agency 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. (this definition is taken from Culver City Municipal Code Section 17.330.040.B.7.b.ii)

"Civic event or activity" means any event or activity organized or sponsored by the City or Redevelopment Agency 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. (this definition is taken from Culver City Municipal Code Section 17.330.040.B.7.b.i)

COMMUNITY ORGNAIZATION CATEGORIES

Category 1: Official City Committees

To be eligible for this category, the Community Organization must meet the following criteria:

- (1) All members of the Community Organization are either appointed (a) directly by the City Council or (b) by any City Council/Agency created body upon direction of the City Council; **OR**
- (2) The Community Organization's members are approved and/or ratified by the City Council/Agency.

For clarification, the City Council, Redevelopment Agency, and City Staff (in the conduct of Official City Business) are also included in Category 1.

Summary Table

City and/or Agency Sponsored?	Banner ?	Lease/MOU Needed?
Yes	Yes	No

Category 2: Cooperative Community Groups

This category includes Community Organizations that meet **all** of the following criteria:

- (1) Members are **not** appointed by the City Council or a City Council created body
- (2) The Community Organization works closely with the City Council/Staff to organize civic events and/or activities organized or sponsored by the City or Redevelopment Agency (as those terms are defined in Section 17.330.040.B.7.b of the Municipal Code – Attachment 2)
- (3) Directly receives or provides City or Agency funds (**as opposed to a waiver of fees**) approved by the City Council;
- (4) The Community Group is a legally recognizable group (for example, a corporation, a 501(c)(3) organization, etc.)
- (5) The Community Group has negotiated and executed a Memorandum of Understanding (MOU)* with the City.

Summary Table

City and/or Agency Sponsored?	Banner ?	Lease/MOU Needed?
No	Maybe**	Yes

*The terms Lease/MOU refer to any written agreement approved by both the City/Agency and the Organization.

**Subject to the terms of the MOU and compliance with CCMC Section 17.330.040.

Category 3: City Sponsored Events

This category is for **events** which are produced by City Organizations that are not Official City Committees (Category 1) or Cooperative Community Groups (Category 2). To be considered a City Sponsored Event, the event must:

- (1) be a civic event or activity organized or sponsored by the City or Redevelopment Agency (CCMC Section 17.330.040.B.7.a); **and**,
- (2) To determine whether the civic event or activity is "sponsored" by the City or Redevelopment Agency, the following criteria must be met: The City and/or Redevelopment Agency is (a) participating in an **official capacity** in the planning, preparation, or promotion of the event or activity; **and** (b) contributes 25% of the total estimated cost of the event or activity or at least \$1,000, whichever is less. (Note: this contribution may take the form of funds, labor, staff time, materials, a waiver of fees, or any combination of the foregoing); **and**,
- (3) By specific action, the City Council has determined that the above criteria have been met

Summary Table

City and/or Agency Sponsored?	Banner ?	Lease/MOU Needed?
Yes	Yes	No*

Category 4: City Facility Lessees

These are Community Organizations which are parties to a lease agreement with the City and/or the Redevelopment Agency. The lease agreement is subject to the legal review and approval of the City Attorney's Office and approval by the City Council.

The lease agreements embody the responsibilities of both the City/Agency and the lessee (Community Organization). Additionally, leases can only be executed between the City/Agency and a legally recognizable group.

Summary Table

City and/or Agency Sponsored?	Banner ?	Lease/MOU Needed?
No	No	Yes

Category 5: Volunteer Organizations and Individuals

No specific privileges are granted to volunteer organizations or individuals, in general. However, Volunteer Organizations may request the City Council enter into a MOU or similar agreement which would require the City Council's approval (so long as the Volunteer Organization is a Legally Recognized Entity).

Summary Table

City and/or Agency Sponsored?	Banner ?	Lease/MOU Needed?
No	No	Maybe

Category 6: Other Organizations

This category captures those Community Organizations which do not qualify for the other 5 categories. Community Organizations which petition the City for benefits are required to enter into either a lease agreement (in which case they would qualify for Category 4) or enter into an MOU with the City. Additionally, the number of Organizations which qualify for Category 6 should be small in number.

Summary Table

City and/or Agency Sponsored?	Banner ?	Lease/MOU Needed?
No	No	Maybe

LEGALLY RECOGNIZED STATUS

Community Organizations who wish to receive support from the City shall be organized in a legally recognizable way. Following are several examples of a legally recognized entity:

- Corporation
- Partnership (including limited partnership)
- Charitable Organization 501(c)(3) or equivalent
- Sole Proprietorship

The City Attorney's Office may determine other legally recognizable entities which would be eligible to enter into agreements with the City.

FISCAL REPORTING

Because of the importance of carefully monitoring of the use of the public's money, staff is directed to include in all MOUs with Community Organizations a requirement to report at least semi-annually to the City Council on the financial activities of the Organization. This provides the Organization with an opportunity to inform the City Council of its activities over the last six-month period and provides the City Council with an opportunity to ask questions of the Organization.

IMPLEMENTATION DATE

This policy shall become effective: The first day after the expiration of a specific Community Organization's existing rental agreement with the City, or January 1, 2009, whichever date occurs first.

ATTACHMENT 2

City of Culver City, California

Agenda Item Report

Meeting Date: 09/13/10		Item Number: <u>J-1</u>	
CITY COUNCIL AND REDEVELOPMENT AGENCY BOARD AGENDA ITEM: Discussion of a Policy Related to Special Event Sponsorship and Financial Support of City- and Agency-Sponsored Events and Direction to Staff.			
Contact Person/Dept.: Jeremy Green, Management Analyst; Todd Tipton, Redevelopment Administrator		Phone Number: (310) 253-5764/5783	
Fiscal Impact: Yes ☒ No ☐		General Fund: Yes ☐ No ☒	
Public Hearing: ☐		Action Item: ☒ Attachments: ☒	
Commission Action Required: Yes ☐ No ☒		Date: _____	
Public Notification: (Email) Meetings and Agendas – City Council (09/08/10); (EMAIL) Meetings and Agendas – Redevelopment Agency (09/08/10); (Email) Downtown Business Association (09/08/10); (Email) Chamber of Commerce (09/08/10); (Email) IndieCade (09/08/10); (Email) Share our Strength (09/08/10); (Email) Culver City Exchange Club (09/08/10);			
Department Approval: Sol Blumenfeld: (08/04/10)		City Attorney Approval: Carol Schwab (by H. Baker) (09/07/10) Agency Counsel: Murray Kane: (07/26/10)	
Chief Financial Officer Approval: Jeff Muir (by M. Noller) (09/08/10)		City Manager/Executive Director Approval: John M. Nachbar: (09/08/10)	

RECOMMENDATION:

Staff recommends the City Council and Culver City Redevelopment Agency Board (Agency Board) discuss and provide input on a policy related to special event sponsorship and financial support of City- and Agency-sponsored events.

BACKGROUND:

The City Council and Agency Board frequently receive funding assistance and sponsorship requests for special events, to be produced by outside organizations, throughout the year (Attachment No. 1). Past requests were approved on a case-by-case basis, mostly in the form of fee waivers for City permits and staffing costs, but also as cash sponsorships or financial reimbursements.

On March 22, 2010 the City Council and Agency Board requested that staff develop criteria and a policy for approving support of special events. During the meeting, the City Council and Agency Board discussed supporting events by providing cash sponsorships only, rather than fee waivers or in-kind services. Such funds could pay for any City/Agency fees and staff/facility costs.

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DISCUSSION:

Generally, the Redevelopment Agency supports events that likely provide economic benefit to the City or Agency. With economic benefit to the Redevelopment Project Areas, specifically, and the City generally, as the primary objective of the Agency, staff proposes the following process and criteria for determining event sponsorship.¹

For purposes of this discussion, staff recommends that the following definitions be used in connection with event sponsorship:

- **In-Kind Services:** Costs for use of staff time that will not be paid for by the outside organization. Note: In-kind services have a cost to the City/Agency because the assignment of staff time to an unpaid event either takes time away from regular, planned City staff activities or incurs overtime for which the departments may not have sufficient budgeted resources.
- **Fee Waivers:** Waiver of an established fee or charge for costs associated with permits, equipment use, facility rental, staff time or any other administrative, non staff fees.
- **Cash Sponsorships:** provision of a grant, not associated with any fees, waivers or in-kind services that can be used to in any manner that the grantee chooses.

As an example of the significance of funding assistance provided to some of the larger sponsored events, the Culver City Car Show, Taste of the Nation and IndieCade received funding assistance during Fiscal Year (FY) 2010/11 in the amount of approximately \$40,000 in the form of in-kind services, fee waivers and cash sponsorships.

For future funding requests, staff recommends the City Council and Agency Board consider the following process and criteria:

Notification of Funding Availability (NOFA)

- Staff would send out a NOFA (similar to the process used for notification of Culver City Performing Arts Grant availability), which would define eligibility criteria, funding guidelines, application guidelines, permit requirements², evaluation and selection process, contract requirements, submittal guidelines and a timeline. This process is anticipated to be initiated in December 2010.

Application Process

- Applicants would submit an application describing the event, duration, use of Culver City equipment and/or facilities, economic benefits, budgetary

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information and sponsorship request. This process is anticipated to conclude in February, 2011.

- A Panel (with panel member expertise to be determined) would meet to discuss the events. Eligible events would be recommended to the City Council and/or Agency Board for funding. Staff recommends that financial support not exceed \$15,000 per event. This process is anticipated to conclude in March-April 2011.
- The City Council and/or Agency Board would be asked to consider recommendations by the evaluating panel prior to the budget being finalized for the following fiscal year and specifically designate those events to be sponsored events. This process is anticipated to conclude in early May, 2011.
- Upon conclusion of an event, organizers will be required to provide a report describing how City and Agency funds were used.

Criteria for Eligibility:

Staff recommends that the following criteria be used when determining whether or not an event will be eligible to receive funding:

- Amount of potential economic benefit for Culver City
- Visibility of the event
- Exposure to foot traffic
- Promotional/ cross-promotional plan with Culver City
- Potential for business attraction
- Uniqueness for Culver City

Amount of Funding:

Staff recommends the amount of sponsorships range from a minimum of \$1,000³ to a maximum of \$15,000 per event as determined by:

- Cost of event: Each event would be provided a maximum of 10% of the total cost of the event, including in-kind donations, up to \$15,000. For example, an event that costs \$10,000 would be eligible to receive a \$1,000 sponsorship, while an event with costs of \$150,000 and above would be eligible to receive \$15,000);
- Cost for City/Agency Services deemed necessary by City departments;
- Cost of attendee attraction (cost of event divided by the number of attendees); and
- Amount expended on marketing of the event.

For events that previously received sponsorship, staff recommends that the amount of the sponsorship be reduced by 20% annually over a period of 5 years in order to

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encourage those events to become self-sufficient and to allow other events the opportunity to be provided a cash sponsorship. For example, if an event received \$15,000 in Fiscal Year 2011/2012, they would receive a maximum of: \$12,000 in Fiscal Year 2012/2013, \$9,000 in Fiscal Year 2013/2014, \$6,000 in Fiscal Year 2014/2015, \$3,000 in Fiscal Year 2015/2016, and \$1,000 in Fiscal Year 2016/2017 and for as long as the City Council and/or Agency Board determines to sponsor the event.

After the City Council and Agency Board determine the events they will sponsor and the amount of support has been appropriated, the events that do not receive assistance will be directed to seek funding during the next fiscal year. If an event seeks funding after the process has concluded, the City Council and/or Agency Board would have to authorize additional funds through the budget amendment process.

Staff also recommends that cash sponsorships not be provided until after an event has concluded. For those events that incur City costs, it may be burdensome to pay City fees and staff costs (that will no longer be “in-kind” and will need to be paid for) that will be incurred prior to the event date and during the period when the sponsorship money is pending. For those situations, staff will work with Finance Department to determine how to track those costs and the best way to minimize the burden.

Implementation

Staff recommends that the proposed policy be implemented consistent with the above-described time schedule so that the sponsorship awards can be provided for events that occur in Fiscal Year 2011/2012. This will also allow time for the criteria to be fully developed and for the public to be made aware of the policy.

Optimally, after the first year of implementation, the City Council and Agency Board would determine the amount of available sponsorship dollars available during the annual budget process. Then the timing for the NOFA process described above could reference the amount available so that applicants would be aware of this amount as they formulate their requests. Ultimately, this could result in the NOFA process being initiated in July/August of a new fiscal year with awards being made and/or encumbered for events in the subsequent calendar year.

FISCAL ANALYSIS:

For the Redevelopment Agency, funding of \$40,000 was appropriated in the Fiscal Year 2010/2011 budget (Program 90200, Economic Development - Special Events and Meetings) to fund the following special events: *Culver City Car Show*, with fee waivers of up to \$12,000; *Taste of the Nation*, with a fee waiver and funding assistance total of up to \$15,000; and *IndieCade* with funding assistance of

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\$10,000, with the remaining \$4,000 of funds available to cover requests for additional funding by those organizations or for meeting any cost increases. There were no City funds budgeted in Fiscal Year 2010/2011 as all fee waivers are to be reimbursed from the Agency for these special events.

For Fiscal Year 2011/2012, staff recommends the Agency Board budget \$40,000 to fund the Car Show, Taste of the Nation and IndieCade (assuming that they apply for a cash sponsorship.) If the Agency Board desires, additional funds could be added to budget for new requests for sponsorships. In addition, staff recommends the City Council consider whether it wants to budget a specific amount to use toward cash sponsorships during Fiscal Year 2011/2012. With more competitive requests, it is possible that some of the events currently receiving funds may receive lesser amounts than in the past and some may not receive assistance at all, while new events may receive assistance that was not provided in the past.

ATTACHMENTS:

1. Definition of "Sponsored event" as outlined in City Council Policy Statement 2008-01

MOTION:

That the City Council and Redevelopment Agency Board:

1. Discuss and provide input on a policy related to special event sponsorship and financial support of City- and Agency-sponsored events; and if necessary.
2. Direct the City Manager/Executive Director to prepare and present an Event Sponsorship Policy to the City Council and Agency Board for consideration during an upcoming City Council/Agency Board joint meeting.

¹ Events that are subject to a Memorandum of Understanding (MOU) were not considered, as financial support for those events is administered pursuant to the terms of the specific MOU. The events administered by MOUs may be subject to any future policies as the MOUs are updated, or the City/Agency Board could direct staff to bring forward amendments to those MOUs, so they are consistent with any adopted policy.

² All events will still be required to procure a special event permit from the Committee on Permits and Licenses and follow all conditions imposed therewith, as well as other permits that may be required, depending upon the nature of the event.

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³ Per Culver City Municipal Code § 17.330.040.B.7.b.ii, in order for a sponsored event to be eligible to place banners promoting the event in the public right-of-way, a minimum contribution of \$1,000 is required.

Excerpt From Minutes

REGULAR MEETING OF THE
CITY COUNCIL, CITY OF CULVER CITY,
CALIFORNIA

September 13, 2010

Joint Item

Item J-1

Discussion of a Policy Related to Special Event Sponsorship and Financial Support of City- and Agency-Sponsored Events and Direction to Staff.

Jeremy Green, Cultural Affairs Administration and Special Projects Coordinator, provided a summary of the material of record.

Mayor Armenta invited public comment.

The following members of the audience addressed the City Council:

Jay Shery, speaking on behalf of the Culver City Car Show, urged the City Council to support the continuation of the funding for the Culver City Car Show in-kind services; he discussed timing of the Notice of Funding Availability (NOFA) proposal; expressed concern with the mandatory annual 20% reduction in costs; discussed the benefits the Car Show provides to the City; and he asked that funding be continued.

Mike Snell, Culver City Exchange Club President, discussed benefits of the Car Show; stated that the Car Show was put on by local volunteers; discussed the Pancake Breakfast sponsored by the Fire Department which is held the same day as the Car Show; noted that success could not be measured in dollars and cents; and he pointed out that the event raises money that is donated back to the City.

Steve Rose, Culver City Chamber of Commerce President, praised the proposal; discussed criteria for eligibility; felt that the proposal posed a complete change to the system; and he suggested looking at other events being funded in support of economic development.

Ela Valladares, Deputy City Clerk, read written comments

submitted by:

Karlo Silbiger

Discussion ensued between the City Council and staff regarding the need for structure; consideration of what each event brings to the City; in-kind costs, actual costs and labor costs; reductions to services provided by staff; the difficulty of quantifying in-kind services; whether the non-profit donates money back to the City; non-profits vs. for-profits; criteria for eligibility; providing sponsorship dollars to as many worthy groups as possible; the reduction of sponsorship dollars over time to those groups who receive it year after year; and motivation for the groups to become self-sufficient.

Further discussion continued regarding payments and the timing of City billing; the NOFA panel; staff time required; the value of the volunteer time; the budgetary analysis; Agency sponsored events versus other events in the City; concern that the policy proposal is based too much on an arts model rather than an economic development model; the importance of spurring economic activity in the City; the difference between arts events and economic development events; how efficient a group may be at doing something balanced with which events are valuable to the City; the 10% limit; annual consideration; the performing arts grant program; promotional ties-ins with the City; the value of media exposure and publicity; and developing new audiences.

Discussion continued regarding looking at events from an economic development standpoint; quantification; budgeting a certain dollar amount; feasibility of grandfathering organizations; total cost of each event and percentages of the total; concern with damaging already successful events; comparing guidelines with current practices; a desire for guidelines; staff agreement to provide additional information; events that become Culver City events; and other events requesting assistance.

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