

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

Meeting Date: 12/06/10		Item Number: <u> J-1 </u>	
JOINT CITY COUNCIL AND REDEVELOPMENT AGENCY BOARD AGENDA ITEM: Further Discussion Regarding a Policy Related to Special Event Sponsorship and Financial Support of City- and Agency-Sponsored Events.			
Contact Person/Dept.:		Phone Number:	
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Fiscal Impact: Yes ☒ No ☐		General Fund: Yes ☐ No ☒	
Public Hearing: ☐		Action Item: ☒ Attachments: ☒	
Commission Action Required: Yes ☐ No ☒		Date: _____	
Public Notification: (e-mail) Meetings and Agendas – City Council (12/02/10); Meetings and Agendas – Redevelopment Agency (12/02/10); Downtown Business Association (11/18/10); Chamber of Commerce (11/18/10); IndieCade (11/18/10); Share our Strength (11/18/10); Culver City Exchange Club (11/18/10).			
Department Approval: Sol Blumenfeld: (11/24/10)		City Attorney Approval: Carol Schwab (by H. Baker) (12/01/10) Agency Counsel: Murray Kane: (11/19/10)	
Chief Financial Officer Approval: Jeff Muir (by M. Noller) (12/01/10)		City Manager/Executive Director Approval: John M. Nachbar: (12/02/10)	

RECOMMENDATION:

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

BACKGROUND:

On September 13, 2010, the City Council and Agency Board discussed criteria and the components of a policy for approving support of special events. During the meeting, the City Council and Agency Board voiced initial support of the concept that events would be supported through cash sponsorships rather than fee waivers or in-kind services. Such funds could pay for any City/Agency fees and staff/facility costs.

There was basic support for the proposed process and policy. The City Council and Agency Board agreed that:

- A policy is necessary
- The number of requests for assistance are increasing

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- The current budget should be maintained
- Currently supported events (Car Show, IndieCade and Taste of the Nation) should continue to receive funding of some kind
- Enhancing economic activity should be the focus for events assisted by the Agency
- The process will provide a complete picture of all events requesting funding.

During the discussions the City Council and Agency Board expressed concerns about specific aspects of the plan, including placing limitations on the amount of funding per event and the development of criteria used to determine that funds are used for economic development purposes.

DISCUSSION:

Staff has worked to include the suggestions and address City Council and Agency Board concerns expressed during the meeting. The concerns were as follows:

Current Funding:

City Council and Agency Board Members expressed concern about discontinuing funding for existing events. To ensure that the three currently funded events are provided funding in the future, staff recommends that eligible organizations, currently considered Category 6 (Other) organizations per Resolution 2008-01 may want to consider completing an MOU with the City and/or Agency. This would make them eligible to become Category 2 organizations (Cooperative Community Groups), which will allow them to request fee waivers and in-kind services (which special events would not be allowed to request) based on the proposed new policy for cash sponsorships.

If an MOU is completed, funds would need to be appropriated from either the existing \$40,000 available in the Special Events budget or another funding source. If the entire \$40,000 were appropriated for MOUs with existing events, then additional funds would be necessary to assist events not covered by an MOU and any new events that complete an application and are approved for funding.

Economic Development:

The City Council and Agency Board expressed concern about ensuring that the process be based on an economic development model.

To address this concern, staff has added additional eligibility criteria (as recommended by the City Council and Agency Board during the last meeting) as well as including members of the Economic Development Subcommittee on the review panel described below.

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Process:

The City Council and Agency Board expressed concern about the process. To address this concern, staff is proposing the process below, which would assess all events using criteria in order to determine which events should receive annual funding.

Step 1 - Notification of Funding Availability (NOFA):

Staff recommends that a NOFA be sent out requesting organizations to complete an application. The application form would include the eligibility and funding criteria and require the organization to address how the event would qualify for sponsorship. The applicant would also need to provide specific event details and an event budget.

Step 2 - Panel Review Process:

Staff recommends that a panel¹ be convened annually to review the applications received as a result of the NOFA, in order to make recommendations to the city Council and/or Agency Board as to which special events should receive financial support based on eligibility criteria and funding criteria.

Staff recommends that the panel use the following criteria when developing its recommendations:

- Amount of potential economic benefit for Culver City as measured by
 - Quantifiable Value of Media Exposure
 - Expected amount of sales tax to be produced
 - Potential for new business attraction
 - Visibility of the event
 - Exposure of Culver City to new audiences/foot traffic
 - Amount of sponsorship already secured
 - Established marketing package and or plan
 - Geographic diversity of event location within Culver City
 - Location within a Redevelopment Agency Project Area
- Amount of community benefit for Culver City as measured by
 - Unique quality for Culver City

Staff recommends the panel use the criteria below when determining the amount and type of funding an event should receive. Staff further recommends that the minimum funding amount be \$1,000² with no maximum (with ultimate maximum funding subject to the approval of the City Council and/or the Agency Board).

- Cost of event;
- Cost for City/Agency Services deemed necessary by City departments;

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- Cost to attract each attendee (cost of event divided by the number of attendees);
- Amount expended on marketing of the event; and
- Number of years that event has received sponsorship

Step 3 - Approval of Sponsorships:

Staff recommends that the City Council and Agency Board annually review and consider recommendations made by the panel (including the amount of sponsorship) and specifically designate those events as sponsored². Those events that do not receive funding assistance are able to seek funding during the next fiscal year. If an event organizer seeks funding after the process has concluded, the applicant would have to seek City Council and/or Agency Board approval to have his or her funding request agendaized for consideration through the budget amendment process.

Step 4 – Distribution of Funds:

Staff recommends that cash sponsorships not be provided until after an event has concluded. For those events that incur City/Agency costs during the period when the sponsorship money is pending, staff will work with Finance Department to determine how to track those costs and the best way to minimize the burden to the event organizers.

Implementation of process

Staff recommends that the total amount of sponsorship dollars be identified during the annual budget process for Fiscal Year 2011/2012. Following this, the NOFA process would be initiated in July/August of Fiscal Year 2011/2012, with awards being made and/or encumbered for events that occur in calendar year 2012.

FISCAL ANALYSIS:

The Agency Board appropriated \$40,000 in the Fiscal Year 2010/2011 budget (Program 90200, Economic Development - Special Events and Meetings) for 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 \$10,000, with the remaining \$3,000 of funds available to cover requests for additional funding by those organizations or for meeting any cost increases.

The City Council did not budget funds in Fiscal Year 2010/2011 as all fee waivers were reimbursed by the Agency as a component of the event.

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ATTACHMENTS:

1. Definition of “Sponsored” event as outlined in City Council Policy Statement 2008-01.
2. Event Sponsorship Staff Report from September 13, 2010 with an Excerpt from the Minutes of the Meeting of September 13, 2010.

MOTION:

That the City Council and Redevelopment Agency Board:

1. Discuss and provide direction on a proposed 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 The panel would be comprised of the two (2) Council Members who comprise the Economic Development Subcommittee; one (1) representative of the Culver City Chamber of Commerce; one (1) LA County-based events specialist, who understands the costs/requirements to produce an event; and one (1) designee of the City Manager.

² Per Culver City Municipal Code § 17.330.040.B.7.b.ii, in order for an event to be eligible to place banners promoting the event in the public right-of-way, it must be specifically designated as a sponsored event. Sponsored means that 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) 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.