

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

Meeting Date: 6/9/08		Item Number: <u>J-1</u>	
AGENDA ITEM: JOINT ITEM: Consideration of a Fee Waiver Request by Sporteve for its Inaugural 5K Run/Walk & Kiddie Run Event and the Use of Agency Property (Chairs).			
Contact Person/Dept.: Todd Tipton & Kriss Casanova /Community Development		Phone Number: (310) 253-5783 & 5769	
Fiscal Impact: Yes ☒ No ☐		General Fund: Yes ☒ No ☐	
Public Hearing: ☐		Action Item: ☒ Attachments: ☒	
Public Notification: Downtown Business Association; Chamber of Commerce; Master E-Mail Notification List (06/04/08).			
Department Approval: Sol Blumenfeld (06/03/08)		City Attorney Approval: Carol Schwab (by H. Baker) (06/04/08)	
Chief Financial Officer Approval: Jeff Muir (by M. Noller) (06/04/08)		City Manager Approval: Jerry Fulwood (06/04/08)	
<u>RECOMMENDATION:</u> Staff recommends the City Council deny Sporteve's request for a fee waiver for its inaugural 5K Run/Walk & Kiddie Run event; and that the Redevelopment Agency deny Sporteve's request to use Agency-owned property (chairs) for the Race Expo portion of the Event to be held at Media Park. <u>BACKGROUND:</u> Sporteve, located at 3849 Main Street, is proposing a 5K Run/Walk & Kiddie Run event (the "Event") at 8:30 a.m. on Sunday, June 29, 2008. The run/walk portion of the Event will occur on Washington Boulevard from Canfield Avenue to Center Street (see Attachment No. 2). Sporteve also plans to include a short Kid Fun Run at 9:30 a.m. from Media Park to the corner of Culver Boulevard and Main Street, as well as a Race Expo in Media Park from 7:30 a.m. to Noon. Sporteve believes this to be an economic development opportunity that will bring the businesses and the community together in a fun and rewarding way. They are encouraging local restaurants, businesses and City Hall employees to establish teams. They will also invite race sponsors to participate to introduce local businesses to community members within Culver City and beyond. Sporteve anticipates a total of 800 -1,000 participants in this inaugural event. They have hired Walt Walston and W2Promotions to provide event management services.			

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Fee Waiver Request

Sporteve is partnering with the Culver-Palms Family YMCA in this endeavor and any net profits from the event will be donated for their use. Their total budget for the event is approximately \$24,000. They will be approaching local businesses and corporations, primarily along the run/walk route for sponsorships and contributions. Sporteve is requesting the City and Agency to be a sponsor as well. The City's sponsorship as requested would include:

- Waiver of City fees associated with permits, and equipment related to traffic control from the Public Works/Engineering Department (approximately \$3,373);
- Waiver of City cost associated with providing nine police officers during the Event (\$2,700);
- Provide trash disposal (approximately \$40); and
- Donate the use of the twenty available metered parking spaces south of Media Park, parallel to Culver Boulevard (approximately \$300).

The total commitment by the City would be \$6,413.

The Agency's sponsorship as requested would include:

- The use of Agency property (chairs).

Sporteve would be required to pay the Agency \$100 for the use of Media Park and \$75 to fund Modern Parking's staff cost associated with opening the Ince Parking Structure early. Therefore, Sporteve is only requesting that the Agency allow the use of Agency property (chairs) during the event.

Agency Tenant Participation Agreement Loan

In November 2006, the Agency entered into a Tenant Participation Agreement Loan (the "Loan") with Sporteve to provide tenant improvements in the amount of \$200,000. A provision of the Loan requires Sporteve to sponsor one community outreach event per year for the life of the Loan. The Event would satisfy the community outreach event requirement and publicize Sporteve as a Culver City retailer.

Please note that Agency General Counsel believes it would be inappropriate for the Agency to provide any financial support for the Event as it has already provided support in the form of the Loan.

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Agency License Agreement

During the March 17, 2008 Agency meeting, the Agency adopted policies related to the management of Media Park. As adopted, the policies require exclusive users of Media Park to obtain a Special Events Permit from the City's Committee on Permits and Licenses, obtain any permits required from the City of Los Angeles, execute and abide by requirements of a Media Park License Agreement, pay a \$3,000 refundable deposit and a \$100 rental fee for general maintenance for each twenty-four hour period of use.

Sporteve is requesting exclusive use of Media Park and will enter into a License Agreement with the Agency and pay the associated fees. Pursuant to the City Council Policy, the license agreement will be handled as an administrative act.

DISCUSSION:

In the past, a number of events have been sponsored by the Agency. These events include Fashion Week at Smashbox Studios, Taste of the Nation, George Barris' Cruisin' Back to Culver City Car Show, and the Chamber Expo. The Agency participated in these events financially due to their positive economic impact. In addition, none of the businesses conducting these events had a financial agreement with the Agency.

Staff is recommending that Sporteve's request for a fee waiver by the City be denied due to the negative fiscal impacts and past practice whereby the City has not waived fees but that the Agency has reimbursed fees. Since the Agency cannot legally reimburse fees, it would not be in the best interest of the City to set precedent for waiving fees. Additionally, it may not be appropriate for the City to sponsor events by private, commercial, for profit businesses, which may lead to future requests from other City businesses.

The Event takes place early on a Sunday morning when businesses will not be open and stretches across Sony Studios for a majority of the route. Staff believes that Sporteve was required to conduct one community event annually in exchange for Agency financial assistance and that Sporteve should satisfy this requirement without additional financial assistance from the City.

Staff is also recommending that the Agency deny the request for use of its property until appropriate policies are developed.

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FISCAL ANALYSIS:

Staff has compiled the City costs associated with the 5K Run/Walk, which are estimated to be approximately \$6,413. The costs are calculated as follows:

Media Park parking lot (20 spaces)	\$ 300
Police (9 officers at \$75/hr with 4 hr. min.)	\$2,700
Staff assistance with the event (25 hours)	
Public Works Fees	
Sanitation (equipment)	\$ 40
Traffic Control (staff & permit)	\$3,373
Total City Costs	\$6,413

ATTACHMENTS:

1. Request Letter from Sporteve, dated 3/26/08;
2. 5K Run/Walk route; and
3. 5K Run/Walk & Kiddie Run Event Flyer.

MOTION:

That the City Council:

1. Deny Sporteve's request for a fee waiver.

AND

That the Redevelopment Agency:

1. Deny Sporteve's request for the use of Agency property (chairs) for the Race Expo at Media Park.