

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

Meeting Date: 02/17/09		Item Number: <u>J-2</u>	
AGENDA ITEM: JOINT ITEM: 1) Consideration of a Fee Waiver Request by the Culver City Exchange Club for the Sixth Annual Culver City Car Show; 2) Approval of a License Agreement for the Car Show; 3) Consideration of Designation of the Sixth Annual Culver City Car Show as a City-Sponsored Event; and 4) Determine the Level of Redevelopment Agency Support for the Car Show.			
Contact Person/Dept.: Jeremy Green, Community Development		Phone Number: (310) 253-5764	
Fiscal Impact: Yes ☒ No ☐		General Fund: Yes ☒ No ☐	
Public Hearing: ☐		Action Item: ☒ Attachments: ☒	
Public Notification: Culver City Exchange Club (01/20/09); Downtown Business Association (02/03/09); Chamber of Commerce 02/03/09); Master Notification List (2/11/09).			
Department Approval: Sol Blumenfeld (02/03/09)		City Attorney Approval: Carol Schwab (by H. Baker) (02/11/09)	
Fiscal Impact Approval: Jeff Muir (by N. Kimball) (02/11/09)		City Manger Approval: Jerry B. Fulwood (02/11/09)	

RECOMMENDATION

Staff recommends the City Council:

1. Consider a fee waiver request made by the Culver City Exchange Club (the "Exchange Club") for the Sixth Annual Culver City Car Show (the "Car Show"); and,
2. Approve a license agreement for the Car Show; and,
3. Designate the Car Show as a City-sponsored event.
4. Authorize the use of the Parks, Recreation and Community Services ("PRCS") Global Electric Motor ("GEM") truck.

Staff recommends the Redevelopment Agency:

1. Consider a fee waiver request for the cost of staff time.
2. Determine what level of support, if any, it wishes to provide to the Car Show in the form of a reimbursement to the City of its costs associated with the event.

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BACKGROUND

The Culver City Exchange Club is proposing to host the Sixth Annual Culver City Car Show on Saturday, May 9, 2009. As proposed, the Car Show will be presented in the same general area as in the prior four years: along Culver Boulevard between Duquesne Avenue and Ince Boulevard (Attachment 1). The original request was made by the Exchange Club on September 26, 2008 and a response was sent on October 30, 2008 to place the item on the schedule in January, 2009 (Attachments 2 and 3). This item has been rescheduled several times due to scheduling conflicts.

DISCUSSION

Fee Waiver Request

Last year, the Council approved a fee waiver requested by the Exchange Club, the promoter of the Car Show, in the amount of \$10,000. Tonight the Council and Agency are asked to consider the fee waiver for this year's event.

Staff met with representatives of the Exchange Club on December 17, 2008 to discuss successes and challenges of the 2008 event. The event elements remain essentially unchanged for 2009.

The Exchange Club finalized their Special Event Permit application, which was heard by the Committee on Permits and Licenses (the "Committee"). The Committee authorized a permit for this year's event on January 14, 2009.

Staff has compiled costs, in cooperation with other City staff, associated with the Car Show and is estimated to be approximately \$24,850. This is comprised of approximately \$23,100 in staff time for staff from various departments, \$550 in permit fees, and \$1,200 in hard costs for equipment (see detailed breakdown in Fiscal Analysis section). The Exchange Club has requested that the Council grant a waiver for this amount. The costs to the City would be incurred primarily by the Public Works, Police, and Parks, Recreation and Community Services Departments. The majority of the costs that have been projected by the Public Works and Police Departments are for staff time and reflect an increase in staff costs. The cost to the Agency is for a staff person who acts as a liaison and assists the Exchange Club with their requests.

In exchange for the City's permission to use City equipment, the Exchange Club shall provide the City with use of three booth spaces and one vehicle display space during the Car Show for purposes deemed appropriate by the City.

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During past events, the Exchange Club utilized a Parks, Recreation and Community Services ("PRCS") Global Electric Motor ("GEM") truck. The Exchange Club requests that Council consider its request to use the GEM truck again this year. The use of the GEM truck requires Council authorization. If the Council authorizes the use, the Exchange Club will provide a certificate of general liability insurance in an amount of \$1 million and a Special Endorsement Form naming the City as additionally insured, as well as automobile insurance covering the Exchange Club's volunteer driver.

License Agreement

For each of the past year's Car Show events, the City has entered into a License Agreement with the Exchange Club setting forth the duties and responsibilities of the Exchange Club relating to the operation of the Car Show, and any benefits conferred upon the Exchange Club by the City (i.e. use of City equipment; fee waiver, where applicable; etc.) Staff recommends that the Council approve a license agreement with the Exchange Club and direct the City Attorney's Office to prepare such agreement consistent with the Council's direction this evening.

Banner Request

The Exchange Club requests that Council allow the organization to advertise by posting banners in the public right-of-way. The banners would be produced at the Exchange Club's cost. The Exchange Club requests a waiver for the permit fees (\$237) and cost of staff time required to install the banners (\$464).

Section 17.330.040 of the Culver City Municipal Code (CCMC), relating to Signs in the Public Right-of-Way, provides for certain exceptions to posting signs in the public right-of-way (which is generally prohibited). One such exception is for signs relating to the "promotion of civic events and activities" where those events and activities are "organized or sponsored by the City or Redevelopment Agency." (CCMC Section 17.330.040.B.7.a)

To be "Sponsored" by the City or Redevelopment Agency, an event must comply with CCMC Section 17.330.040.B.7.b.ii. confirming that the following criteria have been 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) 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.

The CCMC clearly requires both (a) AND (b) to be met. In addition, the use of City staff resources, equipment, etc., for an event does not in and of itself constitute participation in the event by the City in an "official capacity" in the planning,

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preparation or promotion of the event. Further, in accordance with the adopted City Council Policy No. 2008-01, regarding Community Organizations, in addition to meeting the above-referenced criteria, in order for an event to be considered City-sponsored and/or Redevelopment Agency-sponsored, the City Council and/or Redevelopment Agency, must determine, by specific action, that the above criteria have been met.

In summary, in order to be eligible for a banner, the City and/or the Redevelopment Agency would need to take both of the following actions:

(1) determine that the Culver City Car Show is a City- or Agency- sponsored event AND (2) determine to support the event in an amount no less than \$1,000, which may take the form of a fee waiver.

Staff recommends the City Council and/or the Redevelopment Agency consider whether to designate the Sixth Annual Culver City Car Show as a City-sponsored and/or Redevelopment Agency-sponsored event, based upon the above criteria.

Should the Council and/or Agency take both of these actions, the City Attorney shall include appropriate language in the License Agreement to reflect these actions, thereby granting the request for banners.

FISCAL ANALYSIS

The City's and Agency's total cost associated with the Car Show, primarily staff time, are estimated to be approximately \$24,850. If a waiver is not granted by the City Council, staff would invoice the Exchange Club for the actual costs incurred. If a waiver is granted by the City Council, the costs will either be absorbed by the City's General Fund or reimbursed by the Agency.

If the Council decides to waive the fees and staff costs, the Agency may take up the question of whether to make up the City's loss. Agency funding of \$12,000 has been appropriated in the 2008-2009 budget (Account No. 55090200.516600 "Special Events & Meetings") to cover the estimated hard costs for the 2009 Car Show (i.e. permit fees, equipment rental, materials, etc.); staff costs would be reimbursed through the annual Cost Allocation Plan.

The City Council/Agency Board may decide to waive all, a portion of, or none of the costs requested by The Exchange Club.

For comparison purposes, the waiver of fees and staff costs requested for this event in 2008 was approximately \$14,000 and the Council approved \$10,000. Last year, the Agency reimbursed the City for staff costs.

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This year's costs have increased due to changes in departmental fees and charges, and staff time cost increases. A complete cost comparison between the 2008 and the 2009 event have been included for your review (Attachment 4).

The Public Works Department budget includes engineering and traffic staff costs for the planning of the event and for supervision on the day of the event, in addition to the sanitation and electrical costs. This will ensure specific overview for the event. Last year, Public Works staff time was estimated based on fully burdened, regular hourly rates. This year, the rates supplied from Public Works includes double time rates per hour, to reflect the true costs of the work that will occur during the weekend event. These rates almost double the budget request from last year. Had matching types of rates been utilized, the 2009 budget would have remained closer to that of last year for staff costs.

Last year, the Police Department's budget had decreased due to the use of 16 non-paid Reserve Police Officers, resulting in a reduction in the number of paid Police Officers needed for the event. This year, there is a potential that fewer Reserve Police Officers will be available, resulting in the need for additional paid Police Officers. The estimate reflects a 40% increase for staff costs. Last year, Agency staff time costs were not included in the request. For this year the costs are included.

The estimated costs are provided below for Agency and Council review:

City Costs:

Fire:	\$ 0	Radios
Police:	\$7,500	Staff time
PRCS:		
Equipment	\$ 268	Tables, 26 Chairs, Podium
	\$ 0	GEM Truck
Public Works:		
Maintenance Op.	\$7,789	2 traffic, 1 electrical, 3 maintenance staff
Engineering	\$6,077	3 staff
Sanitation	\$1,090	Additional bins, Scout vehicle, staff time
Transportation:	\$ 0	Staff time
Treasury:	\$ <u>317</u>	Engineer permit fee, event permit
Total City costs:	\$23,041	
Banner Permit Fees:	\$ 237	Banner Permit Fee (\$79.04 per location)
Banner install staff time:	\$ <u>464</u>	

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**Total City costs
including Banners: \$23,742**

Banners would be produced at the Exchange Club's cost.

Agency Costs:

Staff time \$ 1,100 (20 hours at \$55 for fully burdened
Management Analyst)

Total Agency Costs: \$ 1,100

Total Costs: \$24,842

ATTACHMENTS

1. Map of Downtown Culver City with Street Closures.
2. September 26, 2008 Letter and Attachments from the Exchange Club.
3. October 30, 2008 Letter of Response to Culver City Exchange Club.
4. Cost comparisons for 2008 and 2009.

MOTION

That the City Council:

- 1A. Approve the fee waiver request made for the Culver City Car Show and determine the amount of the fee waiver to be \$ _____;

OR

- 1B. Deny the fee waiver request made for the Culver City Car Show.

AND

- 2A. Designate the Sixth Annual Car Show as a City-sponsored event;

OR

- 2B. Determine that the Sixth Annual Car Show is **not** a City-sponsored event.

AND

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3. Approve a License Agreement with the Culver City Exchange Club; authorize the City Attorney to review/prepare necessary documents; and authorize the City Manager to execute such documents on behalf of the City.

AND

4. Authorize the use of the Parks, Recreation and Community Services ("PRCS") Global Electric Motor ("GEM") truck.

That the Redevelopment Agency:

- 1A. Determine the level of financial support the Redevelopment Agency wishes to provide for the Car Show to be \$12,000 as budgeted (staff recommends that any financial support be in the form of a reimbursement to the City of its costs associated with the event)

OR

- 1B. Authorize the financial support to be \$ _____;

AND

- 2A. Designate the Sixth Annual Car Show as a Redevelopment Agency-sponsored event;

OR

- 2B. Determine that the Sixth Annual Car Show is **not** a Redevelopment Agency-sponsored event.