



City of Culver City

Mike Balkman
Council Chambers
9770 Culver Blvd.
Culver City, CA 90232
(310) 253-5851

Staff Report

File #: 18-01147, **Version:** 1

Item #: C-20.

CC - Consideration of a Request by Gary Mandell to Authorize the use of City Logo for Hats to be Sold by Boulevard Music at Culver City's Boulevard Music Festival-2018 and at the Boulevard Music Store, with a Portion of the Proceeds to Benefit the Cultural Affairs Foundation and the Remaining Profit to be Retained by Mr. Mandell.

Meeting Date: April 23, 2018

Contact Person/Dept: Shelly Wolfberg/City Manager's Office

Phone Number: (310) 253-6000

Fiscal Impact: Yes ☐ No ☒

General Fund: Yes ☐ No ☐

Public Hearing: ☐ **Action Item:** ☒ **Attachments:** ☐

Commission Action Required: Yes ☐ No ☒ **Date:**

Public Notification: Gary Mandell; Cultural Affairs Foundation; (E-Mail) Meetings and Agendas - City Council (04/18/18);

Department Approval: John M. Nachbar (04/17/18)

RECOMMENDATION

Staff recommends the City Council consider Gary Mandell's request to authorize the use of the City's logo to sell hats at Culver City's Boulevard Music Festival-2018 (Music Festival) and at the Boulevard Music store, with a portion of the proceeds to benefit the Cultural Affairs Foundation and the remaining profit to be retained by Mr. Mandell.

BACKGROUND

On February 26, 2018, the City Council directed the City Manager to enter into negotiations with Gary Mandell and Boulevard Music to hold the Music Festival. The Music Festival will be comprised of six concerts on Thursday evenings from July 12, 2018 through August 16, 2018. The amount of Mr. Mandell's cost proposal to produce the Music Festival is an amount not-to-exceed \$43,045 to cover all of Mr. Mandell's expenses. Based on sponsorship revenues and proceeds from reserved seating sales, the City could potentially recover around \$19,445 of his cost proposal, leaving a net concert production cost of \$23,600 to be borne by the City's General Fund.

Mr. Mandell is requesting to sell embroidered baseball caps at the Music Festival this year, which is proposed to include the City logo and Heart of Screenland motto. Mr. Mandell has indicated he would absorb the costs to design, warehouse, and sell the hats. He indicates that the hats cost \$13 (plus shipping) to produce and proposes selling the hats for \$17 each. Mr. Mandell would like to donate \$2 of the profits (50% of the profits) to the Cultural Affairs Foundation (CAF). He would also like to continue to sell any surplus hats at the Boulevard Music store, in which case he would like to offer \$1 for each hat sold to the CAF, which he estimates represents about a 25% licensing fee. Although the profit margin is likely small, if any, after the design, warehouse and sales costs, Mr. Mandell proposes to retain any additional profit remaining after the contributions are made to the CAF.

On April 16, 2018, Council Member Clarke received City Council consensus to discuss, at the April 23, 2018 City Council Meeting, Mr. Mandell's request to use the City's logo and sell these hats at this year's Music Festival.

DISCUSSION

The City's Memorandum of Understanding (MOU) with Mr. Mandell for the 2018 Music Festival allows Boulevard Music to "conduct additional promotional and revenue raising activities during the Music Festival, including, but not limited to, seat sales, merchandise, food and beverage vendor sales or complimentary offering...[with] the written consent of the City, which consent shall not be unreasonably withheld." In addition, use of the City's logo requires City Council approval.

While Culver City Municipal Code Section 1.03.006 regulates use of the City's Official Seal, it has been the City's past policy and practice to apply the same standards for use of the City's logo. As such, the City's logo cannot be used for any private or commercial purpose, except upon the approval of City Council.

It has not been the City's past practice to authorize the use of the logo for a commercial purpose. City Council's authorization to use the City logo for the commercial sale of the hats would set a precedent for the commercial use of the City logo. It is recommended that if the City Council considers authorizing use of the City logo for a commercial purpose, that objective criteria first be established, which could be applied to requests of this nature.

City Council also has the option to require, as part of the authorization to use the City's logo, that all proceeds be provided to the Cultural Affairs Foundation and/or put back into the City's Music Festival, in which case the sale of the hats would not be for a commercial purpose; but rather a public purpose/benefit.

If the City Council approves Mr. Mandell's request, staff would connect Mr. Mandell with the Cultural Affairs Foundation representative to work out the logistics to receive the portion of the revenue for the hat sales. In addition, staff recommends the City Council require that the City has the final approval on the design of the hats prior to production, which approval could be delegated to the City Manager.

If the City Council does not approve Mr. Mandell's request, it is staff's understanding that he is considering proceeding with designing hats that read: "Culver City - Heart of Screenland" without the

City's logo or typeface. Mr. Mandell would create and sell the hats at his store only and at his own expense and retain all of the revenues. If Mr. Mandell desires to sell such hats at the Music Festival in addition to his store, the City would need to approve the sale of the hats at the Festival, pursuant to the requirements of the MOU.

FISCAL ANALYSIS

There is no fiscal impact for the City Council to consider this request. If Mr. Mandell's request is approved, a portion of the revenue from the sale of the hats would be donated to the Cultural Affairs Foundation, which would benefit the City's cultural programming.

ATTACHMENTS

None

MOTION

That the City Council:

1. Authorize Mr. Mandell to use the City logo on hats to be sold at Culver City's Boulevard Music Festival-2018 and at the Boulevard Music store, with a portion of the proceeds to benefit the Cultural Affairs Foundation, and any remaining profit to be retained by Mr. Mandell; or
2. Provide alternate direction as deemed appropriate.