

REPORT OF THE CHIEF LEGISLATIVE ANALYST

Date: August 7, 2009

To: Honorable Members of the
Budget and Finance Committee

From: Gerry F. Miller *Gerry F. Miller*
Chief Legislative Analyst

Assignment No. 09-08-1316

Revised Special Events Fee Subsidy Policy Ordinance

On June 9 and 16, 2009 the Council considered an ordinance to amend, repeal and adopt various provisions of the Los Angeles Municipal Code (LAMC) to establish a Special Events Permit Procedure and Fee Subsidy Program (C.F. 09-0600-S46). The Council referred this matter to the Budget and Finance Committee for further consideration of the following issues:

- Council District review of proposed events and input on measures to mitigate negative community impact;
- Ability of event organizer to know in advance the City's permit fees and costs for a specific event and to be reimbursed if actual costs are less; and
- Ability to provide a fee subsidy of less than 50 percent to enable additional deserving Special Events to receive assistance within limited funds.

Proposed Procedure

We have held numerous meetings with the City Attorney to explore ways that the LAMC could be amended to address these issues, and propose the following procedure which will be codified by a revised Ordinance prepared by the City Attorney:

1. Special Event sponsor applies for a permit to conduct a specific special event from the Department of Public Works, Bureau of Street Services (BOSS).
2. BOSS notifies the affected Council Office(s) and city departments about the proposed special event.
 - A. Council Office(s) will review and provide written input on mitigation measures desired to reduce or eliminate negative community impact; and
 - B. All departments with enforcement responsibility for aspects of the special event will provide their review and input to BOSS, including any staff cost to support the proposed special event.
3. BOSS will consider public safety and welfare issues and input from departments and affected Council Office(s). BOSS may issue permit(s) for requested Special Event and include conditions required by Council Offices and departments to maintain public safety and welfare of the community and the City.

4. Permits shall be issued upon compliance with conditions and receipt of payment in full.
5. BOSS will post the date, time and location of the special event on the Internet accessible Citywide GIS map to avoid conflicting events at the same location.
5. Following the conduct of the Special Event, departments will calculate the actual cost of services provided and will then notify the Bureau of Street Services if a refund for overpayment or a bill for underpayment should be issued to the event organizer or other entity that paid the City when the permit(s) were issued for the event.
5. CAO will include recommendations, as necessary in periodic Financial Status Reports on the Budget to reimburse the General Fund and departments for costs incurred in support of special events from payments received.

The above procedure would apply to commercial and non-commercial special events. Council will be limited to providing subsidies for a total of two non-commercial Special Events, per event sponsor per year.

Special Event Fee Subsidies

The Adopted 2009-10 Budget includes a total of \$2.5 million in the General City Purposes Fund (GCP) for subsidies of City fees and costs incurred in support of special events. Of that amount, \$1.5 million was identified for Council District special events and \$1 million for Special Events designated by the Council as "Citywide Special Events."

We recommend that the City Clerk administer the special event subsidy account and subaccounts (one for each Council District and "Citywide Special Events") and issue payments to non-profit organizations, in accordance with written instruction of Council Offices, consistent with the existing provisions of the Los Angeles Administrative Code for the Council District Community Services line item in the GCP (C.F. 97-1776).

The City Clerk indicates that the substantial additional workload required to perform these administrative tasks cannot be accomplished in a timely manner without the authorization of one Accounting Clerk position. We therefore recommend that this position be authorized.

Citywide Special Events and Fee Subsidy

During an earlier discussion of the Special Events Fee Subsidy issue, the City Attorney indicated that the definition of a "Citywide" Special Event may be a special event which is of interest to at least three Council Districts, has thousands of participants and is the only event of its kind in the City. Based on this definition the CLA solicited and received lists of events from nearly all Council Districts. The intent was that 50 percent of the City's fees and costs would be funded from a \$1 million allocation budgeted in the GCP designated for Citywide Special Event Fee Subsidies. Attached is the list of events recommended for Citywide Special Event Status, as recommended by Council Offices, after discussion with staff. The total estimated cost for all listed events is \$2.2 million, half of which would be \$1.1 million. Because these costs are based

on estimates included in recent motions for the Special Events, we believe it is possible that budgeted funds are likely to be sufficient to provide a 50 percent subsidy for all events submitted by Council Offices for the citywide list in 2009-10.

Council District Special Events

The \$1.5 million for Council District special event subsidies will be divided equally among all 15 districts (\$100,000 per district). The revised Ordinance would allow subsidy of up to 50 percent of the City's permit fees and costs for non-commercial special events. Commercial special event fees and costs cannot be subsidized and must be paid in full by the event organizer.

Neighborhood Block Parties

On December 16, 2008, Council directed that no fees and salary costs are to be charged by City departments to organizers of non-commercial neighborhood block parties (C.F. 08-1303). However, a refundable deposit for traffic control devices will be collected. The procedure recommended in this report maintains these concepts, with additional recommendations for City departments to develop standard plans for organizers to follow to eliminate the need for City staff services. In the event that organizers require the City services then such costs will be submitted to the affected Council Office for payment from the Council District's subaccount within the Special Event Subsidy line item of the GCP.

Farmers' Markets

During previous consideration of the Special Events Fee Subsidy Policy, Council separated Farmers' Markets from all other Special Events and instructed staff to develop a policy to address this category of events. There was strong objection to requiring these types of Special Events to pay for 50 percent of the City's fees and costs.

We therefore recommend that the Council designate that Farmers' Markets to be eligible for up to 100 percent subsidy from the City, through the Council District Special Event Fee Subsidy Account because in many communities residents and others have come to rely upon Farmers' Markets for healthy food choices that otherwise would not be conveniently available. We further recommend that departments supporting these regularly recurring community/district events be instructed to develop standard plans for each Farmers' Market to minimize City staff costs by enabling the operator to do much of the work previously performed on a weekly basis by City staff, to the extent that public safety is not jeopardized. To further minimize the cost of Farmers' Markets, operators should be encouraged to move markets to off street locations, out of the public right-of-way, eliminate on-site cooking and construction of structures, such as stages, requiring inspection by the Department of Building and Safety.

Lastly, the operators of Farmers' Markets should be required to show evidence of having a valid Business License with the City of Los Angeles, as well as such evidence for all sellers participating in that operator's Farmers' Markets.

RECOMMENDATIONS

That the Council, subject to the approval of the Mayor:

1. Approve in concept, the following procedure to establish a Special Events Permit Procedure and Fee Subsidy Policy, and request the City Attorney to prepare an Ordinance for consideration by Council in conjunction with the Budget and Finance Committee report to the Council on this matter, to amend various sections of the Los Angeles Municipal Code (LAMC), as follows:
 - A. Special Event sponsor submits a completed application for a permit to conduct a specific special event to the Department of Public Works, Bureau of Street Services (BOSS).
 - B. BOSS notifies the affected Council Office(s) and city departments about the proposed special event.
 - 1.) Council Office(s) will review the application and provide written input on mitigation measures desired to eliminate or reduce negative community impact; and
 - 2.) All departments that have enforcement responsibility for aspects of the special event will provide their review and input to BOSS, including any staff or material costs to support the proposed special event. These departments shall include, but not be limited to: LAPD, LAFD, Transportation, Bureau of Sanitation, Street Services, Building and Safety and General Services.
 - C. BOSS will consider public safety issues and input from departments and affected Council Office(s) and may then issue permit(s) to conduct the proposed special event, upon receipt of payment in full for such permits.
 - D. BOSS will post the date, time and location of the special event on the citywide GIS map to avoid conflicting events at the same location.
 - E. All City departments incurring costs in support of a Special Event shall determine the actual cost of services provided and notify BOSS. BOSS will determine if a refund or additional payment is due, based on the City's actual costs. City departments shall memorialize actual services provided for each Special Event, for reference purposes for planning support needed for future year events.
 - F. CAO will include recommendations, as necessary, in periodic Financial Status Reports on the Budget to reimburse the General Fund and departments for costs incurred in support of special events from payments received.

The above procedure would apply to commercial and non-commercial special events.

2. Request the Controller, with assistance of the Bureau of Street Services, to establish a new account within the Subventions and Grants Fund (Fund 305/50) for the receipt of payments associated with Special Events.
3. Instruct the CAO to include transfers of funds from the newly established account in Recommendation No. 2, above, as necessary to the Reserve Fund and departments through the periodic Financial Status Reports

4. Approve the proposed policies relative to administering GCP Special Events Fee Subsidy Fund No. 100-56 requests consistent with previously approved policies for GCP Council District Community Services line item (C.F. 97-1776), as follows:
 - a. Expenditures from each sub-account in the Special Events Fee Subsidy line item in the GCP Fund No. 100-56 shall be authorized by written communication to the City Clerk signed by the Councilmember of the District corresponding to the sub-account from which the funds are being expended.
 - b. Instruct and authorize the City Clerk to administer the Special Events Fee Subsidy line item and Council District subaccounts in accordance with procedures currently in place for expenditure of the Council District Community Services line item, with the additional restrictions that payments from amounts in the Council District subaccounts may not exceed 50 percent for Special Events that are not Farmers' Markets, and further that payments for Neighborhood Block Parties, if any, will be 100 percent and for Farmers' Markets may be up to 100 percent of the City fees and costs. With regard to the Citywide allocation of funding, payments for 50 percent of the City's fees and costs may be made, subject to Council designation of such Special Event as a "Citywide Special Event" and receipt of written approval of the President of the City Council. In cases of extreme urgency, where time is of the essence, the City Clerk is hereby further authorized, upon written request by the involved Councilmember, to waive the GCP application procedures and to pay the affected recipient entity, or any other subsidiary, agency or organization, as appropriate, for the authorized City special event fees and costs, upon receipt of appropriate invoice(s) and upon approval of the amount to be paid by the Councilmember of the District.
 - c. Instruct and authorize the City Clerk to prepare and execute any contracts, subject to the approval of the City Attorney as to form and legality, which may be required to accomplish the authorized expenditures from the Council District subaccount of the Special Events Fee Subsidy line item in the GCP Fund No. 100-56.
 - d. Instruct the City Clerk to prepare for Council adoption in October and April of each year, recommendation(s) to transfer funds from each subaccount in the Special Events Fee Subsidy line item in the GCP Fund No. 100-56 to any City department, as may be authorized by the Councilmember of the District corresponding to the subaccount from which the funds are being expended.
 - e. Instruct the City Clerk to prepare and submit on an annual basis to the City Council expenditures in the Special Events Fee Subsidy line item of the GCP Fund.
5. Authorize one Accounting Clerk II (Code 1223-1) in the Office of the City Clerk for administration of the Special Events Fee Subsidy line item and subaccounts in the GCP Fund No. 100-56, subject to paygrade determination by the CAO.

6. Instruct the General Managers of the following departments, and any other department providing services for the operation of Farmers' Markets and other special events, to submit a list of hourly costs for services and examples of service level required for various types of events and numbers of participants (e.g. Festival (with cooking) – 12 hours of operation – two street closures – 1,000 participants): Transportation; Public Works Bureaus of Street Services and Sanitation; Building and Safety; Police; and Fire.
7. Instruct the General Managers of the following departments and any other department providing services for the operation of Farmers' Markets and other special events to develop strategies to reduce the number of staff and extent of hours required to support special events, including but not limited to elimination of minimum number of hours, overtime pay during regular working hours, and standard plans: Transportation; Public Works Bureaus of Street Services and Sanitation; Building and Safety; Police; and Fire.
8. Instruct the Director, Bureau of Street Services to encourage operators of Farmers' Markets to make the following changes to reduce City support costs for such Special Events: find locations to site Farmers' Markets that are not on City streets or sidewalks; avoid on-site cooking; minimize the number of hours City services are required; and follow standard plans prepared by City departments to the extent practicable without jeopardizing public safety.
9. Approve the list of recommended "Citywide Special Events" as specified in the attachment to this report, subject to submission of evidence of Special Event organizer's non-profit status to BOSS.
10. Authorize the City Clerk to issue payment for 50 percent of the City's permit fees and costs to qualified organizers of "Citywide Special Events" as approved in Recommendation 8, above, from the Citywide Special Event portion of the Special Events Fee Subsidy line item GCP Fund No. 100-56.
11. Instruct the Bureau of Street Services, CAO and CLA, with the assistance of departments providing support services for Special Events to report back to Council within six months on the status of the program and any recommended changes to the Special Events Fee Subsidy Policy.

FINANCIAL IMPACT STATEMENT

Adoption of the recommendations contained in this report will increase the Reserve Fund by a minimum of \$2.5 million annually.

Attachment: Recommended Citywide Special Events
For 50 Percent Subsidy

GFM:LMO

ATTACHMENT

Citywide Special Events (As Recommended by Council Offices)

CD	Citywide Special Events*	Est. Cost
15	18th Annual Philippine Festival	\$ 5,260
15	18th Croatian Independence	\$ 1,226
15	20th Annual Seafood Festival	\$ 1,226
15	20th Pacific Islander Festival	\$ 1,260
3	4th of July	\$ 12,424
8	4 th of July	\$ 7,210
15	4th of July Fireworks/Cabrillo Beach	\$ 7,880
11	Abbot Kinney Festival	\$ 12,754
13	Academy Awards	\$ 410,000
9	African American Heritage Month	\$ 22,160
10	African Marketplace	\$ 30,000
5, 10	AIDS Walk	\$ 22,652
11	Airport Marina Counseling Services Walk	\$ 4,192
	Alive & Running for Suicide Prevention	
11	5k/10k	\$ 3,387
9	Alzheimer's Association's Memory Walk	\$ 18,000
	American Diabetes Associations' Diabetes	
9	Walk	\$ 3,000
13	Armenian Independence Day Festival	\$ 10,999
9	Asian American Heritage Month	\$ 18,531
7	Assembly District 39 Job Fair	\$ 1,000
9	Back to School	\$ 2,565
9	Back to School Giveaway	\$ 3,584
2	Big Sunday (various projects)	\$ 5,000
14	Blessing of the Animals	\$ 6,022
15	Bloody Thursday (ILWU)	\$ 500
9	Blue Ribbon Children's Festival	\$ 5,675
11	Brentwood Autumn Art Festival	\$ 2,324
11	Brentwood Spring Art Festival	\$ 3,665
14	Broadway Film Festival	\$ 4,143
2	CBS 4th of July Fireworks	\$ 3,513
9	Central Ave Jazz Festival	\$ 30,000
14, 7,		
15	Cesar Chavez Day Walk & Festival	\$ 10,758
12	Chatsworth Holiday Parade	\$ 6,070

Citywide Special Events*		
CD		Est. Cost
9	Cherry Blossom Festival	\$ 5,000
14	Chinese Cultural Festival	\$ 2,766
1	Chinese New Year Golden Dragon Parade	\$ 12,000
9	Christmas Dinner	\$ 2,520
9	Christmas in Hope Central	\$ 1,226
9	Christmas Toy Giveaway	\$ 1,660
14	Cinco de Mayo Celebration	\$ 57,724
15	City 5K Run/Walk for Victims' Rights	\$ 8,000
9	City Hall Christmas Tree/Menorah	\$ 1,112
9	City of Angels Fun Ride	\$ 1,557
14	City's Birthday & Feria de la Salud Events	\$ 28,597
	Councilmember Zine's Regional Community	
3	Event	\$ 5,000
13	Cuban-American Music Festival	\$ 51,479
3	Dia De Los Muertos	\$ 8,404
9	Dorothy B. Chandler Children's Festival	\$ 5,675
13	Dyke Day Family Celebration	\$ 3,252
14	Eagle Rock Music Festival	\$ 11,638
9	Easter Celebration	\$ 1,660
9	Easter in Hope Central	\$ 1,000
9	Easter/Passover Celebration	\$ 4,325
9	El Grito	\$ 50,000
8	Emmy Awards (2 events)	\$ 100,000
7	Father's Day March	\$ 8,000
14	Festival de la Gente	\$ 21,199
15	Festival of Sail	\$ 6,840
14	Fiesta & River Awards	\$ 5,000
14	Fiestas Patrias California	\$ 4,800
15	Fort MacArthur Days, hosted by RAP	\$ 2,480
5, 9	Grammy Awards (2 events)	\$ 124,163
12	Granada Hills Holiday Parade	\$ 9,364
9	Grand Avenue Festival	\$ 2,800
3	Grateful Hearts	\$ 1,826
15	Great Los Angeles Air Raid	\$ 2,280
15	Harbor Area Foot Pursuit	\$ 2,556
15	His Sheltering Arms Thanksgiving Dinner	\$ 1,226
	Holiday Parade - Westchester, Playa Del Rey &	
11	Marina Del Rey	\$ 5,806
4	Hollywood Santa Parade (w/ CD 13)	\$ 94,000

Citywide Special Events*		
CD		Est. Cost
15	Hollywood to the Docks	\$ 12,000
15	Hot Pedro Nights	\$ 5,924
2	Huntington's Disease Run	\$ 6,289
5	Israeli Consulate Events	\$ 10,506
3	JHA Walk of Ages	\$ 2,890
7	July 4th at Hansen Dam	\$ 45,000
2	July 4th Studio City Parade	\$ 6,572
15	Juneteenth Celebration	\$ 2,776
11	Keep LA Running 5k/10k	\$ 10,373
11	Kickin' Cancer 5k Run/Walk	\$ 16,820
8	Kids Day LA	\$ 5,000
10	Koreatown Parade & Festival	\$ 8,765
5	L.A. Film Festival (Film Independence)	\$ 50,321
5	L.A. Times Festival of Books at UCLA	\$ 8,083
11	LA Cancer Challenge 5k/10k	\$ 2,834
9	LA Philharmonic Youth Concerts	\$ 7,556
15	LA WOOD Event - Ports O' Call	\$ 1,000
15	Labor Day Parade	\$ 4,880
9	Latino Heritage Month	\$ 22,160
14	Latino Heritage Month Closing event	\$ 2,000
15	Learning for Life 5-10K San Pedro Run	\$ 6,675
10	Little Ethiopia Street Festival	\$ 10,561
	Logan's 5K, 10K Run for Autism and	
7	Community Festival	\$ 15,000
	Los Angeles Police Foundation Golf	
5	Tournament	\$ 2,950
13	Lotus Festival	\$ 64,963
11	Marina Del Rey 4th of July Fireworks Show	\$ 34,299
	Martin Luther King Day Parade and Gospel	
8, 10	Fest	\$ 38,850
14	Memorial Day Observed	\$ 4,606
3	Memorial Day Parade	\$ 14,989
7	MEND Fundraiser Dinner	\$ 1,000
7	MEND Viva Fundraiser	\$ 1,000
9	Mothers Day Banquet	\$ 1,660
7	Mother's Day Tea	\$ 1,000
9	Mothers Makeover	\$ 1,660
2	Movies in the Park	\$ 6,704
12	Movies Under the Stars	\$ 989

Citywide Special Events*		
CD		Est. Cost
8	NAACP Image Awards	\$ 15,000
9	Native American Heritage Month	\$ 5,000
15	Navy Days LA	\$ 10,000
8	NIKE Human Race	\$ 25,000
9	Nisei Week - Tofu Fest. & Obon Fest.	\$ 5,200
	Northern Trust/LA Jr. Chamber of Commerce	
11	LA Open	\$ 23,174
14	Old Memories Car Show	\$ 5,786
2	Ovarian Cancer Walk / Run	\$ 7,836
8	Pakistan Independence Day	\$ 2,500
	Palisades Americanism Annual 4th of July	
11	Parade and Fireworks Show	\$ 30,872
5	Pan African Film Festival	\$ 1,188
8	Partnership Walk	\$ 1,954
11	Playa Del Rey Triathlon	\$ 10,930
11	Power by the Numbers 5k Run/Walk	\$ 2,872
8	Revlon Run Walk	\$ 108,830
7	Ritchie Valens Festival	\$ 974
11	Road to Recovery (Bike Race for Veterans)	\$ 1,557
8	Salvadoran American National Association	\$ 7,500
	Salvadorean Independence Day Festival at	
7	Hansen Dam	\$ 8,000
7	San Fernando Valley Veterans Parade	\$ 8,000
15	San Pedro Holiday Parade	\$ 4,800
11	Santa Monica Venice Holiday Beach Run	\$ 4,761
8	Screen Actors Guild Awards	\$ 6,000
9	Senior Matinee	\$ 3,000
4	Sister City Events	\$ 8,000
15	Sports walk to the Waterfront	\$ 3,736
2	S-T July 4th Fireworks Display Verdugo	\$ 3,513
4, 9	St. Patrick's Day Parade	\$ 5,000
2	Studio City Pride Festival	\$ 6,752
15	Taste In San Pedro	\$ 6,000
8, 10	Taste of Soul	\$ 5,903
13	Thai New Year's Day Songkran Festival	\$ 16,110
9	Thanksgiving	\$ 2,831
9	Thanksgiving Celebration	\$ 2,565
9	Thanksgiving Day Banquet	\$ 1,660
9	Thanksgiving Dinner	\$ 2,565

Citywide Special Events*		
CD		Est. Cost
12	Valley Greek Festival	\$ 19,515
11	Venice Art Walk & Auction	\$ 15,816
11	Venice Beach Eco-Fest	\$ 9,781
11	Venice Home and Garden Tour	\$ 1,349
	Vero Club/La Grande B.Wood/Grand Prix Bike	
11	Race	\$ 10,612
9	Very Special Arts Fest	\$ 3,002
15	Vision & Vibes	\$ 1,740
2	Von's Room	\$ 3,672
15	Watts Summer Festival	\$ 6,340
	Watts Towers Day of Drum Fest /Simon Rodia	
15	Watts Towers Jazz Fest	\$ 6,420
15	Watts/ Willowbrook Holiday Parade	\$ 8,250
15	Whale Festival	\$ 1,260
15	Wilmington Holiday Parade	\$ 4,800
	Total	\$ 2,230,496
	50 Percent	\$ 1,115,248

* Subject to submission of evidence of Special Event organizer's non-profit status