

# REPORT OF THE CHIEF LEGISLATIVE ANALYST

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DATE: November 13, 2009

TO: Honorable Members, City Council

FROM: Gerry F. Miller *G. Miller*  
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Revised

Assignment No.: 09-09-1464

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## **Special Events - Standard Plan Report for Farmers' Markets and Block Parties**

### **SUMMARY**

On September 30, 2009, the City Council adopted the Special Events Fee Subsidy Ordinance which became effective on October 26, 2009. During the initial discussion of the proposed ordinance in August 2009, the City Council adopted a report of the Budget and Finance Committee that directed the Chief Legislative Analyst to work with City departments in the development of a "Standard Plan" to reduce the permit fees and salary costs charged by City departments for Farmers' Markets and Block Parties.

On September 7, 2009, the City Council adopted a Motion (Huizar-Rosendahl) that directed the CLA and the Bureau of Street Services to report back to the Council, within 30 days, regarding the following:

1. A list of the Certified Farmers' Markets in the City, and a full accounting of staff costs associated with their operations;
2. A report on the feasibility of offering Certified Farmers' Markets a single, annual permit rather than issuing weekly permits; and
3. A proposed list, with input from all Council offices, of which markets could be treated as a block party where no expenses are charged, and which should qualify as Citywide event (whereby residents from three or more Council districts would attend, and up to one-half of the associated costs would be subsidized).

### **Proposed Standard Cost Reduction Plan for Farmers' Markets**

The CLA held several meetings with representatives from the following City departments to address the above directives: Building and Safety; Bureau of Street Services; Bureau of Sanitation; Department of Transportation; Fire Department; and the Police Department. (Department reports are attached).

The above City departments, whenever possible and without jeopardizing public safety, have agreed to take the necessary steps to modify their permit fee structure and eliminate salary costs associated with Farmers' Markets and Block Parties. However, requests for staff services by event sponsors or permit violations that require additional inspections by City staff, would incur additional costs. A re-inspection fee by Building and Safety, for example, would cost \$90.

Department representatives have also agreed to work together in notifying each other regarding permit violations found during ordinary inspections.

The charts below reflect the Proposed Standard Cost Reduction Plan offered by City departments to help reduce and/or eliminate existing costs associated with facilitating Farmers' Markets and Block Parties.

## Proposed Standard Cost Reductions Plan for Farmers' Markets

### A. No Tents or Canopies

Department	Existing Weekly Permit Fee	Proposed Annual Permit Fee	Existing Hourly Rate	Proposed Hourly Rate
Building & Safety	\$275	\$275	0	0
Bureau of Street Services	\$528	\$528	0	0
Bureau of Sanitation	n/a	n/a	\$44.65	0
DOT	n/a	n/a	\$40.92	0
Fire Department: *				
No tents or canopies **	0	0	0	0
Police Department	0	0	\$68.00	0
<b>Total Cost</b> (No tents or canopies)	<b>\$803</b>	<b>\$803</b>	<b>\$153.57</b>	

\*The Fire Department issues two, semi-annual permits at \$312 each.

\*\* Includes Pop-Up Tents

### B. With Tents or Canopies

Department	Existing Weekly Permit Fee	Proposed Annual Permit Fee	Existing Hourly Rate	Proposed Hourly Rate
Building & Safety	\$275	\$275	0	0
Bureau of Street Services	\$528	\$528	0	0
Bureau of Sanitation	n/a	n/a	\$44.65	0
DOT	n/a	n/a	\$40.92	0
Fire Department *				
With tents and canopies	\$312	\$624	\$64.00	0
Police Department	0	0	\$68.00	0
<b>Total Cost</b> (No tents or canopies)	<b>\$1,115</b>	<b>\$1,427</b>	<b>\$217.57</b>	

\*The Fire Department issues two, semi-annual permits at \$312 each.

Under the Proposed Standard Plan, the annual cost for a Farmers' Market that includes tents or canopies would be \$1,427. If a Farmers' Market does not include tents (excluding "Pop-up" style tents) or canopies, the annual cost would be \$803. Neither of these amounts include staffing costs, and such costs would only be included if requests were made for such services. Overall, under the Proposed Standard Plan, Farmers' Markets would be treated like block parties in that there would be no need for additional staff resources to facilitate such events. Council Offices may provide subsidies City cost to Farmers' Markets up to 100% of City costs

**PROPOSED STANDARD COST REDUCTION PLAN FOR BLOCK PARTIES**

<b>Department</b>	<b>Existing Event Fee</b>	<b>Per Proposed Permit Per Event Fee</b>	<b>Existing Hourly Rate</b>	<b>Proposed Hourly Rate</b>
Building & Safety	\$275	\$275	0	0
Bureau of Street Services	\$312	\$312	0	0
Bureau of Sanitation	n/a	n/a	\$44.65	0
DOT	n/a	n/a	\$40.92	0
Fire Department:				
No tents or canopies	0	0	0.00	0
With tents or canopies	\$312	\$312	\$64.00	0
Police Department	0	0	\$68.00	0
<b>Total Cost Per Event</b>				
(No tents or canopies)	<b>\$587</b>	<b>\$587</b>	<b>\$217.57</b>	<b>0</b>
<b>Total Cost Per Event</b>				
(With tents or canopies)	<b>\$899</b>	<b>\$899</b>	<b>\$217.57</b>	<b>0</b>

**Block Parties**

Under the Special Events Fee Subsidy Ordinance, block parties are exempt from the payment of fees and costs and subsidized 100% from each Council district's \$100,000 budget allocation for special events. Block parties that do not include tents or canopies would cost **\$587** per event. Block parties that do include or require tents or canopies would cost **\$899** per event.

**Motion re: Certified Farmers' Markets**

The following is our response to the Motion (Huizar-Rosendahl) that directed the CLA and the Bureau of Street Services to report back to the Council, regarding the following:

1. A list of the Certified Farmers' Markets in the City, and a full accounting of staff costs associated with their operations.

**Response:** The Bureau of Street Services (BOSS) reports that there are approximately 36 Certified Farmers' Markets operating in the City of Los Angeles. Of that number, an estimated 17 operate in the public right-of-way and are subject to the provisions of the Special Events Ordinance. According to BOSS, the remaining Farmers' Markets are located on private property and may require permits from City Departments, such as Building and Safety, depending on the configuration of the Market and activities being offered. The attached report from BOSS includes a list of Certified Farmers' Markets operating in the City, all of which operate in the public right-of-way. The Bureau has historically waived the "permit fees" associated with a Street Closure Permit (\$312) and a Selling Activity Permit (\$216) for all special events for a total weekly fee of \$528. Under the standard plan, the BOSS proposes to charge Farmers' Markets a single annual permit fee of \$528. BOSS further recommends that event sponsors pick up and return barricades, and clean the event area. It is also recommended that Farmers' Markets be required to submit information with their Special Event Permit Application that documents their "Certified Farmers' Market" status.

2. A report on the feasibility of offering Certified Farmers' Markets a single, annual permit rather than issuing weekly permits:

**Response:** The Special Events Fee Subsidy Ordinance states, in part, that "Special Event Permits issued for recurring Certified Farmers' Markets sponsored by a nonprofit organization or a local government agency..... may be issued for all events on the days specified for up to one year." (Section 2(b) – Page 3). DOT, BOSS, and LADBS are implementing the annual permit option as provided in the Special Events Ordinance.

3. A proposed list, with input from all Council offices, of which markets could be treated as a block party where no expenses are charged, and which should qualify as a Citywide event (whereby residents from three or more Council districts would attend, and up to one-half of the associated costs would be subsidized).

**Response:** The Proposed Standard Cost Reduction Plan for Farmers' Markets will allow such events to be treated like block parties in that the need for City resources will be reduced or eliminated, an annual permit will be issued and sponsors will pick up and return barricades to the BOSS. The standard plan submitted by DOT allows sponsors of Farmers' Markets to make and install permanent signage regarding street closures and temporary parking restrictions (in keeping with DOT's standard drawings for Farmers' Markets street closures); an one time expense would be assumed by the event sponsor. The annual cost for Farmers' Markets is \$803 if no tents (Pop-up tents are allowed) or canopies are used, or \$1,427 if tents or canopies are part of the application.

The matrix for Farmers' Markets reflect a difference of \$312 between existing weekly permit cost of \$1,115 and the proposed annual cost of \$1,427. The difference reflects that the Fire Department, instead of issuing a \$312 weekly permit, will issue two semi-annual permits to Farmers' Markets Sponsors (at a cost of \$312 each or \$624 annually), if tents or canopies are used.

Given that under the Proposed Standard Plans the annual costs associated with Farmers' Markets will be minimal (from \$803 to \$1,427), we do not recommend that Farmers' Markets be included as Citywide Events at this time, but should be re-visited during the 2010-11 Budget Deliberations.

## **RECOMMENDATIONS**

That the City Council:

1. Adopt the Standard Cost Reduction Plan contained in this report for Farmers' Markets and Block Parties, and direct City departments to use this Plan when permit fees and salary costs are being determined for Farmers' Markets and Block Parties;
2. Determine during the 2010-11 Budget deliberations whether any Farmers' Markets conform with the qualifications of a Citywide Special Event and should be included on the "Citywide List of Special Events," and provide the appropriate allocation of funds to effectuate this policy decision, as necessary;
3. Direct the Bureau of Street Services to include, as a requirement of the Special Event Permit Application, information that documents the "Certified Farmers' Market" status for each Farmers' Market that operates in the City;
4. Direct the event sponsors of Farmers' Markets, as a condition of being granted a Special Event Permit that requires a street closure, to install permanent signage, at their own expense, in accordance with the Department of Transportation's standard drawing for Farmers' Markets street closures;
5. Direct the event sponsors of Block Parties, as a condition of being granted a Special Event Permit that requires a street closure, to install temporary signage, at their own

expense, in accordance with the Department of Transportation's standard drawing for Block Party street closures; and

6. Direct the event sponsors of all other types of special events, as a condition of being granted a Special Event Permit that requires a street closure, to hire a Registered Civil or Traffic Engineer to design a Traffic Management Plan (TMP) for their events, which would be subject to review and approval by the Department of Transportation, and hire a licensed barricade company to install and maintain temporary traffic control devices in conformance with the TMP.

#### **FISCAL IMPACT STATEMENT**

The standard plan submitted by city departments incorporate the use of an annual permit for Framers' Markets and have effectively reduced permit fees. However, should event sponsors elect to use additional City services or incur permit violations requiring additional inspections, additional costs will accrue to the event sponsor to recover city costs. As set forth in departmental standard plans, the cumulative cost for an annual Framers' market permit will range from and estimated \$803 to \$1,427 with the later amount including inspections for tents and canopies.

GFM:LMO:PS:RCP