



**DATE:** April 10, 2013

**TO:** Parks, Recreation, Marina and Cultural Commission

**FROM:** Michael Chandler, Senior Management Analyst

**SUBJECT:** Large Event Permit Fees

The City's Special Event Committee is comprised of management representatives from a variety of City departments, including Administration, Engineering, Police, Public Works, and Recreation. This Committee is charged with evaluating all aspects of special event permit applications. Some of the special events request additional City assistance in preparation for the event, or call-outs of City crews once the event has begun. As events increase in size, more review, oversight and collaboration among the City departments is required to ensure the event meets the City's standards for risk management (e.g. obtaining the appropriate level of insurance coverage to protect the City); traffic control and parking impacts; public safety concerns; and public works requirements.

The City was approached by a private vendor last year regarding the possibility of bringing a for-profit event to downtown Martinez, with estimated attendance in excess of 5,000 per day. Through the course of evaluating the applicants' proposal, the Special Event Committee recognized that the City has no mechanism in place to recover any of its costs associated with special events, regardless of size, other than the existing fee schedule for use of a particular park, and the cost for utilizing Reserve Police Officers. The current fee schedule is designed more to reflect the uses and impacts of private gatherings than that of large-scale "events." Therefore, a special accounting for the impacts on the City associated with large events – defined as those with 1,000 or more people per day – is warranted.

Staff has evaluated a number of special event fee and deposit options based on best practices at other cities, and cost estimates for City support of these events. The goal of establishing this new fee and deposit schedule is not to achieve complete recovery of the City's costs, but rather, to develop a fair and simplified fee and deposit structure that provides additional City subsidization when appropriate, with a basis for charging the applicant for use of direct City services (such as Public Works Maintenance personnel) in support of the large event. Special consideration in the proposed fee schedule is afforded to Martinez-based residents and non-profits.

The special event fee and deposit options presented in this report specifically exempt events sponsored or co-sponsored by the City; the Martinez Unified School District; and the City's partner non-profit economic development organizations Chamber of Commerce and Main Street Martinez (both of which are required by contract with the City to provide large-scale

promotional and/or special events). The only exception is for use of City reserve police officers, which have been and will continue to be billed based on actual usage.

The tables below illustrate the proposed options for security deposits and fees, based on the number of projected attendees/day; the category of the applicant (Martinez resident or non-profit organization; non-Martinez individual or non-profit organization; or Corporate); and whether or not the event includes alcohol.

**Non-Alcohol Events**

Number of Attendees/Day	Security Deposit (refundable)	Martinez Fee Resident & Non-profit Org	Non-Martinez Fee Individual & Non-profit Org.	Corporate Fee (Local & Non-Martinez)
1,000 – 2,499	\$250	\$250	\$750	\$1,000
2,500 – 4,999	\$500	\$625	\$1,875	\$2,500
5,000 and up	\$1,000	\$1,250	\$3,750	\$5,000

**Alcohol Events**

Number of Attendees/Day	Security Deposit (refundable)	Martinez Fee Resident & Non-profit Org	Non-Martinez Fee Individual & Non-profit Org.	Corporate Fee (Local & Non-Martinez)
1,000 – 2,499	\$750	\$500	\$750	\$1,000
2,500 – 4,999	\$1,000	\$1,250	\$1,875	\$2,500
5,000 and up	\$1,500	\$2,500	\$3,750	\$5,000

The refundable security deposits are higher for the alcohol events due to the additional inherent risk associated with alcohol vs. non-alcohol events, and the likelihood that extensive use of City reserve police officers will be required. Following the event, the City will supply the event holder with a reconciliation of costs to be charged against the security deposit, and the amount of refund due the applicant, or additional amount owed the City.

The basis for the non-alcohol event fees are \$0.25/person/day for Martinez residents and non-profit organizations not otherwise exempt; \$0.75/person/day for non-Martinez individuals and non-profit organizations; and \$1.00/person/day for corporate (for profit) applicants. The basis for the alcohol event fees are the same, with the exception of the Martinez resident and non-profit fees, which are based on a rate of \$0.50/person/day.

As a point of comparison, Walnut Creek charges fees in the amounts of \$1,750 *per day* for large events involving 1,000-4,999 attendees/day, and \$5,500 *per day* for large events involving 5,000 or more attendees/day. Concord charges a non-refundable application fee of \$250/event regardless of size, then requires a non-refundable initial deposit of 25% of the estimated City costs associated with the event. Concord charges against the deposit for direct City services at

rates ranging from 80% - 100% of actual costs, depending on the origin of the applicant (e.g. local or non-Concord applicants). Pleasant Hill also provides a fee model similar to Concord with little to no subsidization included, instead focusing on full cost recovery to the greatest extent. In the Pleasant Hill fee schedule, all applications not otherwise exempt are charged at a straight cost recovery rate of \$140.17/hour.

In addition to the aforementioned fees and deposits, the City recommends establishing the following cost recovery rates for call out of or reservation for reserve police officer and maintenance personnel, to be deducted from the applicant's security deposit:

Reserve Police Officer: \$25/hour (minimum 2-4 hours depending on event)

General Laborer: \$41/hour

Maintenance Leadworker: \$51/hour

Maintenance Worker I: \$44/hour

Maintenance Supervisor: \$54/hour

Maintenance Worker II: \$47/hour

The last recommended component of the new fee schedule for large events is called a "Large Event Turf Rehab Fee," designed for large events held at parks or lawn areas. This fee is recommended at \$500/event and is intended to partially recover the costs associated with damage, stress, and other wear-and-tear on a grass or lawn area due to significant amounts of traffic from the large event. Walnut Creek recently instituted a similar model into their fee schedule to help offset the costs to top dress and re-seed areas affected by large events.