



CITY OF MARTINEZ

**CITY COUNCIL AGENDA
June 5, 2013**

TO: Mayor and City Council
FROM: Michael Chandler, Senior Management Analyst
SUBJECT: Adopt New User Fees for Large Events
DATE: May 29, 2013

RECOMMENDATION:

Recommend conducting a public hearing to amend the Schedule of Fees for City Services by establishing user fees for Large Events.

City staff met with representatives from the Chamber of Commerce and Main Street Martinez on April 3, 2013 to discuss the new Large Event fee structure, and the determination was made to exempt certain categories such as partner non-profits and the Martinez Unified School District from the proposed fees. The Parks, Recreation, Marina and Cultural Commission met on April 16, 2013, and recommended approval of the new Large Event fee structure.

BACKGROUND:

The City periodically reviews its User Fee schedule and recommends adjustment of existing fees or introduction of new fees as necessary. State law enables a public agency to charge up to the full cost of providing a service for most user fees. Although the City Council may decide to subsidize the cost of some services that support a larger public policy objective, services that benefit a special interest rather than the general public interest are usually paid for to a greater degree by the users of those services. The proposed Large Event fees are new fees which have no present cost recovery mechanism provided for in the City's User Fee schedule.

The City's Special Event Review 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 proposed Large Event Fees (attached as Exhibit A) fill certain gaps in the City’s User Fee schedule that other area cities have identified and addressed through similar fees. These fees and deposits for large events are in addition to any facility rental fees and deposits included elsewhere in the fee schedule. 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 Martinez-based non-profits. City facilities have been partially subsidized by City residents and organizations through taxes and revenue measures, and the City wishes to encourage the local community to use them.

The charts below illustrate the City’s estimated costs, by major function, at three large event “tiers” of attendance, followed by the proposed new Large Event Fee structure:

City Cost Basis

Number of Attendees/Day	Police Department	City Administration	Engineering & Public Works	Parks & Recreation	City Cost Totals
1,000 – 2,499	\$550	\$780	\$579	\$450	\$2,359
2,500 – 4,999	\$1,100	\$1,170	\$579	\$540	\$3,389
5,000 and up	\$1,600	\$1,950	\$965	\$585	\$5,100

Large Event Deposits and Fees

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

The fees listed above remain the same for non-Alcohol and Alcohol Events, but the refundable Security Deposits increase to \$750 for the first tier; \$1,000 for the second tier; and \$1,500 for the third tier. 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. It is important to note

the significant City subsidies at all levels with the exception of the Corporate Fee for 5,000 or more attendees per 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, in addition to a non-refundable initial deposit of 25% of the estimated City costs associated with the event. City services are charged against this deposit, at rates ranging from 80% - 100% of actual costs, depending on the origin of the applicant (e.g. local or non-Concord applicants), and the deposit is replenished as necessary. 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. The table below illustrates the fees charged for large events by these neighboring cities:

Number of Attendees/Day	Walnut Creek	Concord	Pleasant Hill
1,000 – 2,499	\$1,750/day	80-100% actual cost recovery	\$140.17/hr
2,500 – 4,999	\$1,750/day	80-100% actual cost recovery	\$140.17/hr
5,000 and up	\$5,500/day	80-100% actual cost recovery	\$140.17/hr

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 Worker I: \$44/hour
- Maintenance Worker II: \$47/hour
- Maintenance Leadworker: \$51/hour
- Maintenance Supervisor: \$54/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.

As previously mentioned, the large 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 when reserved by these groups.

FISCAL IMPACT:

As demonstrated by the first chart in this report, the Large Event fees set forth in Exhibit A are not expected to fully cover the costs of the City in operating the programs or providing the services for which the fees (whether they be at Martinez-based or non-Martinez-based rates) are being imposed. Rather, they are expected to defray a portion of the costs incurred by the City when a large event is held.

ACTION:

Hold a public hearing and adopt a resolution amending the Schedule of Fees for City Services to establish Large Event fees.

Attachments:

Resolution

Exhibit A – Large Event Reservations

APPROVED BY:



City Manager

RESOLUTION NO. -13

AMENDING THE SCHEDULE OF FEES FOR CITY SERVICES
TO ESTABLISH FEES FOR LARGE EVENTS

WHEREAS, it is the policy of the City Council of the City of Martinez to establish fees in regard to governmental services specifically authorized by statute or ordinance as well as certain services and functions performed by the City in a proprietary capacity; and

WHEREAS, it has been the policy of the City Council to review and adjust the fees periodically to ensure they are equitable and justifiable; and

WHEREAS, user fees are required to help supplement City General Fund contributions to operate and maintain the facility in a condition that meets public health codes and desired levels of service; and

WHEREAS, the City utilizes a Special Event Review process for events that involve special requests from the applicants, including the size and scope of the event; and

WHEREAS, as events increase in size, a correlation can be made to the required levels of review, oversight and collaboration among the major City functions and departments that comprise the Special Event Review process; and

WHEREAS, the City further recognizes the need to account for the impact large gatherings of people have on infrastructure; and

WHEREAS, the City wishes to introduce a Large Event Fee component into its Schedule of Fees for City Services, to recover a portion of its costs associated with supporting such events; and

WHEREAS, the Large Event Fees will not apply to City sponsored or co-sponsored events, or those of the Martinez Unified School District, Main Street Martinez, or the Martinez Chamber of Commerce; and

WHEREAS, the City wishes to establish lower fees for Martinez-based residents and Martinez-based non-profit organizations for several reasons, including the encouragement of local residents and organizations to use City facilities and to help offset the partial subsidization of recreation facilities through taxation and revenue measures funded by the local community; and

WHEREAS, notice was published as required by Government Code sections 66018 and 6062(a); and

WHEREAS, on June 5, 2013, the City Council held a public hearing in compliance with Government Code Section 66018 where all oral and written presentations were heard; and

WHEREAS, the City Council finds that the fees set forth in Exhibit A do not exceed the reasonable costs of the City in offering and operating the programs for which the fees are being imposed, and in fact the City will still continue to subsidize the costs of these programs even after this resolution takes effect.

NOW, THEREFORE, BE IT RESOLVED that the City Council of the City of Martinez hereby adopts and establishes the user fees for Large Events as shown on Exhibit A.

BE IT FURTHER RESOLVED that this Resolution shall become effective upon its adoption.

* * * * *

I HEREBY CERTIFY that the foregoing is a true and correct copy of a resolution duly adopted by the City Council of the City of Martinez at a Regular Meeting of said Council held on the 5th day of June, 2013, by the following vote:

AYES:

NOES:

ABSENT:

RICHARD G. HERNANDEZ, CITY CLERK
CITY OF MARTINEZ

EXHIBIT A

CITY OF MARTINEZ COMMUNITY SERVICES –LARGE EVENT RESERVATIONS ADOPTED BY RESOLUTION NO. -13

The fees below are aimed at large group planned activities subject to the Special Event Permit process, and are in addition to any facility rental fees and deposits included elsewhere in this fee schedule.

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	\$250	\$750	\$1,000
2,500 – 4,999	\$1,000	\$625	\$1,875	\$2,500
5,000 and up	\$1,500	\$1,250	\$3,750	\$5,000

City Personnel Call-out/Reservation Rates:

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

Additional Fees:

Large Event Turf Rehab Fee: \$500/event (for large events held at parks or lawn areas)

Notes:

- 1) All use of City Reserve Police Officers will be paid at the current rate as specified on this page and taken from the Security Deposit.
- 2) Call outs of, or reservations for, City maintenance personnel in support of events may be allowed at the City's discretion. Reimbursement for such call outs will be paid at the current labor rate(s) listed on this page, and taken from the Security Deposit.
- 3) City will supply event holder a reconciliation of costs to be charged against the Security Deposit within approximately 2 weeks of the event's completion, and the amount of refund due the event holder or additional amount owed the City.
- 4) Events sponsored or co-sponsored by the City; the Martinez Unified School District; or the City's partner non-profit economic development organizations Chamber of Commerce and Main Street Martinez, are exempt from the above-listed fees and deposits, with the exception of costs for Reserve Police Officer reservations, which will be due upon receipt of City invoice.