



CITY OF PACIFIC GROVE
300 Forest Avenue, Pacific Grove, California 93950

AGENDA REPORT

TO: Honorable Mayor and Members of the City Council

FROM: Ken Cuneo and Cynthia Garfield, Councilmembers

MEETING DATE: July 5, 2017

SUBJECT: Special Events Full Cost Recovery

CEQA: Does not constitute a “Project” under California Environmental Quality Act (CEQA) Guidelines Section 15378.

RECOMMENDATION

Direct staff to review and revise the Master Fee Schedule and existing City Council policies to better allow for full cost recovery for special events.

DISCUSSION

Pacific Grove’s shoreline and downtown are an attractive location for special events. For these reasons we are asked to annually host an extensive calendar of special events. These events are intended to raise funds for an organization, or are intended to be a celebration, or are offered as entertainment. Some of these events are enjoyed mainly by Pacific Grove’s residents and some mainly benefit organizations that serve other communities. In all cases, the City and citizens of Pacific Grove experience the wear and tear on our environment, congestion, traffic, noise and other inconveniences that come with hosting an event.

The City may legally collect the full cost of its actual expenses, and if the City grants exclusive use of its property, the City may also collect the full market value for the exclusive use of that property. However, with Pacific Grove’s current fee schedule the intangible costs are not being met. Previously the Council has decided upon full cost recovery for City services provided. Also, the City has issued a Request for Proposals (responses due to the City on July 20, 2017) to conduct a full evaluation of the Master Fee Schedule, which will include special event fees.

The City of Pacific Grove has the exclusive authority to approve or deny Special Events within its boundaries, and also to set the conditions under which these events are held. The City Council annually adopts the Special Events Calendar, and currently, two City Council policies exist related to Special Events (900-1) and Fees, Charges and Cost Recovery (400-4). Both City Council Policies are attached to this agenda report for reference.

The following are recommended changes to the City’s cost recovery approach for special events:

1. A “Host Fee” should be charged for events enjoying the exclusive use of a street, trail, park or other City owned site. This fee is in addition to charges for services rendered. A Host Fee waiver could be granted for “traditional” events sponsored by Pacific Grove

organizations, including: 4th of July BBQ, Feast of Lanterns, Pet Parade, Little Car Show, PG Auto Rally, The Butterfly Parade, Holiday Tree Lighting, Holiday Parade of Lights, Stilwell's Holiday in the Park and Good Old Days. These events would be the first placed on the annual calendar.

2. Permits for non-exclusive use of an area of the City may be evaluated for the benefit they make and disruption they create for Pacific Grove. Permits may be granted if there are measureable and material benefits with minimal disruptions.
3. Additional measures should be taken to further limit events during periods that are already experiencing considerable traffic and congestion.
4. Use of amplification for sound before 9:00AM must include improved monitoring measures to further reduce noise outside the immediate area. These measures will be paid for by the renting organization.
5. All organizations will be treated equitably, regardless of location of the organizations offices or non-profit status.

Over the years, Pacific Grove has been the fundraising underwriter for countless organizations who have staged events on our shoreline or in our town. When those events are not for the benefit of Pacific Grove, we are subsidizing a benefit to another organization and/or community. We recommend changes that will make sure that the benefits to Pacific Grove are greater than the costs to the community.

OPTIONS

1. Take no action.
2. Propose alternate action.

FISCAL IMPACT

While there is no fiscal impact to reviewing/revising the Master Fee Schedule and existing City Council policies, an enhanced City cost recovery approach for special events could help to limit City subsidization of special events. On January 18, 2017, the City Council approved the Special Events Calendar for Fiscal Year 2017/18. Accordingly, any revisions to the Special Events Calendar would not go into effect until Fiscal Year 2018/19.

ATTACHMENTS

1. Special Events Policy 900-1
2. Fees, Charges and Cost Recovery Policy 400-4
3. 2017/18 Master Fee Schedule Link:
<http://www.cityofpacificgrove.org/sites/default/files/general-documents/city-fee-schedule/adopted-mfs-17-18.pdf>

RESPECTFULLY SUBMITTED:

Ken Cuneo

Ken Cuneo, Council Member

Cynthia Garfield

Cynthia Garfield, Council Member

REVIEWED BY:



Ben Harvey
City Manager

CITY OF PACIFIC GROVE CITY COUNCIL POLICY

SUBJECT	POLICY NO.	EFFECTIVE DATE	PAGE NO.
Special Events	900-1	February 16, 2011	1 of 3

PURPOSE

The intent of this policy is to provide guidance for the conduct of special events in the City and ensure an appropriate balance between the number and scope of special events with the ability of City neighborhoods and facilities to adequately handle such events.

POLICY

I. General

The City shall have the discretion to limit the number of special events in any calendar year.

All special events will be limited to those activities that benefit Pacific Grove residents or businesses.

Most special events are either one-time or annual. Certain special events, such as the Farmers' Market, are periodic and ongoing.

The Council reserves the right to take actions creating exceptions to this policy in the event of special circumstances.

II. Types of Special Events

The City will create an annual calendar of special events. Events included in the annual calendar shall have first priority for the scheduled locations and times, and for City support. These events will be highlighted in the City's seasonal *Activity Guide*. Requests for inclusion in the annual calendar shall be submitted to the City by September 31 for any event to be held during the following fiscal year.

The City will also consider the approval of events on an as-proposed basis. Such events will not be approved if they conflict with already approved events. Events requiring City Council approval are those that:

- Require City sponsorship or other City support;
- Preclude others from using an entire outdoor public facility (e.g., Caledonia Park);
- Are likely to have a significant impact on substantial numbers of residents or businesses (e.g., closure of multiple or high-traffic streets for a significant amount of time, as determined by the City Manager; or
- Have other characteristics that warrant public consideration by the Council.

More limited events may be approved by staff. A neighborhood event, requiring closure only of a neighborhood street, for example, would not require Council approval. In these cases, those persons incurring the costs of the street closure are the same persons benefiting from the event.

III. Information Required

Each application for special events shall contain the following information:

- A. A description of the proposed event.
- B. A statement of the purpose of the event and its benefits to the City.
- C. The name of the sponsoring organization.
- D. The date, location, and time (to include preparation and clean up) of the event. In the case of a race or parade, a map of the proposed route shall be submitted.
- E. An estimate of the number of participants and/or spectators.
- F. A description of City facilities, support, and personnel required.
- G. A list of personnel to be provided by the sponsor.
- H. A description of parking arrangements for the event.
- I. If electronic sound amplification equipment will be used, an application for the necessary permit shall be made as required by Chapter 11.94 of the Pacific Grove Municipal Code.
- J. A description of the proposed recycling program for plastics, glass, paper, and aluminum during the event.
- K. A listing of accommodations provided by the sponsor pursuant to the Americans with Disabilities Act.
- L. A listing of fees proposed to be charged, commercial sales, commercial filming, and the service or sale of food and/or alcohol.

III. Conditions of Permit

Once the Council approves an application, the sponsoring organization shall comply with the following conditions:

- A. At least 30 days prior to the event, furnish the City with a certificate of insurance in an amount not less than \$2 million naming the City of Pacific Grove as an additional insured. Such insurance shall be primary to any City insurance, and the City must have at least ten days notice of cancellation.
- B. The sponsoring organization shall reimburse the City for all direct and incidental expenses for the use of the City personnel and facilities. The sponsor has the option of using volunteers or other non-City personnel for some functions (e.g., placing barricades, emptying public trash cans, etc.) Other functions (e.g., Police security) require City personnel. The City has the absolute discretion to determine the number of personnel who will be provided for a particular event. The Council may waive or reduce the requirement for reimbursement if Pacific Grove Chamber of Commerce, the Pacific Grove Unified School District, or the City sponsors the event.
- C. The sponsor is responsible for all sign removal, litter control, clean-up activities, and for providing necessary containers and personnel for recycling activities, as determined by the City.
- D. The sponsor shall provide portable restroom facilities if deemed necessary by the City.
- E. The sponsor shall be advised that the sponsor is responsible for determining what, if any, accommodations are required of sponsor pursuant to the American with Disabilities Act.

F. An approved Special Event Application is required for all groups and shall be in the possession of the sponsor or representative at the event.

G. The City will review applications and additional approvals may be deemed necessary.

The City of Pacific Grove reserves the right to revoke permissions for an event at any time.

IV. Permitted Events

The Council established the following classification of events to be used in determining the events scheduled for each calendar year:

Class I. These are special events that require exclusive use of City property and streets and require major support of City police, fire, or public works personnel. Activities scheduled by the Chamber of Commerce, School District, and Feast of Lanterns shall be considered as traditional events and shall receive first priority on any scheduling.

Class II. These are events that require some limited use of City property and streets, but require minimum support by City personnel.

The number of Class I events that the City can support each year is limited. The current target is to have at least one Class I event each month. We have much greater flexibility in the number of Class II events being offered. The Council will make a determination of the number of Class I and Class II events to be held each year based on the impact to the community.

V. Scheduling of Events

All activities approved are authorized for the subsequent year only and, with the exception of the traditional activities, continued Council approval should not be assumed. Activities may be discontinued if they become too large or if they create problems that would substantially disrupt the peace and quiet of a neighborhood.

Should the City receive requests for more activities than may be accommodated, the City will establish an appropriate random drawing type of system or other suitable method for determining those activities to be approved.

Adopted: April 16, 1986—Resolution No. 5705
Amended: January 7, 1987—Resolution No. 5787
Amended: February 5, 1992—Resolution No. 6238
Amended: March 3, 1993—Resolution No. 6331
Amended: November 15, 1995—Resolution No. 6489
Amended: November 5, 1997—Resolution No. 7-057
Amended: June 2, 2010—Resolution No. 10-044
Amended: February 16, 2011—Resolution No. 11-012

CITY OF PACIFIC GROVE CITY COUNCIL POLICY

Policy Governing	Policy No.	Effective Date	Page No.
Fees, Charges, and Cost Recovery	400-4	June 15, 2011	1 of 2

I. PURPOSE

The purpose of the policy is to guide the City Council's establishment of fees for service, fines, and other charges for service, in order to help ensure consistency in fee setting rationale. The policy is intended to provide broad guidance for service areas, without providing detailed guidance for all fee categories.

It is the City Council's intent that the policy may be amended over time to address additional services area and evolving economic circumstances.

II. POLICY OF THE CITY

The City establishes fees according to Pacific Grove Municipal Code Chapter 6.02. Pursuant to Article XIIIIB of the California Constitution, it is the intent of the City Council to recover a portion or all costs reasonably borne for providing government services to the extent such cost recovery reflects the appropriate balance of general revenue support and fees paid by the individual(s) benefiting from the service.

For enterprise services, in which the City is offering products or services for which the customer has broad market choices—facilities rental, cemetery land sales, or golf, for example—the City may choose to set rates based on current market conditions, with the goal of optimizing revenue for the City, beyond the cost of providing the service, and where rates accurately reflect the value received by the customer.

In setting fees, City staff shall prepare fees for City Council consideration, based on the following percentages of cost recovery:

Service	Basis for Fees / Charges
Community Development	
Planning permits (e.g., use permits and variances)	Not to exceed 100% of costs
General plan and zoning amendments	Not to exceed 100% of costs
Architectural Review	75% of costs
Historic Review	75% of costs
Long-range planning	50% of costs
Construction plan check	Not to exceed 100% of costs
Construction inspection	Not to exceed 100% of costs

Service	Basis for Fees / Charges
Public Works	
Tree permit	50% of costs
Encroachment permits (other than sidewalk)	Not to exceed 100% of costs
Encroachment permit: sidewalk	50% of costs
Permits & Licenses	
General license administration (e.g. massage licenses)	Not to exceed 100% of costs
Public Safety	
Parking enforcement	Not to exceed 100% of costs
Animal licensing	Not to exceed 100% of costs
City Facility Rental	
Private parties	Market
Non-profit organizations	50% of Market
Ongoing, frequent, or unique rental (e.g., weekly classes, or street closure)	Discount from Market
City-sponsored events	No charge
Special Events	
For-profit sponsor	Market; at least 100% costs
Non-profit sponsor	100% of costs
Events designated “traditional” by City Council	No charge
Recreation	
Sports programs	100% of costs
Recreation programs	100% of costs
Pre-school program	100% of costs
Youth programs (other than Youth Center)	100% of costs
Cemetery	Market
Golf	
Residents and club members and in-fill times	Discount from Market
All daily fee payers (non-residents and in-frequent players)	Market

Adopted June 2, 2010 (Resolution No. 10-044)

Adopted June 15, 2011 (Resolution No. 11-052)