



COUNCIL AGENDA: 10/25/05  
ITEM: 2.4

## Memorandum

**TO:** HONORABLE MAYOR AND  
CITY COUNCIL

**FROM:** Kay Winer

**SUBJECT:** SPECIAL EVENTS FEE  
REDUCTIONS

**DATE:** October 12, 2005

Approved

Date

Oct. 14, 2005

### RECOMMENDATION

Adoption of a resolution approving the proposed process allowing the City Manager to reduce the building rental fees for City events held at the Rotunda, City Plaza and Bamboo Courtyard in the amount of \$50,000 for FY 05-06 and revising Council Policy 7-2 and Fee Resolution 72749 to modify the provisions for fees paid for Official City Business in a manner consistent with this Memorandum.

### BACKGROUND

On June 21, 2005, the City Council adopted a Facility Use Policy for City Hall, an Ordinance to regulate the Plaza, and established the fees and charges for use of the facilities for meetings and indoor and outdoor special events. Funds were also appropriated to add a Senior Events Manager to support facility and event management functions that would be offset by fees.

It was anticipated that activation of the new City Hall would generate revenue of approximately \$290,000 in 2005-2006. Of this amount, \$137,000 was allocated to add the Senior Events Manager and the Part-Time Events Coordinator positions. Additional budget adjustments would be brought forward at the end of 2005-2006 if necessary, to cover costs for General Services staff to provide services during evening and weekend events based on actual event activity. These costs would be offset by an equal revenue adjustment for a net-zero impact on the General Fund.

### ANALYSIS

The adopted Facility Use Policy states all users, including City Departments, Council Offices and the Redevelopment Agency are required to pay the fees or provide a funding source, where fees are applicable, for their reserved space, excluding reservations for Official City Business<sup>i</sup>. Facility Use fees and the corresponding revenue were established to offset the cost of operating

<sup>i</sup> The intent behind the Facility Use Policy is that Official City Business shall include City Council or Department meetings and functions that are in direct connection with City Council's goals or department's core services and/or promote economic development activities.

and maintaining the reserved spaces. The proposed fees were derived through the calculation of the base costs for facility maintenance and operation, wear and tear on the facility, and time required to manage the events, including processing applications, meeting with event sponsors, set up, clean up and security that may be required.

The Special Events Office of General Services has received many calls from City departments, Mayor and Council offices to schedule events in the new facility. With the exception of the use of the Committee Rooms Monday through Friday between 8 a.m. and 10 p.m., which is free, all other spaces are subject to fees and charges during weekdays and weekends unless the use: 1) qualifies as "Official City Business," 2) does not involve more than the use of a standard set-up of tables, chairs, unsupervised audio-visual equipment and light refreshments, and 3) is planned, managed and led by City Council and/or Departmental staff. The Special Events Office has received numerous requests for waivers, which it cannot grant unless another source of funds is identified.

It is recommended that a Special Events Fee Reduction Program be established in the amount of \$50,000 for FY 05-06. The Program will operate like the City "free use" available at a number of City-owned facilities, such as the Dolce Hayes Mansion and the Convention Center, in the amount of \$30,000 and \$180,000 per year respectively. Only building rental fees will be eligible for reduction; all other charges will remain in place for AV, security, use of tables, chairs, etc. The Program will be managed by the City Manager's Office and the criteria described below will be applied to each application received from Council offices and City departments. A summary of the fees and charges approved by the City Council in June 2005 for City events without a rental fee reduction are included as Attachment A as a point of reference.

***Special Events Fee Reduction Criteria***

Fee reductions will be granted up to \$50,000 in Fiscal Year 2005-2006 for Official City Business meetings or functions as follows:

1. Meetings or functions that are in direct connection with City Council's goals or department's core services and/or promote economic development activities, which would be subject to a use fee because they involve more than the standard set-up of tables, chairs, unsupervised audio visual equipment and light refreshments.
2. Rental fees only for use of the Rotunda, Plaza and Bamboo Courtyard. Deposits, parking and all other equipment and City service fees will apply.
3. One event quarterly, up to 4 events a year per Mayor's office, City Council Office, Department or Division on a first come, first served basis until the funds are expended.
4. Events held Monday through Friday (excluding weekends and holidays) until 10:00 pm.
5. No more than two events in any given week in order to allow for a more even distribution of use of the Special Events Reduction fund throughout the fiscal year.
6. Single day events up to 8 hours (including set-up and take down).

HONORABLE MAYOR AND CITY COUNCIL

October 12, 2005

**Subject: Special Events Fee Reductions**

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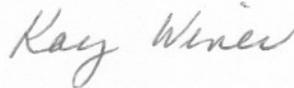
Special Events Fee Reductions for City "free use" is designed as an on-going program subject to Council appropriation of funds. However, staff will need to evaluate the level of eligible use during this fiscal year to determine whether \$50,000 is the correct amount or that it will need to be adjusted. This item will be included as part of next fiscal year's budget discussion.

### **COORDINATION**

This memo has been coordinated with the Budget Office, City Attorney's Office, and Department of General Services.

### **COST IMPLICATIONS**

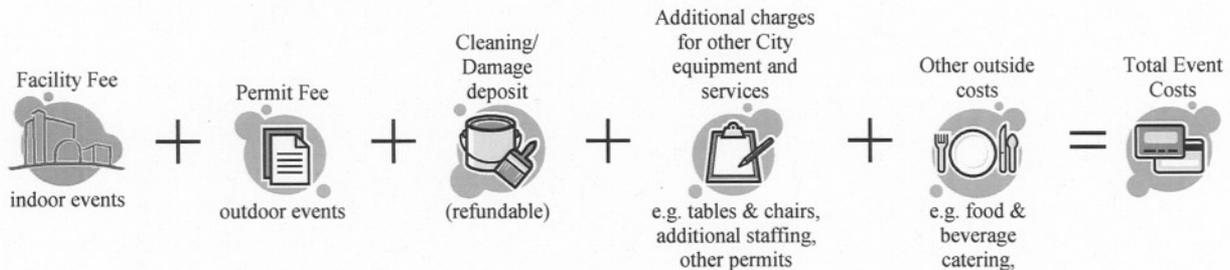
It is recommended that building rental fee reductions be granted up to \$50,000 for events sponsored by the City Council and City departments. The impact of these reductions will be factored into the budget adjustments that will be brought forward during 2005-2006. It is anticipated that adjustments to the General Services Department budget will also be necessary to account for actual costs incurred to support special events. If this fee reduction program is approved, there would be a potential \$50,000 gap between anticipated revenues and expenditures that would be addressed during 2005-2006. The impact of the fee reduction program would also be addressed in the development of the 2006-2007 Proposed Operating Budget.



KAY WINER  
Deputy City Manager

## RENTAL RATES AND CITY SERVICE FEES

### How much will it cost to hold an event at City Hall?



### Indoor Events

	Non-profit & Government
<b>Committee Room</b> W-118, W-119, or W-120	No charge M – F 8 am – 10 pm
	\$75/hour Weekends & Holidays 8 am – 10 pm
<b>Council Chambers</b>	\$90/hour
<b>Rotunda</b>	\$ 800/event \$ 150/hour
<b>Rotunda Mezzanine</b>	\$ 325/event \$ 65/hour
<b>Catering Pantry</b>	\$ 25/hr

The use fees shown are hourly rates with the exception of the Rotunda and Rotunda Mezzanine.

You have the option to pay use fees for the Rotunda and Rotunda Mezzanine on a per hour or per event basis. An event is considered a reservation for up to eight (8) hours.

The minimum reservation period is two hours Monday through Friday and four hours on weekends and Holidays.

Time for all unloading, set-up and clean-up must be included in your reservation.

A complete service cost estimate will be developed based on a completed use application and final event plan.

A charge equal to two times the normal rate for each hour or a fraction thereof will be applied for exceeding the maximum approved reservation period.

The cleaning/damage deposit will be refunded if the area is not damaged, and left in as good as or better condition as existed prior to the event. Otherwise, the user will be charged the City's actual cost for cleaning, repair or both which may exceed the amount of the cleaning/damage deposit.

### Cleaning/Damage Deposit

Committee Room	\$100
Council Chambers	\$250
Rotunda	\$500
Rotunda Mezzanine	\$100
Limited Outdoor event	\$250
Outdoor Event	\$1,000

**Attachment A. Rental Rates and City Service Fees**

**Outdoor Events**

	<b>Fee</b>
Limited Outdoor Event	\$ 125/day
Outdoor Event – Plaza	\$ 500/day
Outdoor Event – Bamboo Courtyard	\$ 500/day
Outdoor Event – Multiple-Day for each additional permit day	\$ 250/day

**Other Charges and Fees**

Chairs (includes set-up)	\$3.00 per chair
Tables (includes set-up)	
30" x 72"	\$8.00 per table
60: Round	\$9.00 per table
Committee Meeting Room Reconfiguration	\$80.00 per set-up
Lectern	\$45.00 per lectern
Stage (4'x8' sections/up to 24'x32')	\$16.00 per section
PA System	\$250.00 per use
Clean-up or damage charge	Amount of actual cost

**Limited Outdoor Event** – A City Hall Plaza Event if all of the following apply: no food or beverages are cooked, prepared or served; no sale or distribution of food, beverages, goods or other commercial merchandise occurs, whether for compensation or free of charge; at least one (1) but no more than five (5) booths or tables are used (or a combination thereof); up to but no more than 19 chairs are used; no stage, barricades or other temporary structures are used or placed on the Plaza; no vehicles are driven or placed on any area of the Plaza; no other equipment is used other than a hand carried microphone/loudspeaker; the event is open to the public at no charge, and lasts for no longer than one day.

**Outdoor Event** – A City Hall Plaza Event which involves any of the following: cooking, preparation, serving, sale or distribution of food or beverages; the sale or distribution of commercial merchandise; the erection of a stage, barricades, or generators; the use of six (6) or more tables or booths (or a combination thereof); the use of 20 or more chairs; the placement or use of other equipment or temporary structures on the Plaza; driving or placing vehicles on the Plaza; or if public access to the event is limited such as by invitation or by requiring payment as a condition to entry.