

Memorandum

TO: HONORABLE MAYOR AND
CITY COUNCIL

FROM: Kim Welsh
Jennifer A. Maguire

SUBJECT: SPECIAL EVENTS ON
DOWNTOWN PRIVATE PARKING
LOTS

DATE: May 11, 2012

Approved

Date

5/11/12

RECOMMENDATION

Amend the 2012-2013 Proposed Fees and Charges Report to

1. Establish the Administrative Process Fee in the amount of \$100 per permit for Temporary Outdoor Uses of Private Property for commercially-zoned surface parking lots in the Downtown Core; and
2. Eliminate the existing Downtown Core Commercial Zoned Multiple-Event Permit Fee in the Office of Economic Development.

BACKGROUND

At the March 26, 2012 meeting of the Community and Economic Development Committee, the Committee approved the staff recommendations with a motion to include the following two modifications related to temporary outdoor special events held on private property in the downtown core:

1. Assess the feasibility of eliminating the private property permit fee for commercially-zoned parking facilities in the downtown and return to Council with a recommendation during the annual consideration of Fees and Charges; and
2. Report back to Community and Economic Development Committee within six months with a recommended policy and any fee changes.

At the Council Meeting held on April 24, 2012, the City Council unanimously approved the recommendations submitted by Councilmember Liccardo which reflected the above recommendations approved by the Community and Economic Development Committee. Staff is recommending immediate action related to the annual Fees and Charges for 2012-2013 in order to respond to the Council directive and to provide timely support for the 2012 summer events season. This action would

allow event organizers more flexibility and cost-effectiveness in activating the Downtown Core and creating more vibrancy and economic impact.

The Outdoor Special Events staff in the Office of Cultural Affairs (OCA) is responsible for supporting existing events and attracting new events that build San José's vibrancy, enhance economic development, and increase visitor revenues. The Special Events staff authorizes the use of public and private property for a large number of temporary outdoor events, and coordinates other City services and requirements. Fees and charges related to the permitting of these events are included in the annual fees and charges report. In the past, the City Council has approved fees, which are not fully cost recovery, in order to encourage events and spur economic development.

ANALYSIS

Staff proposes the establishment of an "Administrative Process Fee" of \$100 for permits to be issued "over the counter" to an event organizer for a temporary outdoor use of a single parcel of commercially-zoned private property surface parking lot in the Downtown Core. The staff cost to process the permit is \$212. With the approval of the \$100 fee, the fee will be established at a 48% cost recovery level. The administrative permit will require less staff time, while still preserving a nominal level of oversight for safety and coordination purposes to ensure zoning requirements are met and appropriate coordination is conducted with other City Departments. Upon receipt of a completed application and fee payment, OCA staff will ensure zoning compliance requirements are met and issue the "over the counter" permit to be distributed to the event organizer and supporting City Departments. OCA staff will not conduct site inspections, oversee community outreach, or mitigate community and business concerns.

This permit differs from the existing event permit for temporary outdoor uses of private property ("Private Property Permit"), which has an associated fee of \$850 and which will remain in place for temporary outdoor uses of private property held outside the Downtown Core and private property other than commercially-zoned surface parking lots in the Downtown Core. Due to the types of events outside the downtown core, for the existing Private Property permit, staff will continue to utilize the more extensive process and coordination levels which include determining zoning areas (e.g. commercial, industrial, residential, etc.), establishing event parameters based on Title 20 of the Municipal Code (e.g. time of event, number of events, distance of event from residential properties, etc.), coordinating event activities with all required City Departments, permitting space (e.g. ensuring event organizer follows all requirement of permit), monitoring event activities on the day of the event, and ensuring community outreach is conducted and community and business concerns are appropriately mitigated.

Upon City Council's approval of the "Administrative Process Fee", staff will develop the supporting documents including an expedited "over the counter" type of permit, and a reporting process to other City Departments that may need to issue additional permits for the use of temporary outdoor space. The expedited process for the Downtown Core areas covered by the new administrative permit would not require a Municipal Code change.

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With the recommended establishment of the "Administrative Process Fee", no General Fund revenue is assumed at this time given the unknown impact this fee may have on potential activity levels for downtown events.

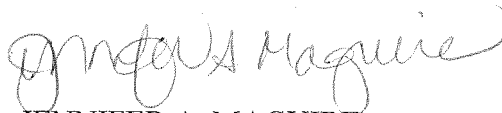
The Downtown Core Commercial Zoned Multiple-Event Permit fee is recommended for elimination, if the "Administrative Process Fee" is approved. The Downtown Core Commercial Zoned Multiple-Event Permit fee of \$1,200 per permit was originally established in 2010 at a 100% cost recovery level to generate more activity in the Downtown Core; however, no event organizers have utilized this opportunity to date and no revenue has been generated.

COORDINATION

This memorandum was coordinated with the City Manager's Budget Office, the Planning, Building and Code Enforcement Department, the City Attorney's Office, and the Police Department.

/s/

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Chief Strategist



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