

SUMMARY and FISCAL NOTE

Department:	Contact Person/Phone:	Executive Contact/Phone:
OED	Michael McVicker / 206-233-3868	Tim Wolfe / 206-684-0535

1. BILL SUMMARY

Legislation Title: AN ORDINANCE relating to the Special Events Committee, special events permitting, and special events fees; amending Sections 15.52.005, 15.52.010, 15.52.020, 15.52.030, 15.52.040, 15.52.050, 15.52.060, 15.52.080, and 15.52.090 of the Seattle Municipal Code; and repealing and replacing Section 15.52.070 of the Seattle Municipal Code.

Summary and background of the Legislation:

The City of Seattle is facing a number of issues that require an examination of the City's special events policies and permitting process including increased event volume, lack of cost recovery, and stretched staffing capacity. In recognition of these issues the Office of Economic Development, with support from the Mayor's Office and the Office of Policy and Innovation, launched a City department-wide Special Events Task Force in January 2015. The task force researched these issues and developed recommendations to update the special events permitting process and fee structure via ordinance. The City's code regarding special events has not been materially updated since the ordinance establishing the special events committee first passed in 1991.

Staff from OED and the Special Events Committee Chair met with a variety of event organizers, other government agencies, community and neighborhood organizations, individual businesses, city councilmembers, and other stakeholders to discuss and help fine-tune the proposed changes. Building off of recommendations from a report from 2012 on special events process improvements (*Report from the Special Events Task Force*, June 2012, prepared by AdvisArts Consulting), OED staff reached out to several cities (Portland, San Diego, Ottawa, and Denver) in late 2014 and early 2015 to seek out best practices. From this research, OED learned Seattle has a solid baseline for its approach to special events, both in structure with the Special Event Committee and in management with the Special Events Office review, processing, and approval process. However, unlike Seattle, these major cities have a more robust fee structure including a cost recovery fee for police officer time, which is one of the largest costs to the city for hosting events.

In 2014, the Special Events Office permitted nearly 450 special events, up from 380 events in 2012, and had unrecovered costs of more than \$3 million (i.e. after collecting special events fees and admissions taxes). To recover a more reasonable amount of the City's costs without inhibiting the ability of event organizers to produce their events, OED's goal is to create a permitting process and fee structure that is predictable, simple, reflects the magnitude of City resources expended and the impact on the city, and mitigates impact on neighborhoods, parks, and transit.

As a result of OED and the task force's review and analysis, this legislation proposes implementing the following primary changes:

- Restructuring event type designations and related fees to better reflect the City's values.
- A new fee structure that better reflects the time and resources expended by the City to permit and support special events and recognizes the impact on traffic, neighborhoods, and other public places.
- Expanded membership on the Special Events Committee to include more representation from additional departments and diversify community/event organizer participation.
- More explicit powers for the Special Events Committee and Chair, including the ability to negotiate a custom service and cost recovery agreement with major citywide events such as Fremont Solstice Parade, Seafair Blue Angels/Hydroplane Weekend, Seafair Summer Fourth, and Seafair Torchlight Parade.
- Updated and clarified the definition of free speech events and also developed a new category called "mixed free speech events".

With this new legislation, OED is working to ensure event organizers see improved service and value for the increased fees. Event organizers can expect to see value in the following ways:

- High volume of events continue to be permitted.
- Faster permit turnaround times, reduced delays.
- Special events fee reflects magnitude of impact on city and use of City resources and planning time. To ensure a smooth transition, part of the new fee is phased in over time.
- Fees known in advance; organizers can price their event to pass on cost to participants.
- More responsible and sensible fee structure for events requiring both Parks and Special Events permits; avoiding double-charging of fees.

2. CAPITAL IMPROVEMENT PROGRAM

 This legislation creates, funds, or amends a CIP Project.

3. SUMMARY OF FINANCIAL IMPLICATIONS

 X This legislation has direct financial implications.

Budget program(s) affected:				
Estimated \$ Appropriation change:	General Fund \$		Other \$	
	2015	2016	2015	2016
	\$0	\$0		
Estimated \$ Revenue change:	Revenue to General Fund		Revenue to Other Funds	
	2015	2016	2015	2016
	\$0	\$204,000		
Positions affected:	No. of Positions		Total FTE Change	
	2015	2016	2015	2016
	0	2.00	0	+2.00
Other departments affected:				

3.a. Appropriations

 This legislation adds, changes, or deletes appropriations.

Appropriations Notes:

This legislation does not implement any changes in appropriation authority; however, through the 2016 budget process the Executive will propose to increase OED's appropriation authority to support two additional FTEs dedicated to special events.

3.b. Revenues/Reimbursements

 X This legislation adds, changes, or deletes revenues or reimbursements.

Anticipated Revenue/Reimbursement Resulting from this Legislation:

Fund Name and Number	Dept	Revenue Source	2015 Revenue	2016 Estimated Revenue
General Subfund 00100	Executive	Special Event Permit Fees - 422990	\$625,000	\$804,000
TOTAL				

Revenue/Reimbursement Notes:

This legislation proposes to increase the fees generated from special event permitting from the endorsed projection for 2016 of \$600,000 to a revised total of \$804,000. In 2017, once the new fee structure is completely phased-in, the revenue projection is approximately \$600,000 higher than the 2016 endorsed revenue projection, for a 2017 total of \$1,200,000.

The 2016 revised revenue projection is based on the following assumptions:

- Reflects phase in schedule: Cost Recovery Fee (to recover police staffing costs) is collected at 50% of total fee for 2016 for run/walk and commercial Events. (In 2017 the Cost Recovery Fee will be implemented at 100%.)
- Assumes a net zero change in the amount of fees generated by community events, parades, and free speech events.
- Assumes any events without police involvement will experience net zero change (e.g. permits for valet, vessel, small commercial/community events).
- Assumes run/walk and commercial events' Administrative Fee will be approximately 40% of last year's total fee.
- Assumes City recovers 80% of current police costs for run/walk and commercial events (and applying the 50% phase-in cited above).
- Assumes City recovers 30% of police costs for citywide events (and applying the 50% phase-in cited above).

3.c. Positions

 This legislation adds, changes, or deletes positions.

4. OTHER IMPLICATIONS

a) Does the legislation have indirect or long-term financial impacts to the City of Seattle that are not reflected in the above?

Yes. Special events, particularly large special events which draw regional participants or spectators, help to stimulate the local economy through hotel stays and increased spending on food/drink and supplies. The legislation will implement a fee structure that recovers substantially more of the costs to permit and support special events, but also maintains flexibility to encourage the continuation of these special events and provides City services below actual cost.

b) Is there financial cost or other impacts of not implementing the legislation?

Yes. Currently, the City's net annual unrecovered cost to permit and support special events is more than \$3 million. Without updating the fee structure the City will continue to have a significant amount of unrecovered costs each year and jeopardize the City's ability to continue supporting events at the current levels. The legislation also grants additional authority to the Special Events Committee to be able to make decisions that should help lessen and mitigate the negative impact events can have on neighborhoods, businesses, traffic, and residents.

c) Does this legislation affect any departments besides the originating department?

Yes. The following departments will be affected operationally as they are part of the special events permitting process. The following departments and staff members helped develop, and are aware of, the proposed legislation which will impact their operations:

CBO: Ben Noble, Catherine Cornwall, Candice Livingston, Tim Wolfe

DOT: Brian dePlace, Katherine Leitch, Michael Shea

PKS: Joanne Orsucci, Kyle Griggs

SPD: Perry Tarrant, Mike Wagers, Greg Doss

SFD: John Nelsen

CEN: Robert Nellams, Lance Miller

DPD: Andy Higgins

DON: Karen Ko, James Bush

FAS: William Edwards

SPU: Pat Kauffman

d) Is a public hearing required for this legislation?

No.

e) Is publication of notice with *The Daily Journal of Commerce* and/or *The Seattle Times* required for this legislation?

Yes.

f) Does this legislation affect a piece of property?

No.

g) Please describe any perceived implication for the principles of the Race and Social Justice Initiative. Does this legislation impact vulnerable or historically disadvantaged communities?

Historically-disadvantaged communities are the least likely to be well-versed in navigating City permitting processes or to be familiar with how to navigate government to solve problems. In conjunction with this legislation, an accompanying BIP proposes to use some of the additional fee revenue to add staff in OED who will support event planners to undertake the management of their special events in an enhanced manner. Staff will be able to be more responsive to detailed questions, providing better customer service to marginalized communities, and ensuring that event planners are able to conduct a safe and successful event because they have better access to the permit application support and information.

- h) If this legislation includes a new initiative or a major programmatic expansion:
What are the long-term and measurable goals of the program? Please describe how
this legislation would help achieve the program's desired goals.**
N/A

- i) Other Issues:**

List attachments below: None.